

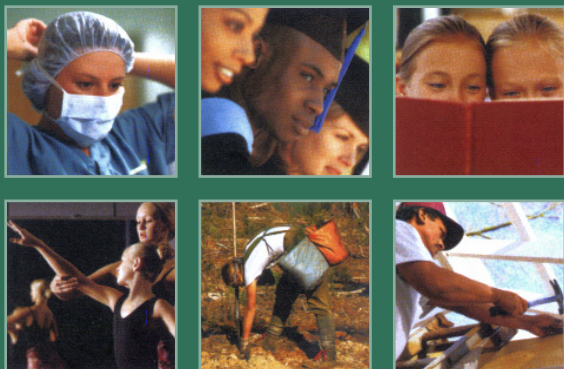


Waterhouse

Wealth of Experience

Private Giving Foundation

OCTOBER 2009



*A simple, effective way
to support the causes that matter to you*

Five Years of Success!

I want to congratulate the Private Giving Foundation on its fifth anniversary. It's an exciting milestone and clearly a strong endorsement from the marketplace. This has been a ground-breaking initiative, the first donor-advised program to be offered by a financial institution in Canada. That's a strong testament to TD Waterhouse, and its efforts to look for innovative ways to serve our clients' needs.



Ed Clark, CEO, TD Bank Financial Group

Indeed, the Foundation has proven to be a simple, tax effective way to establish a philanthropic plan that tackles long-term community challenges while meeting short-term financial planning needs. More than \$10 million have been distributed to a variety of causes to date. So, we not only appreciate our clients' business, but also their incredible generosity.

As TD's CEO, I am proud of the success the Private Giving Foundation has achieved in such a short period of time, particularly in delivering a unique and innovative offering. And like many other Foundation clients, I am delighted to find an easy and effective way to support causes that are important to me, my family and community.

Ed



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Investment Outlook 2010



In our December 2008 edition, we outlined three events that we felt would occur in the coming year: a

reduction in stock market volatility, an initial consolidation of stock prices and an equity market recovery as investors looked beyond the credit crisis to economic recovery.

As at September 30, 2009, stock market volatility has dropped by more than half and global markets have recouped 2009's early losses and have recorded double-digit returns. While stock market indices remain well below their record levels of a few years ago, their recovery appears to be well underway.

Where Do We Go From Here?

There remain a host of concerns as we look ahead to 2010. The U.S. housing market remains problematic, although there are recent signs of improvement. Commercial real estate south of the border has also been in a sharp downdraft and will

likely be weak for some time. There are also legitimate worries about a tepid economic recovery and the possibility that government stimulus programs may ignite inflationary pressures down the road.

At the same time, there are a number of positive factors to consider. First, global credit markets have greatly improved. Second, the economic recovery should be sufficiently strong to boost corporate profitability but not so buoyant as to necessitate a dramatic tightening of monetary policy. The third point, related to the second, is that global monetary and fiscal policies should continue to be supportive. Fourth, stock valuations are generally very reasonable, whether viewed in isolation or compared to fixed income alternatives. Finally, there continues to be an extraordinary amount of cash on the sidelines, viewed either in absolute terms or relative to historical levels, so a lot of latent buying power exists, some of which may be deployed in the stock and bond markets in the months ahead.

Overall, we expect stock markets to advance for the second successive year in 2010, with high single-digit returns the likely outcome. Bond returns should be modest, in the lower single-digits, with corporate bonds continuing to outperform government bonds, though at a more modest pace.

The Road Ahead

The TD Balanced Income Fund's holdings, which Private Giving Foundation (PGF) funds are invested in, are of very high calibre and held up much better than the markets during last year's turmoil. We expect markets to perform well, as detailed in my positive indicators above, and prospective donors looking to crystallize gains should find this an opportune time to donate shares, reap tax benefits and build a legacy of giving to support the causes that matter to them.

R.J. Gorman, CFA

Chief Portfolio Strategist
TD Waterhouse Inc.

Pandemic Preparedness: Consider Supporting Your Local Hospital!

With the H1N1 potential pandemic upon us, we asked Sarah Rothwell, interim president of North York General Hospital Foundation, to advise on how a donor can make a difference in this or any future pandemics as part of their overall charitable giving plan.

My advice to people wondering how they can help in the face of a potential pandemic is to contact your local hospital to discuss their needs with respect to pandemic planning, which could involve equipment, training or research.

Consider giving – your gift of financial support will make a meaningful difference to your local hospital's pandemic planning efforts.

It's quite probable that your local hospital is facing numerous challenges to ensure they are well prepared for a potential pandemic. So, a financial gift to your favourite hospital right now will have an immediate and very positive impact! You may also want to consider giving the gift of time.



Meet David Thomson, Chair, Private Giving Foundation Board

David Thomson has been a customer of TD Bank since 1963, when he graduated from the Richard Ivey School of Business with an MBA. In fact, he remembers receiving his CHARGEEX card, the first credit card issued by the bank. He went on to build an impressive career, and exactly five years ago, retired from Great West Life, where he managed a real estate and mortgage portfolio of \$4.2 billion.

However, his retirement years have been busy ones. Besides spending time with his three young grandchildren, who live in the United States, David has maintained close ties with his MBA classmates. One of his volunteer activities is to organize their class reunions, which he has done every five years for the past forty-five! At one such recent gathering, he arranged for a presentation on the intergenerational wealth transfer, an idea born out of the conviction that “our generation is blessed by demographics as well as talent.” A close friend

and former classmate, Don Johnson, was responsible for the government’s move to eliminate capital gains for donating appreciated securities which took effect in 2006. Don’s tireless lobbying efforts with the department of finance has resulted in a surge in charitable donations. As a result, many people are now motivated to donate their stock, rather than paying tax on fifty percent of the capital gain if the security is sold.

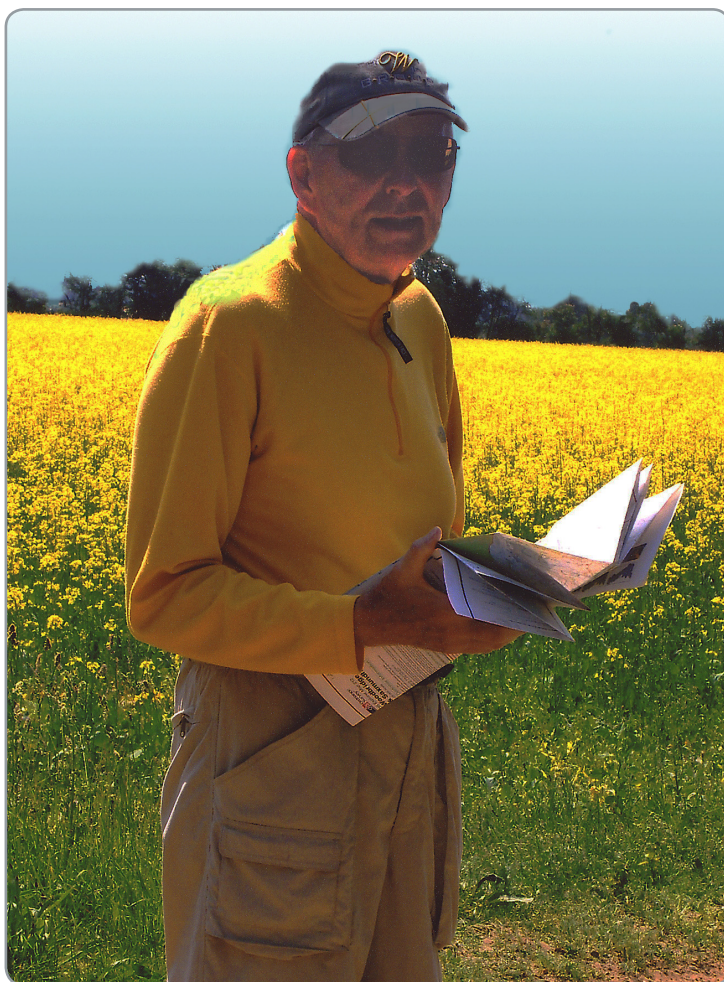
A yearly occurrence for David and his wife Diane is their participation, with a number of his classmates and their spouses, in a walking tour of England, Ireland, Scotland, or Wales. They typically walk eighty miles in five or six days. This past June, their destination was Suffolk,

on England’s east coast. David’s zest for walking and keeping fit has had a spillover effect on his philanthropy: he was an eager participant in the two-day, sixty kilometre Weekend to End Breast Cancer, which raises money for Princess Margaret Hospital and The Campbell Family Institute for Breast Cancer Research.

But David also remains active with a number of corporate responsibilities. In addition to serving as the current chair of the PGF Board, which he joined as a founding member after his retirement, he sits on two additional corporate boards and chairs his condo association board. But he contends that the work of the PGF provides him with the greatest

satisfaction. “I find it very rewarding to witness firsthand some of the great work that is done in the charitable sector, and understand how the generosity of PGF donors can have such a positive impact,” says David.

Thank you, David, for all your volunteer efforts as chair of our foundation. Your contribution is much appreciated by so many!



**David Thomson, Chair, Private Giving Foundation Board
on a walking tour in Suffolk, England**



With Gratitude for Our Achievements

It seems just yesterday that we launched the PGF, the first donor-advised fund program to be offered by a financial institution in Canada. As we celebrate this wonderful fifth anniversary milestone, I would like to offer a personal heartfelt thank-you to all of the PGF donors who have opened accounts and have chosen to develop a long-term, strategic approach to their philanthropy. Many continue to add to their funds, and I am heartened by the constant calls I receive from donors who have updated their wills with bequests from their estate to their PGF account. This thoughtfulness ensures that a legacy of giving will continue to support the causes that matter to them.

I would also like to express my gratitude to our board members, who volunteer their time to provide governance and fiduciary oversight to the PGF. Special thanks to Jane Marshall and Robert Gorman, who are retiring after serving two years on the PGF Board. And a warm welcome to Ari Levy, VP and Director, TD Asset Management, and Sheilagh Johnson, recently retired Executive Director of the Children's Aid Foundation, who have joined our PGF board. We are fortunate to have you.

At TD Waterhouse, we address eleven investment and wealth planning considerations with our clients, and charitable giving is an important one of them. I'm extremely grateful to all the TD Waterhouse advisors who

assist our Foundation by the important work they do in helping their clients to understand the values and causes that are important to them and to ensure that charitable giving is integrated in their overall financial and estate plans.

Our donors, our board and our TD Waterhouse advisors have all played significant roles in the success of our Foundation, and I so appreciate your support as we celebrate our first five years of growth and success.

We welcome your questions and comments. Please direct them to joanne.ryan@td.com or **1-866-866-5166**.



Photo: ©Greg Pacek

Jo-Anne Ryan

*Vice President,
Philanthropic Advisory Services,
TD Waterhouse Canada Inc.
& Executive Director,
Private Giving Foundation
www.tdwaterhouse.ca/privategiving*

PGF Welcomes Two New Board Members



Ari Levy

VP and Director
TD Asset Management



Sheilagh Johnson

Recently Retired Executive
Director, Children's Aid
Foundation

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