

March 12, 2020

INDEPENDENT REVIEW COMMITTEE 2019 REPORT TO SECURITYHOLDERS

Dear Investor:

The members of the independent review committee (the “IRC”) of the funds listed in Schedule A to this report (collectively, the “Funds” and individually, a “Fund”) managed by TD Asset Management Inc. (“TDAM”) are pleased to provide investors of those Funds, as required under *National Instrument 81-107 - Independent Review Committee for Investment Funds* (“NI 81-107”), with this report for the financial year ended December 31, 2019.

The IRC’s mandate is to review conflicts of interests matters that relate to the Funds as identified and referred to the IRC by TDAM and to provide an approval or recommendation, depending on the nature of the conflict of interest matter. The IRC’s focus is on the question of whether TDAM’s proposed actions, in each matter, achieves a fair and reasonable result for the Funds.

At least annually, the IRC reviews and assesses the adequacy and effectiveness of TDAM’s policies and procedures relating to conflict of interest matters in respect of the Funds, and conducts a self-assessment of the IRC’s independence, effectiveness and compensation. The IRC also reviews, on an annual basis, its written charter that outlines its mandate, responsibilities and functions, and the procedures it will follow to perform its functions.

The IRC looks forward to continuing to serve in the best interests of the Funds and the investors who place their trust in the integrity and professional expertise of TDAM.

An investor in any of the Funds may request a copy of this report, free of charge, by sending an e-mail to td.mutualfunds@td.com. A copy of this report is also available at www.tdassetmanagement.com (or, in the case of the TD *Emerald* Funds, www.tdaminstitutional.com) or at www.sedar.com - the internet site of SEDAR (System for Electronic Document Analysis and Retrieval).

Independent Review Committee

"Paul Moore"

Paul Moore
Chairman



IRC Members

Members of the IRC

Name	Residence	First Appointed ¹
Paul Moore Chairman	Mississauga, Ontario	April, 2007 ²
Peter Gillin	Toronto, Ontario	April, 2007 ³
Hap Stephen	Mississauga, Ontario	April, 2007 ⁴
Patricia Youzwa	Regina, Saskatchewan	October, 2019 ⁵

Mr. Moore, Mr. Gillin and Mr. Stephen also serve as members of an independent review committee for classes of the TD Mutual Funds Corporate Class Ltd. All members of the IRC serve as members of an independent review committee for non-prospectus investment funds managed by TDAM. None of the members of the IRC serve as a member of an independent review committee for the investment funds managed by another investment fund manager. Having completed its own self-assessment, the IRC has concluded that none of its members have existing relationships that would cause a reasonable person to question the independence of the IRC members.

Holdings of Securities

(a) Funds

As at December 31, 2019, the percentage of units of each series of the Funds (as set out in Schedule A) beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 10 per cent.

(b) Manager

TDAM is a wholly-owned subsidiary of The Toronto-Dominion Bank (the “Bank”). As at December 31, 2019, the percentage of securities of each class of voting or equity securities of the Bank beneficially owned, directly or indirectly, in aggregate, by all members of the IRC was less than 0.01 per cent.

(c) Service Providers

The Bank and/or its affiliates and associates are service providers to the Funds and TDAM. As at December 31, 2019, the percentage of securities of each class of voting or equity securities of the Bank and other

¹ Certain members of the predecessor independent committee were appointed to sit on the IRC on April 26, 2007 and the committee was reconstituted as the IRC on September 19, 2007.

² Mr. Moore was elected Chair of the IRC on September 19, 2007.

³ Mr. Gillin was appointed to the predecessor independent committee for the Funds in July, 2003.

⁴ Mr. Stephen was appointed to the predecessor independent committee for the Funds in July, 2003.

⁵ Ms. Youzwa was appointed as a member of the IRC for an interim period, commencing on October 23, 2019 and ending on June 30, 2020.

service providers beneficially owned, directly or indirectly, in aggregate, by all members of the IRC was less than 0.01 per cent.

Compensation and Indemnities

The aggregate compensation paid to the IRC of the Funds for the year ended December 31, 2019 was \$340,544 (excluding HST). Of this amount, \$122,435 (excluding HST) was charged to the Funds in a manner, considered by TDAM, to be fair and reasonable. Applicable HST was payable on these amounts.

No indemnities were paid to the IRC by the Funds during the period.

At least annually, the IRC reviews its compensation in a manner consistent with good governance practices, giving consideration to, among other factors the IRC considers important, the following:

- the best interests of the Funds;
- the number, nature and complexity of the Funds;
- the nature and extent of the workload of each member of the IRC, including the types of conflicts of interest matters referred to the IRC and the commitment of time and energy that is expected from each member;
- compensation paid to independent review committees of comparable fund complexes; and
- the IRC's most recent self-assessment as well as any recommendations concerning the IRC's compensation made by TDAM.

The compensation paid to the IRC during the year ended December 31, 2019 was set by the IRC and was consistent with TDAM's recommendation, as to the appropriate level of compensation for the IRC members.

Conflict of Interest Matters

TDAM is required to refer to the IRC its proposed actions, and its related policies and procedures, for situations in which TDAM or a related party has or could be perceived to have an interest that may conflict with its ability to act in the best interests of a Fund. For example, the manager may have to forgo what might otherwise be a benefit to itself or a related party, or incur a cost, in order to act in accordance with its responsibilities to the Funds.

The IRC is not aware of any instance in the period in which TDAM acted in a conflict of interest matter but did not meet a condition imposed by the IRC.

Approvals pursuant to Standing Instructions

TDAM relied on approvals and standing instructions of the IRC in the period in relation to the following activities. In each case, the standing instructions required TDAM to comply with its related policy and procedure and to report periodically to the IRC.

1. Approval to allow the Funds to invest in or hold securities of related issuers (including the Bank, its affiliates and associates).

2. Approval to allow the Funds to invest in the securities of an issuer where TD Securities Inc., an affiliate of TDAM, or any other affiliate of TDAM (collectively, the "Related Dealers", and individually, a "Related Dealer") acts as an underwriter during the offering of the securities or at any time during the 60-day period following the completion of the offering of such securities.
3. Approval to allow the Funds to purchase equity or debt securities from or sell equity or debt securities to a Related Dealer, where it is acting as principal.
4. Approval to allow the Funds to purchase securities from or sell securities to another investment fund or discretionary account managed by TDAM or an affiliate of TDAM (referred to as inter-fund trades), and to allow TDAM as portfolio adviser to the Funds to manage or advise on both sides of the trade and provides a direction to cross the buy and sell transaction (referred to as cross-trades).
5. Approval to permit, in certain circumstances, the Funds to purchase and redeem Fund securities in consideration for securities rather than cash.
6. Approval to allow the Funds to purchase mortgages from an affiliate of TDAM.

Specific Approval

On November 29, 2019, TDAM received the IRC's approval to change the auditor of the Funds, effective on or about April 15, 2020, from PricewaterhouseCoopers LLP to Ernst & Young LLP.

After reasonable inquiry and having determined that the proposed change of auditor achieved a fair and reasonable result for the Funds, the IRC approved TDAM's proposed change of auditor.

Positive Recommendations pursuant to Standing Instructions

TDAM has received positive recommendations and relied on standing instructions with respect to the conflict of interest matters addressed by the following policies. In each case, the standing instructions required TDAM to comply with its related policy and procedure and to report periodically to the IRC.

1. **Asset Valuation:** TDAM has a duty and obligation to use fair pricing procedures. In valuing assets of a Fund there is a potential conflict of interest in that a higher net asset value ("NAV") increases the management fees earned by TDAM. Also, overstating the NAV would improve a Fund's performance which could result in greater sales which, in turn, would result in TDAM earning greater revenue.
2. **Client Brokerage Commissions:** A portfolio adviser such as TDAM is permitted to use client brokerage commissions, on behalf of its clients, to obtain products or services (most notably, research) from a broker-dealer in exchange for the direction of client brokerage transactions to that same broker-dealer. The use of client brokerage commissions creates a potential conflict of interest with a portfolio adviser's ability to direct brokerage transactions involving client commissions to a broker dealer in return for the provision of goods or services, other than order execution.
3. **Business Entertainment and Gifts:** There is a potential conflict of interest in that TDAM personnel may have an incentive to direct trades to brokers or other business to other service

- providers, or give preferential treatment to clients, if they were permitted to accept excessive or extravagant entertainment or gifts from such entities.
4. Custody: The Bank acts as custodian for securities of underlying funds and certain Funds and holds cash of several Funds which creates a potential conflict of interest as to its selection, and continued retention, as a custodian. The Bank also acts as a sub-custodian for the Funds and holds cash of the Funds.
 5. Error Corrections (NAV Errors): TDAM identifies and fixes incorrect calculations of the Funds' NAVs in specified circumstances. There is a potential for conflict of interest in that correcting NAV errors may adversely effect TDAM's management fee revenue and/or necessitate TDAM incurring costs to correct such errors.
 6. Launching, Merging or Closing Funds: These actions have the potential to place TDAM in a conflict of interest position.
 7. Mutual Fund Fees and Expenses: There is a potential conflict of interest in charging Fund expenses because TDAM could charge expenses inappropriately to a fund or series units in a manner that would result in a benefit to TDAM or an entity related to TDAM
 8. Mutual Fund Trust Accounting: TDAM, as trustee, holds legal title of the assets in the mutual funds so it could intermingle the funds' assets with its own for TDAM's own use or benefit.
 9. Personal Trading: TDAM personnel who have access to non-public information regarding the Funds and their investment decisions are in a potential conflict of interest in respect of their own trading.
 10. Portfolio Management and Investment Decisions: There is the potential for conflict of interest if TDAM were to make investment decisions which favour certain clients over others.
 11. Portfolio Manager/Sub-Adviser Selection and Supervision: A conflict of interest could arise where the portfolio manager or sub-adviser of a Fund is changed to or from TDAM or any of its affiliates which results in TDAM or the affiliate receiving or retaining a new financial or other benefit.
 12. Proxy Voting: In voting securities held by the Funds, a conflict of interest exists in that TDAM or the sub-advisers selected by TDAM may have to choose between decisions that would be advantageous to TDAM or its affiliates, its sub-advisers or certain of their clients and voting in the best interest of the Funds.
 13. Purchases by Funds that are Reporting Issuers of Private Fixed Income Securities Sourced by TDAM or a Related Entity: There is the potential for perceived conflicts of interest concerning the Funds due to the nature of private fixed income securities and the origination of and investment in such securities.
 14. Sales Practices: A potential conflict of interest exists because certain sales practices and compensation arrangements to promote the sale of Funds could undermine, compromise or conflict with TDAM's obligation to act in the best interest of the Funds.

15. Trade Aggregation and Allocation: Trade aggregation and allocation creates a potential conflict of interest because a portfolio adviser could aggregate and/or allocate trades in a manner that favours itself instead of its clients or in a manner that favours one or more particular client(s) to the detriment of others.
16. Trading with or through a Related Broker-Dealer: Placing trades on behalf of Funds by a portfolio adviser with or through its related broker-dealers creates a potential conflict of interest, as the Funds absorb the spread or commission costs, while the related broker-dealer receives the income from the spread or commissions paid.
17. Related Designated Broker: TDAM has entered into a designated broker agreement with a Related Dealer, pursuant to which the Related Dealer performs certain duties related to the TD Exchange-Traded Funds.
18. Underlying Investment Fund Investment: There is a potential for conflict of interest when a Fund invests in a TDAM-managed investment fund rather than an investment fund managed by an unrelated third party. TDAM could potentially be influenced to use the TDAM-managed fund by considerations related to the financial benefits to accrue to TDAM or its affiliates rather than considerations relating to the best interests of the affected Fund(s).
19. Unitholder Activity: A conflict could arise if investors were permitted to engage in trading practices that result in TDAM, or an entity related to TDAM, receiving a benefit as a result of TDAM permitting or being complicit in such activities.

Specific recommendations

Acting in accordance with NI 81-107, the IRC has a duty to provide specific recommendations to TDAM for any conflict of interest matters specifically referred to the IRC by TDAM. In such cases, after reviewing the course of action proposed by TDAM, the duty of the IRC is to consider whether a proposed transaction would achieve a fair and reasonable result for the applicable Fund(s).

For the period from January 1, 2019 to December 31, 2019, the following conflict of interest matters were specifically referred to the IRC by TDAM for which the IRC made a recommendation that the proposed transaction would achieve a fair and reasonable result for the applicable Fund(s):

1. **Fund Mergers:** On June 13, 2019, TDAM advised the IRC that it proposed to merge the following mutual funds (collectively, the "**Discontinuing Funds**") with the mutual funds (collectively, the "**Continuing Funds**") set out opposite them in the table below:

Discontinuing Funds	Continuing Funds
TD Balanced Income Fund	TD Diversified Monthly Income Fund
TD Advantage Balanced Income Portfolio	TD Managed Income Portfolio
TD Advantage Balanced Portfolio	TD Managed Income & Moderate Growth Portfolio

After review of information provided by TDAM, including the investment objectives, historical returns and fee structures of the Discontinuing and Continuing Funds, the IRC determined that the proposed mergers achieved a fair and reasonable result for these Funds. TDAM also received the necessary unitholder approval to effect the merger of TD Balanced Income Fund into TD Diversified Monthly Income Fund. The proposed mergers of TD Advantage Balanced

Income Portfolio and TD Advantage Balanced Portfolio did not proceed as the quorum required to properly constitute the unitholder meetings was not achieved.

2. **Investment Objective Changes:** On June 13, 2019, TDAM advised the IRC that it proposed to change the investment objectives of TD Canadian Bond Index Fund, TD Canadian Index Fund, TD U.S. Index Fund, TD International Index Fund and TD Asian Growth Fund by replacing the index specified in the investment objectives of each respective Fund with a comparable index provided by Solactive AG (collectively, the “**Index Changes**”). TDAM also advised the IRC that it proposed to change the investment objectives of TD U.S. Index Currency Neutral Fund, TD International Index Currency Neutral Fund (the “**Currency Neutral Funds**”) and TD Canadian Aggregate Bond Index ETF (the “**Bond ETF**”) as these Funds will potentially be impacted by the Index Changes.

After a review of the information provided by TDAM, including that (i) the Index Changes will provide investors with substantially equivalent broad market exposure and that the Index Changes will not in and of itself result in any material adjustments to the applicable Funds; and (ii) TDAM intends to pass along savings to unitholders by lowering the management fees of certain Funds to benefit investors, the IRC determined that the proposed investment objective changes achieved a fair and reasonable result for each of the applicable Funds. TDAM also received the necessary unitholder approvals to effect the Index Changes.

3. **Declaration of Trust Change:** On June 13, 2019, TDAM advised the IRC that it proposed to amend the declaration of trust for TD Canadian Bond Fund to adopt the same amendment provisions applicable to other TD Mutual Funds (the “**Declaration of Trust Amendments**”).

After review and inquiry of the information provided by TDAM, the IRC determined that the Declaration of Trust Amendments achieved a fair and reasonable result for TD Canadian Bond Fund. TDAM also received the necessary unitholder approval to effect the Declaration of Trust Amendments.

4. **Change of Sub-Adviser:** On October 7, 2019, TDAM informed the IRC that it had obtained the necessary unitholder approval to effect a change to the fundamental investment objectives of TD Asian Growth Fund that will result in the Fund's mandate changing from investing primarily in equity securities of issuers in Asia and Australasia (Ex. Japan) to investing exclusively in the Chinese domestic equity market (the “**Change of Objectives**”). As a result of the Change of Objectives, TDAM determined that Martin Currie Inc. was no longer an appropriate sub-adviser to the Fund and advised the IRC that it intended to assume full portfolio management responsibility of the Fund, effective on or about February 3, 2020, as it has the necessary and required portfolio management expertise, as a result of its acquisition of Greystone Managed Investments Inc., to manage the Fund (the “**Proposed Change**”).

After reasonable inquiry and having determined that the Proposed Change achieved a fair and reasonable result for the Fund, the IRC provided TDAM with a positive recommendation in respect of the Proposed Change.

SCHEDULE A

The Funds

1. TD Mutual Funds

Money Market Funds

TD Canadian Money Market Fund
TD Premium Money Market Fund
TD U.S. Money Market Fund

Fixed Income Funds

TD Ultra Short Term Bond Fund
TD Short Term Bond Fund
TD Canadian Bond Fund
TD Income Advantage Portfolio
TD Canadian Core Plus Bond Fund
TD Canadian Corporate Bond Fund
TD Corporate Bond Plus Fund
TD U.S. Corporate Bond Fund
TD Real Return Bond Fund
TD Global Income Fund
TD Global Core Plus Bond Fund
TD Global Unconstrained Bond Fund
TD High Yield Bond Fund

Balanced Funds

TD Global Conservative Opportunities Fund
TD Global Balanced Opportunities Fund
TD Monthly Income Fund
TD Tactical Monthly Income Fund
TD U.S. Monthly Income Fund
TD U.S. Monthly Income Fund – C\$
TD Balanced Income Fund¹
TD Diversified Monthly Income Fund
TD Global Tactical Monthly Income Fund
(formerly, TD Strategic Yield Fund)
TD Balanced Growth Fund
TD Dividend Income Fund
TD Canadian Diversified Yield Fund

Canadian Equity Funds

TD Canadian Low Volatility Fund
TD Dividend Growth Fund
TD Canadian Blue Chip Dividend Fund
TD Canadian Large-Cap Equity Fund
TD Canadian Equity Fund
TD Core Canadian Value Fund²
TD Canadian Value Fund³
TD Canadian Small-Cap Equity Fund

U.S. Equity Funds

TD U.S. Risk Managed Equity Fund
TD U.S. Low Volatility Fund
TD U.S. Low Volatility Currency Neutral Fund⁴
TD North American Dividend Fund
TD U.S. Dividend Growth Fund
TD U.S. Blue Chip Equity Fund
TD U.S. Quantitative Equity Fund
TD U.S. Equity Portfolio
TD North American Small-Cap Equity Fund
TD U.S. Mid-Cap Growth Fund
TD U.S. Small-Cap Equity Fund

Global Equity Funds

TD Global Risk Managed Equity Fund
TD Global Low Volatility Fund
TD International Growth Fund
TD Global Equity Focused Fund
TD International Stock Fund
TD Emerging Markets Low Volatility Fund
TD China Income & Growth Fund (formerly,
TD Asian Growth Fund)
TD Emerging Markets Fund

¹ TD Balanced Income Fund was merged into the TD Diversified Monthly Income Fund on October 25, 2019. Following the merger, unitholders of TD Balanced Income Fund became unitholders of TD Diversified Monthly Income Fund and TD Balanced Income Fund ceased to exist.

² TD Core Canadian Value Fund was terminated on September 6, 2019.

³ TD Canadian Value Fund was terminated on September 6, 2019.

⁴ TD U.S. Low Volatility Currency Neutral Fund was terminated on September 6, 2019.

Epoch Funds

Epoch U.S. Shareholder Yield Fund
Epoch U.S. Blue Chip Equity Fund
Epoch U.S. Blue Chip Equity Currency Neutral Fund
Epoch U.S. Large-Cap Value Fund
Epoch Global Shareholder Yield Fund
Epoch Global Equity Fund
Epoch International Equity Fund
Epoch European Equity Fund⁵

Sector Funds

TD Resource Fund
TD Precious Metals Fund
TD Global Entertainment & Communications Fund
TD Science & Technology Fund
TD Health Sciences Fund

Index Funds

TD Canadian Bond Index Fund
TD Balanced Index Fund
TD Canadian Index Fund
TD Dow Jones Industrial Average Index Fund
TD U.S. Index Fund
TD U.S. Index Currency Neutral Fund
TD Nasdaq[®] Index Fund
TD International Index Fund
TD International Index Currency Neutral Fund
TD European Index Fund

Retirement Portfolios

TD US\$ Retirement Portfolio
TD Retirement Conservative Portfolio
TD Retirement Balanced Portfolio

TD Advantage Investment Portfolios

TD Advantage Balanced Income Portfolio⁶
TD Advantage Balanced Portfolio⁷
TD Advantage Balanced Growth Portfolio

TD Advantage Growth Portfolio⁸
TD Advantage Aggressive Growth Portfolio⁹

Comfort Portfolios

TD Comfort Conservative Income Portfolio
TD Comfort Balanced Income Portfolio
TD Comfort Balanced Portfolio
TD Comfort Balanced Growth Portfolio
TD Comfort Growth Portfolio
TD Comfort Aggressive Growth Portfolio

TD Managed Pools

TD Fixed Income Pool
TD Risk Management Pool
TD Canadian Equity Pool
TD Global Equity Pool
TD Tactical Pool

2. TD Managed Assets Program

TD Managed Portfolios

TD Managed Income Portfolio
TD Managed Income & Moderate Growth Portfolio
TD Managed Balanced Growth Portfolio
TD Managed Aggressive Growth Portfolio
TD Managed Maximum Equity Growth Portfolio

TD FundSmart Managed Portfolios

TD FundSmart Managed Income & Moderate Growth Portfolio¹⁰
TD FundSmart Managed Balanced Growth Portfolio¹¹

TD Managed Index Portfolios

TD Managed Index Income Portfolio
TD Managed Index Income & Moderate Growth Portfolio
TD Managed Index Balanced Growth Portfolio
TD Managed Index Aggressive Growth Portfolio
TD Managed Index Maximum Equity Growth Portfolio

⁵ Epoch European Equity Fund was terminated on September 6, 2019.

⁶ TD Advantage Balanced Income Portfolio was closed to all purchases by investors on January 1, 2020.

⁷ TD Advantage Balanced Portfolio was closed to all purchases by investors on January 1, 2020.

⁸ TD Advantage Growth Portfolio was terminated on September 6, 2019.

⁹ TD Advantage Aggressive Growth Portfolio was terminated on September 6, 2019.

¹⁰ TD FundSmart Managed Income & Moderate Growth Portfolio was closed to all purchases by investors on November 1, 2019.

¹¹ TD FundSmart Managed Balanced Growth Portfolio was closed to all purchases by investors on November 1, 2019.

TD Managed ETF Portfolios

TD Managed Income ETF Portfolio
TD Managed Income & Moderate Growth ETF Portfolio
TD Managed Balanced Growth ETF Portfolio
TD Managed Aggressive Growth ETF Portfolio
TD Managed Maximum Equity Growth ETF Portfolio

TD Active Global Infrastructure Equity ETF
TD Active Global Income ETF
TD Active U.S. High Yield Bond ETF
TD Canadian Long Term Federal Bond ETF
TD U.S. Long Term Treasury Bond ETF
TD Income Builder ETF
TD Q Canadian Dividend ETF
TD Q Global Dividend ETF
TD Q Global Multifactor ETF
TD Q U.S. Small-Mid-Cap Equity ETF
TD Active Global Real Estate Equity ETF

3. TD Pools

TD Income Opportunities Pool
TD Opportunities Pool
TD Risk Reduction Pool
TD Risk Reduction Pool – US\$
TD Canadian Low Volatility Pool

4. TD Emerald Funds

TD *Emerald* Canadian Treasury Management Fund
TD *Emerald* Canadian Treasury Management – Government of Canada Fund
TD *Emerald* Canadian Short Term Investment Fund
TD *Emerald* Canadian Bond Index Fund
TD *Emerald* Balanced Fund
TD *Emerald* Canadian Equity Index Fund
TD *Emerald* U.S. Market Index Fund
TD *Emerald* International Equity Index Fund

5. TD Exchange-Traded Funds

TD Canadian Aggregate Bond Index ETF
TD Canadian Equity Index ETF
TD U.S. Equity Index ETF
TD U.S. Equity CAD Hedged Index ETF
TD International Equity Index ETF
TD International Equity CAD Hedged Index ETF
TD Global Technology Leaders Index ETF
TD Cash Management ETF¹²
TD Select Short Term Corporate Bond Ladder ETF
TD Select U.S. Short Term Corporate Bond Ladder ETF
TD Active Preferred Share ETF
TD Q Canadian Low Volatility ETF
TD Q U.S. Low Volatility ETF
TD Systematic International Equity Low Volatility ETF (to be renamed TD Q International Low Volatility ETF, effective March 12, 2020)
TD Active U.S. Enhanced Dividend ETF
TD Active Global Enhanced Dividend ETF
TD Active Global Equity Growth ETF

¹² TD Cash Management ETF was terminated on December 16, 2019.