

**TD Asset Management**

**TD International Equity Focused Class**

532758  
(08/24)

**TD Mutual Funds Corporate Class Funds  
Annual Financial Statements**

for the year ended May 31, 2024



## Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by TD Asset Management Inc. ("TDAM") as manager of the TD Mutual Funds Corporate Class Funds (collectively, the "Funds", and individually, the "Fund") and approved by the board of directors (the "Board") of TD Mutual Funds Corporate Class Ltd. (the "Corporation"). The manager is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with *International Financial Reporting Standards as issued by the International Accounting Standards Board* ("IFRS"). The manager is also responsible for the development of internal controls over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced, and the safeguarding of all assets of the Funds.

The Board is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities. The audit committee of the Board reviews the financial statements before they are presented to the Board for approval. In carrying out its purpose, the audit committee may meet with the manager to consider any information or concern relating to a Fund's financial statements, accounting and financial reporting policies, procedures and internal control over financial reporting.

Ernst & Young LLP is the external auditor of the Funds. The auditor has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express their opinion on the financial statements. The auditor's report is included on the following page of this annual report.

On behalf of TD Mutual Funds Corporate Class Ltd.



Bruce Cooper  
Director and  
Chief Executive Officer  
August 6, 2024



Len Kroes  
Director and  
Chief Financial Officer  
August 6, 2024

## Independent Auditor's Report

### To the Unitholders of

TD Short Term Investment Class  
TD Tactical Monthly Income Class  
TD Dividend Income Class  
TD Canadian Low Volatility Class  
TD Dividend Growth Class  
TD Canadian Equity Class  
TD Canadian Small-Cap Equity Class  
TD U.S. Large-Cap Value Class  
TD U.S. Mid-Cap Growth Class  
TD Global Low Volatility Class  
TD Global Equity Growth Class  
TD International Equity Focused Class  
TD Emerging Markets Class  
TD Canadian Equity Pool Class  
TD Global Equity Pool Class  
TD Tactical Pool Class

(collectively, the "Funds")

### Opinion

We have audited the financial statements of the Funds, which comprise the statements of financial position as at May 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in net assets attributable to holders of redeemable units and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at May 31, 2024 and 2023, and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance of the Funds. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance of the Funds prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Ernst + Young LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
Toronto, Canada  
August 6, 2024

## TD International Equity Focused Class *(formerly TD International Stock Class)*

### Statements of Financial Position *(in 000s except per share amounts)* as at May 31, 2024 and 2023

	2024	2023
<b>Assets</b>		
<b>Current Assets</b>		
Investments	\$ 3,371	\$ 3,061
Cash	12	0
Subscriptions Receivable	0	0
Receivable for Investments Sold	0	0
	3,383	3,061
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank Overdraft	0	1
Accrued Liabilities	0	0
Redemptions Payable	2	9
Distributions Payable	3	7
Income Tax Payable (Note 7)	9	0
	14	17
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>\$ 3,369</b>	<b>\$ 3,044</b>
<b>Net Assets Attributable to Holders of Redeemable Shares – Per Series</b> (Note 5)		
Investor Series	\$ 1,270	\$ 1,191
Advisor Series	\$ 1,048	\$ 888
F-Series	\$ 1,051	\$ 965
	<b>\$ 3,369</b>	<b>\$ 3,044</b>
<b>Net Assets Attributable to Holders of Redeemable Shares – Per Series Share</b>		
Investor Series	\$ 17.12	\$ 14.71
Advisor Series	\$ 17.52	\$ 15.06
F-Series	\$ 19.21	\$ 16.51

### Statements of Comprehensive Income *(in 000s except per share amounts)* for the periods ended May 31, 2024 and 2023

	2024	2023
<b>Income</b>		
<b>Net Gain (Loss) on Investments and Derivatives</b>		
Distributions from Underlying Funds	\$ 97	\$ 107
Net Realized Gain (Loss)	11	(119)
Net Change in Unrealized Appreciation (Depreciation)	484	116
<b>Net Gain (Loss) on Investments and Derivatives</b>	<b>592</b>	<b>104</b>
<b>Total Income (Loss)</b>	<b>592</b>	<b>104</b>
<b>Expenses</b> (Note 6)		
Management Fees	59	55
Directors' Fees	5	5
Administration Fees	5	5
Independent Review Committee Fees	2	1
<b>Total Expenses before Waivers</b>	<b>71</b>	<b>66</b>
Less: Waived Expenses	(6)	(6)
<b>Total Net Expenses</b>	<b>65</b>	<b>60</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares before Tax</b>	<b>527</b>	<b>44</b>
<b>Tax Reclaims (Withholding Taxes)</b>	<b>0</b>	<b>0</b>
<b>(Income Taxes)</b> (Note 7)	<b>(9)</b>	<b>0</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares</b>	<b>\$ 518</b>	<b>\$ 44</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares – Per Series</b>		
Investor Series	\$ 193	\$ 27
Advisor Series	\$ 154	\$ 18
F-Series	\$ 171	\$ (1)
	<b>\$ 518</b>	<b>\$ 44</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares – Per Series Share</b>		
Investor Series	\$ 2.41	\$ 0.35
Advisor Series	\$ 2.51	\$ 0.31
F-Series	\$ 2.99	\$ 0.00

The accompanying notes are an integral part of the financial statements.

## TD International Equity Focused Class

### Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares *(in 000s)* for the periods ended May 31, 2024 and 2023

	Investor Series		Advisor Series	
	2024	2023	2024	2023
<b>Net Assets Attributable to Holders of Redeemable Shares at Beginning of the Period</b>	\$ 1,191	\$ 1,167	\$ 888	\$ 886
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	193	27	154	18
<b>Distributions to Holders of Redeemable Shares</b>				
From Net Investment Income	(5)	(22)	(4)	(16)
From Net Realized Gains	0	0	0	0
	(5)	(22)	(4)	(16)
<b>Redeemable Share Transactions</b>				
Proceeds from Redeemable Shares Issued	171	415	234	24
Reinvestments of Distributions	5	22	3	16
Redemption of Redeemable Shares	(285)	(418)	(227)	(40)
<b>Net Increase (Decrease) from Redeemable Share Transactions</b>	(109)	19	10	0
<b>Net Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares</b>	79	24	160	2
<b>Net Assets Attributable to Holders of Redeemable Shares at End of the Period</b>	\$ 1,270	\$ 1,191	\$ 1,048	\$ 888
<b>Redeemable Share Transactions</b>				
Redeemable Shares Outstanding, Beginning of the Period	81	80	59	59
Redeemable Shares Issued	11	28	15	2
Redeemable Shares Issued on Reinvestments	0	1	0	1
Redeemable Shares Redeemed	(18)	(28)	(14)	(3)
<b>Redeemable Shares Outstanding, End of the Period</b>	74	81	60	59
<b>Weighted Average Shares Outstanding</b>	80	81	61	58

	F-Series		TOTAL	
	2024	2023	2024	2023
<b>Net Assets Attributable to Holders of Redeemable Shares at Beginning of the Period</b>	\$ 965	\$ 1,544	\$ 3,044	\$ 3,597
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	171	(1)	518	44
<b>Distributions to Holders of Redeemable Shares</b>				
From Net Investment Income	(18)	(37)	(27)	(75)
From Net Realized Gains	0	(2)	0	(2)
	(18)	(39)	(27)	(77)
<b>Redeemable Share Transactions</b>				
Proceeds from Redeemable Shares Issued	170	195	575	634
Reinvestments of Distributions	15	34	23	72
Redemption of Redeemable Shares	(252)	(768)	(764)	(1,226)
<b>Net Increase (Decrease) from Redeemable Share Transactions</b>	(67)	(539)	(166)	(520)
<b>Net Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares</b>	86	(579)	325	(553)
<b>Net Assets Attributable to Holders of Redeemable Shares at End of the Period</b>	\$ 1,051	\$ 965	\$ 3,369	\$ 3,044
<b>Redeemable Share Transactions</b>				
Redeemable Shares Outstanding, Beginning of the Period	58	93		
Redeemable Shares Issued	10	12		
Redeemable Shares Issued on Reinvestments	1	2		
Redeemable Shares Redeemed	(14)	(49)		
<b>Redeemable Shares Outstanding, End of the Period</b>	55	58		
<b>Weighted Average Shares Outstanding</b>	58	71		

The accompanying notes are an integral part of the financial statements.

## TD International Equity Focused Class

### Statements of Cash Flows (in 000s)

for the periods ended May 31, 2024 and 2023

	2024	2023
<b>Cash Flows from (used in) Operating Activities</b>		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	\$ 518	\$ 44
Adjustment For:		
Net Realized (Gain) Loss	(11)	119
Net Change in Unrealized (Appreciation) Depreciation	(484)	(116)
Purchase of Investments and Derivatives	(357)	(416)
Distributions In-Kind from Underlying Funds	(97)	(107)
Proceeds from Sale, Paydown and Maturity of Investments and Derivatives	639	1,097
Increase (Decrease) in Accrued Liabilities	0	0
Increase (Decrease) in Income Tax Payable	9	0
<b>Net Cash from (used in) Operating Activities</b>	<b>217</b>	<b>621</b>
<b>Cash Flows from (used in) Financing Activities</b>		
Distributions Paid to Holders of Redeemable Shares, Net of Reinvested Distributions	(8)	(2)
Proceeds from Issuance of Redeemable Shares	443	533
Amounts Paid on Redemption of Redeemable Shares	(639)	(1,156)
<b>Net Cash from (used in) Financing Activities</b>	<b>(204)</b>	<b>(625)</b>
Net Increase (Decrease) in Cash	13	(4)
Cash (Bank Overdraft) at Beginning of the Period	(1)	3
<b>Cash (Bank Overdraft) at End of the Period</b>	<b>\$ 12</b>	<b>\$ (1)</b>

The accompanying notes are an integral part of the financial statements.

## TD International Equity Focused Class

**Schedule of Investment Portfolio** (in 000s except number of Units)  
as at May 31, 2024

No. of Units	Description	Cost	Fair Value
<b>Global Equity Funds – 100.1%</b>			
260,901	TD International Equity Focused Fund, O-Series <sup>†</sup>	\$ 3,063	\$ 3,371
<b>TOTAL INVESTMENT</b>			
PORTFOLIO – 100.1%		\$ 3,063	\$ 3,371
<b>TOTAL PORTFOLIO</b>		\$ 3,371	

*Note: Percentages shown relate investments at fair value to Net Assets as at the period end.*

<sup>†</sup> TD Asset Management Inc. is also the manager of the underlying funds.



## TD International Equity Focused Class

### Fund-Specific Notes to the Financial Statements

#### The Fund

(I) The Fund was inception on July 19, 2010 and its operations commenced on September 7, 2010.

(II) The presentation and functional currency of the Fund is the Canadian dollar.

(III) The investment objective of the Fund is to seek to achieve long-term capital growth by investing primarily in, or gaining exposure to, stocks and other securities of companies outside Canada and the United States. In seeking to achieve this objective, the Fund may: invest in units of an underlying fund, TD International Equity Focused Fund, invest directly in such equities, and/or through the use of derivatives, gain exposure to such equities.

(IV) As at May 31, 2024, the Fund's related party investment holdings as a percentage of its net assets was 100.1% (May 31, 2023: 100.5%).

(V) As at May 31, 2024, TDAM, affiliates of TDAM, and funds managed by TDAM held 4.7% (May 31, 2023: 4.3%) of the net assets of the Fund.

(VI) Effective July 27, 2023, the Fund changed its name from TD International Stock Class.

#### Management Fees and Administration Fees (%) (Note 6)

for the periods ended May 31, 2024 and 2023 (exclusive of GST and HST)

Series	Annual Rate	
	Management Fees*	Administration Fees
Investor Series	1.90	0.20
Advisor Series	1.90	0.20
F-Series	0.90	N/A

Effective July 28, 2022, the administration fee rate charged to Investor Series and Advisor Series was changed from 0.30% to 0.20%.

\* Includes management fees paid by the Fund and the proportionate management fees, if any, of the Underlying Funds managed by TDAM held by the Fund. However, no management fees are payable by the Fund that, to a reasonable person, would duplicate a fee payable by the Underlying Funds for the same services.

#### Brokerage Commissions and Soft Dollars (in 000s) (Notes 3 and 6)

for the periods ended May 31, 2024 and 2023

Not significant or applicable to the Fund.

#### Securities Lent (Note 3)

##### (I) SECURITIES LENDING INCOME

for the periods ended May 31, 2024 and 2023

Not significant or applicable to the Fund.

##### (II) SECURITIES LENT AND COLLATERAL HELD (in 000s)

as at May 31, 2024 and 2023

Not significant or applicable to the Fund.

#### Financial Risk Management (Notes 3, 4 and 8)

as at May 31, 2024 and 2023

##### (I) INTEREST RATE RISK

Not significant to the Fund.

##### (II) CURRENCY RISK

The following tables indicate the currencies (other than the Fund's functional currency) to which the Fund had exposure to as at May 31, 2024 and 2023, including the underlying principal amount of foreign exchange forward contracts, as applicable, and the Fund's indirect proportionate exposure through investing in underlying fund. The tables also illustrate the potential impact to the Fund's net assets if the Fund's functional currency had strengthened or weakened by 5 percent in relation to all exposure to other currencies, with all other variables held constant. In practice, the actual trading results may differ from these approximate sensitivity amounts and the differences could be material.

Currency (in 000s)	Financial Instruments*	Foreign Exchange Forward Contracts*	Total Exposure	Impact on Net Assets
May 31, 2024				
Australian Dollar	\$ 195	\$ 0	\$ 195	\$ 10
British Pound	585	0	585	29
Chinese Renminbi	0	0	0	0
Danish Krone	144	0	144	7
Euro	1,073	0	1,073	54
Hong Kong Dollar	92	0	92	5
Israeli Shekel	0	0	0	0
Japanese Yen	691	0	691	34
Mexican Peso	53	0	53	3
New Taiwan Dollar	36	0	36	2
Norwegian Krone	73	0	73	4
Singapore Dollar	77	0	77	4
South Korean Won	57	0	57	3
Swedish Krona	87	0	87	4
Swiss Franc	0	0	0	0
United States Dollar	208	0	208	10
Total	\$ 3,371	\$ 0	\$ 3,371	\$ 169
As Percentage of Net Assets (%)			100.1	5.0

Currency (in 000s)	Financial Instruments*	Foreign Exchange Forward Contracts*	Total Exposure	Impact on Net Assets
May 31, 2023				
Australian Dollar	\$ 146	\$ 0	\$ 146	\$ 7
British Pound	284	0	284	14
Chinese Renminbi	1	0	1	0
Danish Krone	123	0	123	6
Euro	955	0	955	48
Hong Kong Dollar	125	0	125	6
Israeli Shekel	48	0	48	2
Japanese Yen	559	0	559	28
Mexican Peso	54	0	54	3
New Taiwan Dollar	93	0	93	5
Norwegian Krone	156	0	156	8
Singapore Dollar	67	0	67	3
South Korean Won	59	0	59	3
Swedish Krona	54	0	54	3
Swiss Franc	115	0	115	6
United States Dollar	215	0	215	11
Total	\$ 3,054	\$ 0	\$ 3,054	\$ 153
As a Percentage of Net Assets (%)			100.3	5.0

\* Includes both monetary and non-monetary instruments, where applicable.

**(III) OTHER PRICE RISK**

The table below summarizes the impact of other price risk to the Fund. As at May 31, 2024 and 2023, had the benchmark of the Fund increased or decreased by 5 percent, with all other variables held constant, the net assets of the Fund would have increased or decreased by approximately:

Benchmark	2024	2023
	Weight (%)	
MSCI EAFE Index (Net Dividend, C\$)	100.00	100.00
Impact on Net Assets (in 000s)	\$ 180	\$ 161
Impact on Net Assets (%)	5.3	5.3

In practice, the actual trading results may differ from the above estimated amounts and the differences could be material.

**(IV) CREDIT RISK**

Not significant to the Fund.

**(V) FINANCIAL INSTRUMENTS BY THE LEVEL IN THE FAIR VALUE HIERARCHY (in 000s)**

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at May 31, 2024 and 2023.

	Level 1	Level 2	Level 3	Total
May 31, 2024				
Underlying Funds	\$ 3,371	\$ 0	\$ 0	\$ 3,371

During the period, transfers between Level 1 and Level 2 were not significant.

	Level 1	Level 2	Level 3	Total
May 31, 2023				
Underlying Funds	\$ 3,061	\$ 0	\$ 0	\$ 3,061

During the period, transfers between Level 1 and Level 2 were not significant.

**(VI) RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS (in 000s)**

Not significant or applicable to the Fund.

**Investment Portfolio Concentration (%) (Note 8)**

As at May 31, 2024 and 2023, the Fund's investment portfolio concentration can be summarized as follows:

	2024	2023
Global Equity Funds	100.1	100.5
Cash (Bank Overdraft)	0.4	0.0
Other Net Assets (Liabilities)	(0.5)	(0.5)
	100.0	100.0

**UNDERLYING FUND ALLOCATION (%)**

The following tables summarize the investment mix of the Underlying Fund as a percentage of the Underlying Fund's net assets as at May 31, 2024 and 2023:

	2024
Japan	20.5
United Kingdom	13.4
France	12.1
Netherlands	6.0
Australia	5.9
Ireland	5.6
Denmark	4.3
Germany	3.5
China	2.7
Sweden	2.6
Other Countries	22.3
Cash (Bank Overdraft)	0.4
Other Net Assets (Liabilities)	0.7
	100.0

	2023
Japan	17.3
France	12.4
United Kingdom	10.9
Germany	7.5
Taiwan	5.4
Norway	5.0
Australia	4.7
Netherlands	4.5
China	4.1
Denmark	4.0
Other Countries	23.2
Cash (Bank Overdraft)	0.8
Other Net Assets (Liabilities)	0.2
	100.0

**Interest in Unconsolidated Structured Entities (Note 3)**

The table below illustrates the Fund's investment details in the Underlying Funds as at May 31, 2024 and 2023.

Underlying Funds	Fair Value of Fund's Investment (in 000s)	Ownership Interest of Underlying Fund (%)
May 31, 2024		
TD International Equity Focused Fund <sup>o</sup>	\$ 3,371	0.1
May 31, 2023		
TD International Stock Fund	\$ 3,061	0.1

<sup>o</sup> TD International Equity Focused Fund (formerly TD International Stock Fund).

**Offsetting of Financial Assets and Liabilities (in 000s) (Note 3)**

as at May 31, 2024 and 2023

Not significant or applicable to the Fund.

## Notes to the Financial Statements

### 1. The Funds

Each of the TD Mutual Funds Corporate Class Funds (collectively, the "Funds" and individually, the "Fund") was established as a class of shares of TD Mutual Funds Corporate Class Ltd. (the "Corporation"). The Corporation is a multi-class open-ended mutual fund corporation formed by Articles of Incorporation under the laws of Canada on June 4, 2010, as amended from time to time (the "Articles of Incorporation").

The Corporation is authorized to issue a class of special voting shares and 1,000 classes of mutual fund shares, each issuable in series and consisting of an unlimited number of shares, of which 16 classes are outstanding as at May 31, 2024. Each class shall be referable to specific assets of the Corporation. These financial statements present the financial information of each of the Funds individually. If the Corporation cannot satisfy its obligations related to an individual Fund, it may be required to satisfy them using assets attributable to other classes. TD Asset Management Inc. ("TDAM") is the manager and portfolio adviser of the Funds. TDAM believes that the risk of such cross-class liability is remote.

TDAM, TD Waterhouse Canada Inc. ("TDWCI") and Epoch Investment Partners, Inc. are wholly-owned subsidiaries of The Toronto-Dominion Bank. The registered address of the Funds is P.O. Box 100, 66 Wellington Street West, TD Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1G8.

Shares of the Funds are distributed through brokers and dealers, including TDWCI.

The financial year-end for the Funds is May 31. The Statements of Financial Position are presented as at May 31, 2024 and 2023, as applicable. The Statements of Comprehensive Income, Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares and Statements of Cash Flows are presented for the twelve-month periods ended May 31, 2024 and 2023, as applicable. Where a Fund or series of a Fund was established during either period, the information for that Fund or series is provided from the inception date, as disclosed in the Fund-Specific Notes to the Financial Statements ("Fund-Specific Notes"), to the applicable period end date and a comparative statement has only been presented for any period for which that Fund was in existence as at the reporting date.

These financial statements were authorized for issue by TDAM on August 6, 2024.

### 2. Basis of Presentation

These financial statements have been prepared in accordance with *International Financial Reporting Standards as issued by the International Accounting Standards Board* ("IFRS"). These financial statements have been prepared on a going concern basis using the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss ("FVTPL").

### 3. Summary of Material Accounting Policy Information

#### Financial Instruments

Financial instruments include financial assets and financial liabilities, such as investments, derivatives, cash, and other receivables and payables. Derivatives that are reflected in the Statements of Financial Position as Derivative Assets (Liabilities) include rights, warrants, forwards, options, futures and swap contracts, where applicable, and are financial contracts between two or more parties, and whose value is derived from the performance of an underlying asset or group of assets. Underlying assets include stocks, bonds, currencies, commodities, interest rates and market indices. The Funds classify and measure financial instruments in accordance with IFRS 9 "*Financial Instruments*". Upon initial recognition, financial instruments are measured at FVTPL. All financial assets and liabilities are recognized in the Statements of Financial Position when a Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or a Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date.

The Funds' financial assets and financial liabilities, other than receivables and payables, are subsequently measured at FVTPL with changes in fair value recognized in the Statements of Comprehensive Income. Other receivables and payables are subsequently measured at amortized cost.

The Funds have determined that they meet the definition of an 'investment entity' within IFRS 10, "*Consolidated Financial Statements*" and as a result, the Funds measure subsidiaries, if any, at FVTPL. An investment entity is an entity that: obtains funds from one or more investors for the purpose of providing them with investment management services; commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measures and evaluates the performance of substantially all of its investments on a fair value basis. The Funds' investments may also include associates and joint ventures which are measured at FVTPL.

The Funds' outstanding redeemable shares' entitlements include a contractual obligation to distribute any net income and net realized capital gains annually in cash (at the request of the shareholder) and therefore, the ongoing redemption feature is not the Funds' only contractual obligation. Consequently, the Funds' Net Assets Attributable to Holders of Redeemable Shares are classified as financial liabilities in accordance with the requirements of IAS 32, "*Financial Instruments: Presentation*". The Funds' obligations for Net Assets Attributable to Holders of Redeemable Shares are presented at the redemption amount.

## Notes to the Financial Statements

The accounting policies for measuring the fair value of the Funds' investments and derivatives are substantially similar to those used in measuring the Funds' net asset value ("NAV") for transactions with shareholders. The NAV is the value of the total assets of a fund less the value of its total liabilities determined, on each valuation date, in accordance with Part 14 of National Instrument 81-106, "*Investment Fund Continuous Disclosure*", for the purpose of processing shareholder transactions. Net Assets Attributable to Holders of Redeemable Shares, also referred to as Net Assets, refers to net assets calculated in accordance with IFRS. As at all dates presented, there were no differences between the Funds' NAV per series share and Net Assets per series share.

### Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) is based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, TDAM determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of financial assets and liabilities not traded in an active market, including over-the-counter derivatives, is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques include the use of comparable recent

arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other techniques commonly used by market participants and which attempt to make the maximum use of observable inputs.

The valuation methodology for specific types of investments held by the Funds is summarized below.

- (a) Investments in underlying mutual funds and TDAM managed exchange-traded funds are generally valued at the NAV per series unit of the investment funds as reported by the investment funds' managers.
- (b) The exchange-traded funds ("ETFs") that are not managed by TDAM are valued based on quoted market prices at the close of trading on the reporting date.
- (c) The Funds may use foreign exchange forward contracts to hedge against or profit from fluctuations in foreign exchange rates. These contracts are valued on each valuation day based on the difference between the contract rates and the current forward rates at the measurement date applied to the contracts' notional amount. The net change in unrealized appreciation or depreciation and the net realized gain or loss from closing out contracts are reflected in the Statements of Comprehensive Income as part of Net Gain (Loss) on Investments and Derivatives.

### Fair Value Hierarchy

The Funds classify their investments into fair value measurements within a hierarchy that prioritizes the inputs to fair value measurement. The fair value hierarchy has the following three levels:

- |         |   |
|---------|---|
| Level 1 | Quoted (unadjusted) prices in active markets for identical assets or liabilities;   |
| Level 2 | Inputs other than quoted prices that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices); and |
| Level 3 | Inputs that are not based on observable market data (that is, unobservable inputs).   |

All fair value measurements are recurring. The carrying values of Cash, Subscriptions Receivable, Interest and Dividends Receivables, Receivable for Investments Sold, Bank Overdraft, Accrued Liabilities, Redemptions Payable, Distributions Payable, Payable for Investments Purchased and the redemption value of Funds' obligations for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of their fair value requires the use of significant unobservable inputs, in which case they are classified as Level 3. The Funds' policy is to recognize transfers into and out of the fair value hierarchy levels at the end of the reporting period.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment. Observable data is considered to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The classification of the Funds' financial instruments within the fair value hierarchy as at May 31, 2024 and 2023, and any transfers between levels during the reporting periods as a result of changes in the lowest level input that is significant to the fair value measurement are disclosed in the Fund-Specific Notes, where applicable.

## Notes to the Financial Statements

### Interest in Unconsolidated Structured Entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. TDAM has determined that all of the underlying investment funds ("Underlying Funds") in which the Funds invest are unconsolidated structured entities. Underlying Funds include mutual funds and ETFs. In making this determination, TDAM evaluated the fact that decision making about the Underlying Funds' activities is generally not governed by voting or similar rights held by the Funds and other investors in any Underlying Funds.

The Funds may invest in Underlying Funds whose investment objectives range from seeking to achieve short- to long-term income and/or capital growth potential. The Funds' interests in these securities as at May 31, 2024 and 2023 are included at their fair value in the Statements of Financial Position, which represent the Funds' exposure in these Underlying Funds. The Funds do not provide and have not committed to provide any additional significant financial or other support to the Underlying Funds. The change in fair value of each of the Underlying Funds during the reporting periods is included in Net Change in Unrealized Appreciation (Depreciation) in the Statements of Comprehensive Income as part of Net Gain (Loss) on Investments and Derivatives. Additional information on the Funds' interest in Underlying Funds, where applicable, is provided in the Schedule of Investment Portfolio and Fund-Specific Notes.

### Translation of Foreign Currencies

A Fund's functional currency, as disclosed in the Fund-Specific Notes, represents the currency that TDAM views to most faithfully represent the economic effects of the Fund's underlying transactions, events and conditions taking into consideration how shares are issued or redeemed and how returns are measured. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates that transactions occur. Assets and liabilities denominated in a foreign currency are translated into the functional currency using the exchange rate prevailing at the measurement date.

Realized foreign exchange gains and losses on the sale of investments and derivatives are included in Net Realized Gain (Loss). Unrealized foreign exchange gains and losses on investments and derivatives are included in Net Change in Unrealized Appreciation (Depreciation). Realized and unrealized foreign exchange gains and losses relating to income, cash, other assets and liabilities are presented as Foreign Exchange Gain (Loss) on Cash and Other Net Assets in the Statements of Comprehensive Income.

### Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position where the Funds have a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In the normal course of business, the Funds may enter into various master netting agreements or other similar arrangements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be set-off in certain circumstances, such as bankruptcy or the termination of the contracts. Offsetting information, where applicable, is presented in the Fund-Specific Notes.

### Cash/Bank Overdraft

Cash is comprised of deposits with financial institutions. Bank overdrafts are included under Current Liabilities in the Statements of Financial Position.

### Receivable for Investments Sold/Payable for Investments Purchased

Receivable for Investments Sold and Payable for Investments Purchased represent trades that have been contracted for but not yet settled or delivered on the Statements of Financial Position dates.

### Valuation of Series Shares

TDAM generally calculates the NAV for each series of the Funds as at 4 p.m. Eastern Time on each day that the Toronto Stock Exchange is open for trading. However, in some unforeseen circumstances, the series NAV per share may be calculated at another time.

The NAV is calculated, for processing subscription, switch, conversion or redemption orders, for each series of shares of the Funds by taking the series' proportionate share of the individual Fund's common assets less the aggregate of (a) the series' proportionate share of its common liabilities of the Corporation; and (b) the series' proportionate share of its respective Fund's common liabilities, and deducting from this amount all liabilities that relate solely to that specific series.

The Net Assets Attributable to Holders of Redeemable Shares – Per Series Share is determined by dividing the Net Assets Attributable to Holders of Redeemable Shares of each series of the Funds by the total number of shares outstanding for that series as at the reporting date.

### Income Recognition

Interest for Distribution Purposes as shown in the Statements of Comprehensive Income includes interest income from cash.

Dividend income from ETFs and distributions from underlying mutual funds, are recognized on the ex-dividend and ex-distribution dates, respectively. Dividends received from ETFs are allocated to interest income, dividend income, capital gains and return of capital based on the nature of the underlying components. The allocations are calculated based on the best information available and actual allocations could be different.



## Notes to the Financial Statements

The Funds may engage in securities lending pursuant to the terms of an agreement which includes restrictions as set out in Canadian securities legislation. The income earned from securities lending, where applicable, is included in the Statements of Comprehensive Income as it is received. The fair value of the securities loaned and fair value of the collateral held are determined daily. The details of securities lending income, aggregate values of securities on loan and related collateral held are provided in the Fund-Specific Notes, where applicable.

### Investment Transactions and Transaction Costs

For the purposes of calculating realized and unrealized gains and losses from investment transactions, the cost of each investment security is determined on an average cost basis, excluding transaction costs.

Transaction costs, such as brokerage commissions, incurred by the Funds in the purchase and sale of investments at fair value are recognized in the Statements of Comprehensive Income in the period incurred. No transaction costs are incurred when the Funds invest in underlying mutual funds; however, the underlying mutual funds' investments may be subject to transaction costs.

### Allocation of Income and Expenses, Realized and Unrealized Gains (Losses)

Expenses (excluding interest charges and portfolio transaction costs) are accrued daily, separately for each series. Interest charges and portfolio transaction costs along with income, gains and losses, are allocated to each series based on their respective Net Assets Attributable to Holders of Redeemable Shares of the Fund.

### Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares – Per Series Share

The Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares – Per Series Share is calculated by dividing the Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares of each series by the weighted average shares outstanding of that series for the reporting period, except when a series was established during the reporting period, in which case the Weighted Average Shares Outstanding is calculated from the date of commencement of operation of that series.

## 4. Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements:

### Fair Value Measurement of Derivatives and Securities Not Quoted in an Active Market

The Funds may hold financial instruments that are not quoted in active markets, including derivatives. As described in Note 3, the use of valuation techniques for financial instruments and derivatives that are not quoted in an active market requires TDAM to make assumptions that are based on market conditions existing as at the reporting date of the financial statements. Changes in assumptions about these factors could affect the reported fair values of financial instruments. Refer to the Fund-Specific Notes for further information about the fair value measurement of the Funds' financial instruments, where applicable.

### Classification and Measurement of Investments

In classifying and measuring financial instruments held by the Funds, TDAM has assessed the Funds' business model for managing their respective portfolios of investments and evaluating the performance on a fair value basis, and concluded that these financial assets and liabilities should be measured at FVTPL in accordance with IFRS 9.

### Investment Entity

In determining whether a Fund meets the definition of an investment entity, TDAM may be required to make significant judgments about whether a Fund has the typical characteristics of an investment entity. Each Fund may hold only one investment, an underlying fund (or have only one investor or have investors that are its related parties); however, consistent with the investment entity definition, each Fund primarily obtains funds from one or more investors for the purpose of providing investment management services, commits to its investors that the business purpose is to invest the funds solely for returns from capital appreciation, investment income or both, and measures and evaluates the performance of its investments on a fair value basis.

## 5. Redeemable Shares

Each Fund is authorized to issue 100 series and an unlimited number of shares of each series that rank equally and are available for sale under a single simplified prospectus. The various series of shares that may be offered by each of a Fund are as described below.

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Investor Series:	Offered on a no-load basis to investors.
Advisor Series:	Offered on a front-end load basis to investors who seek investment advice.
F-Series:	Offered to investors, through fee-based financial advisors or dealer-sponsored "wrap accounts" and others, who pay an annual fee to their dealer instead of transactional sales charges.
D-Series:	Offered on a no-load basis to investors who want to complete their transactions through TD Direct Investing, a division of TDWCI, or other discount brokers.
W-Series:	Offered to investors, through certain wealth management businesses of The Toronto-Dominion Bank Group, including certain divisions of TDWCI, or other dealers authorized by TDAM, who pay an annual fee to their dealer instead of transactional sales charges.

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Each individual series of shares is sold under different purchase options and may have higher or lower management fees based on their specific attributes, as summarized above, reflecting the extent of the investment advice and/or services provided.

Shares of the Funds, which are redeemable at the option of the shareholder in accordance with the provisions of the Articles of Incorporation, do not have any nominal or par value. Shares are issued or redeemed on a daily basis at the NAV per series share next determined after the subscription, switch, conversion order or redemption request, respectively, is received by TDAM.

## Notes to the Financial Statements

Subscriptions and redemptions of shares and shares converted from one series to another series within a Fund are included in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares. However, conversions between series within a Fund are excluded from Proceeds from Issuance of Redeemable Shares and Amounts Paid on Redemption of Redeemable Shares in the Statements of Cash Flows.

### 6. Related Party Transactions

#### Seed Capital

TDAM may contribute a nominal amount to the Funds. The contribution made by related parties is disclosed in the Fund-Specific Notes if significant.

#### Custodian

The Toronto-Dominion Bank is the sub-custodian of the Funds which holds a portion of the assets (including cash and investments) of the Funds. The Toronto-Dominion Bank may earn fees and spreads in connections with banking (including deposit taking) services provided to the Funds.

#### Management Fees

TDAM is entitled to receive an annual management fee for the provision of management, distribution and portfolio management services provided to the Funds. The management fee is calculated and accrued on a daily basis for each series based on the NAV of that series and paid monthly to TDAM. Where the Funds invest in Underlying Funds, there are fees and expenses payable by the Underlying Funds in addition to those paid by the Funds. However, no management fees are payable by Funds that invest in Underlying Funds that, to a reasonable person, would duplicate a fee payable by the Underlying Funds for the same services. Detailed information on the management fees of the Funds is provided in the Fund-Specific Notes.

#### Administration Fees

In consideration for paying certain operating expenses, TDAM receives a specified annual administration fee for the Investor Series, Advisor Series and D-Series of the Funds, except for the TD Short Term Investment Class. The administration fee includes recordkeeping costs and communication costs, insurance costs, custodial costs, certain legal fees, audit fees, regulatory filing fees, bank charges and all sales taxes for such expenses, costs and fees. The administration fee is calculated and accrued on a daily basis for each series based on the NAV of the applicable series and paid monthly to TDAM. Annual administration fees for each series of the Funds, where applicable, are provided in the Fund-Specific Notes.

No administration fee is charged with respect to other series of the Funds according to the simplified prospectus.

#### Operating Expenses

Each Fund is responsible for operating expenses associated with taxes of all kinds to which it is or might be subject to, as well as: borrowing, directors' fees, independent review committee fees and costs relating to compliance with any new governmental and regulatory requirements.

#### Fund's Independent Review Committee ("IRC")

TDAM is responsible for management of the Funds' investment portfolios, including the making of decisions relating to the investment of the Funds' assets.

TDAM has established an IRC in respect of the Funds and the Underlying Funds managed by TDAM. The IRC acts as an impartial and independent committee to review and provide recommendations or, if appropriate, approvals respecting any transactions in which TDAM may have a conflict of interest. The IRC prepares, at least annually, a report of its activities for shareholders of the Funds.

Investments in securities of The Toronto-Dominion Bank, interests in Underlying Funds managed by TDAM, or investments in any affiliates that were held by the Funds at the end of the reporting period, where significant, are disclosed in the Schedule of Investment Portfolio and/or the Fund-Specific Notes. The Funds' cash held with The Toronto-Dominion Bank, which acts as a sub-custodian for the Funds at the end of the reporting period, where significant, is also disclosed in the Fund-Specific Notes.

The compensation and relevant expenses of IRC members are allocated among the investment funds managed by TDAM and disclosed in the Statements of Comprehensive Income as Independent Review Committee Fees.

#### Director's Fees

The remuneration of the members of the Board of Directors of the Corporation is also the responsibility of the Funds. Each of the independent directors of the Corporation receives an annual director's fee. Directors' fees are disclosed separately in the Statements of Comprehensive Income as Directors' Fees.

#### Taxes on Expenses

The Funds also pay applicable goods and services tax and harmonized sales tax at a blended rate to TDAM on management fees, administration fees and certain operating expenses based on the province or territory of residence of the investors in each series of the Funds, which are included with the respective expense in the Statements of Comprehensive Income.

#### Waived Expenses

TDAM, at its discretion, may waive or absorb a portion of the expenses otherwise payable by the Funds. These waivers or absorptions may be terminated at any time without notice to shareholders. The amount of expenses waived or absorbed is disclosed in the Statements of Comprehensive Income as Waived Expenses, where applicable.

The Accrued Liabilities in the Statements of Financial Position represents the amount of management fees, administration fees and operating expenses (including applicable taxes) payable to TDAM by the Funds at the reporting period end.

#### Brokerage Commissions and Soft Dollars

Brokerage commissions (including other transaction costs) paid on securities transactions and amounts paid to related parties of The Toronto-Dominion Bank for brokerage services provided to the Funds for the reporting periods ended May 31, 2024 and 2023, where applicable, are disclosed in the Fund-Specific Notes.

Client brokerage commissions are used as payment for order execution services and/or research services. The portfolio advisers or TDAM may select brokers including its affiliates who charge a commission in excess of that charged by other brokers ("soft dollars") if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized.

## Notes to the Financial Statements

For debt instruments traded in the over-the-counter markets where client brokerage commissions are not charged, soft dollars or client brokerage commissions are not generated. For equities or other securities where client brokerage commissions are charged, the soft dollar portion of the amount paid or payable for goods and services other than order execution for the Funds is not generally ascertainable. Any ascertainable soft dollar value received under the soft dollar arrangement entered into by the portfolio advisers or TDAM, where applicable, is disclosed in the Fund-Specific Notes.

### 7. Taxation

Each Fund is a class of shares of the Corporation. Income, expenses and capital gains (losses) of all the Funds are consolidated, as a single entity, in determining the Corporation's taxable income and amount of taxes payable. Any taxes payable or recoverable by the Corporation are allocated to the Funds and their various series.

The Corporation qualifies as a mutual fund corporation under the *Income Tax Act* (Canada) (the "Tax Act") and it is subject to income tax in each taxation year on the amount of its taxable income for the taxation year, including net taxable capital gains, if any, at the rate applicable to mutual fund corporations. The general income tax rules associated with a public corporation also apply to a mutual fund corporation with the exception that taxes payable on taxable capital gains are refundable on a formula basis when its shares are redeemed or when it pays capital gains dividends out of its capital gains dividend account to its shareholders.

Interest income and foreign income, net of applicable expense, are taxed at full corporate rates applicable to mutual fund corporations with credits, subject to certain limitations for foreign taxes paid.

All of the Corporation's expenses including management fees, administration fees and operating expenses will be taken into account in determining its overall tax liability.

The Corporation is subject to Part IV of the Tax Act, which is a tax on taxable dividends received from other taxable Canadian corporations. Part IV tax is refundable on payments of taxable dividends to shareholders. It is the intention of the Corporation to pay out Canadian dividends it receives to its shareholders, to the extent necessary, such that Part IV tax would be fully refunded. In addition, the Corporation is also subject to Part I tax on other income and taxable capital gains for the year. Part I tax payable on taxable capital gains can be reduced by the capital gains refund available to a mutual fund corporation. The capital gains refund is calculated based on the level of redemptions (including switch of shares between two classes) by shareholders and amount of capital gains dividends paid to shareholders. The Corporation will pay out sufficient capital gains dividends, within 60 days of year-end, to ensure the Corporation is not subject to Part I income tax on its net realized capital gains earned.

As a result of the capital gains refund mechanism and Part IV tax refunds, the Corporation recovers any Canadian income taxes paid in respect of its taxable capital gains and taxable dividends received from taxable Canadian Corporations.

As of May 31, 2024, the Corporation had no accumulated capital losses or non-capital losses available for use. Capital losses have no expiry. Non-capital losses can be carried forward for up to twenty years.

The Funds may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are reported as Tax Reclaims (Withholding Taxes) in the Statements of Comprehensive Income.

### 8. Financial Risk Management

#### Financial Risk Factors

Each Fund is exposed to a variety of financial risks: these may include market risk (including interest rate risk, currency risk, and other price risk), credit risk, liquidity risk and concentration risk. All investments present a risk of loss of capital.

The war between Ukraine and the Russian Federation has resulted in significant volatility and uncertainty in global financial markets. The market disruption can adversely affect the investment values and the relevant financial instrument risks associated with each of the Funds.

TDAM seeks to reduce financial risks by employing experienced portfolio advisers who invest within the limits as outlined in each Fund's investment objectives, investment strategies and applicable TDAM policies and procedures (collectively referred to as "Investment Restrictions"). Investment Restrictions are designed for each Fund's exposure to be prudently diversified across geography, sector and issuer, as applicable. TDAM uses a compliance monitoring system to independently monitor each Fund's Investment Restrictions and implement an escalation process for exceptions, where warranted.

#### (a) Market Risk

##### (i) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect the future cash flows or the fair values of interest-bearing investments.

A Fund's exposure to interest rate risk is concentrated in its investments in debt instruments (such as bonds and debentures) and interest rate derivative instruments, if any. Short-term investments, currencies and other assets and liabilities are short-term in nature and/or non-interest bearing and not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.



## Notes to the Financial Statements

If a Fund invests in Underlying Funds, it is exposed to indirect interest rate risk to the extent of the interest-bearing financial instruments held by the Underlying Funds. A Fund's direct exposure to interest rate risk, where significant, is disclosed in the Fund-Specific Notes. Where a Fund invests in a single Underlying Fund, its direct and indirect exposure to interest rate risk, where significant, is disclosed in the Fund-Specific Notes.

### (ii) Currency Risk

A Fund may hold financial instruments denominated in currencies other than its functional currency. It is therefore exposed to currency risk, as the value of the financial instruments denominated in other currencies will fluctuate due to changes in the foreign exchange rates of those currencies in relation to the Fund's functional currency.

Where a Fund invests in any Underlying Funds, it is exposed to indirect currency risk in the event that the Underlying Funds invest in financial instruments that are denominated in a currency other than the Underlying Funds' functional currency.

A Fund and/or its Underlying Funds may enter into foreign exchange forward contracts for hedging purposes to reduce its foreign currency exposure or to establish exposure to foreign currencies.

A Fund's direct exposure to currency risk (including monetary and non-monetary instruments), where significant, is disclosed in the Fund-Specific Notes. Where a Fund invests in a single Underlying Fund, the direct and indirect exposure to currency risk (including monetary and non-monetary instruments), where significant, is disclosed in the Fund-Specific Notes.

### (iii) Other Price Risk

Other price risk is the risk that securities will fluctuate in value because of changes in market prices (other than those arising from interest rate risk or currency risk). TDAM seeks to reduce this risk through its Investment Restrictions.

In determining each Fund's sensitivity impact from exposure to other price risk, a historical beta may be used when applicable. Historical beta, a measure of the sensitivity of a fund's returns to market returns, is generally derived from comparing 36 months of returns between a fund and its benchmark. As such, beta inherently includes effects previously reflected in the interest rate risk and currency risk disclosures. Historical beta may not be representative of future beta.

Where a Fund invests in a single Underlying Fund, it is exposed to indirect other price risk arising from the Underlying Fund's investments. As a result, other price risk, reflecting this indirect exposure, is provided in the Fund-Specific Notes.

Where a Fund invests in several Underlying Funds, its exposure to other price risk includes all investments in Underlying Funds. A Fund's direct exposure to other price risk, where applicable, is disclosed in the Fund-Specific Notes.

### (b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Where applicable, a Fund's main credit risk concentration is in debt instruments and derivative instruments it holds. A Fund's exposure to credit risk is the risk that an issuer of debt instruments or a counterparty to derivative instruments will be unable to pay amounts in full when due. All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default with a broker is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

A Fund may be exposed to credit risk from the use of counterparties for foreign exchange forward contracts. Where applicable, this risk is minimized by:

- (i) using counterparties with a minimum credit rating of A by S&P Global Ratings ("S&PGR") or an equivalent rating from another recognized credit rating agency;
- (ii) limiting the term of the foreign exchange forward contracts to a maximum of 365 days; and,
- (iii) limiting the mark-to-market exposure to any one counterparty to 10 percent of the portfolio value.

A Fund may also be exposed indirectly to credit risk if it invests in Underlying Funds in the event that the Underlying Funds invest in debt instruments or derivatives.

The Funds and their Underlying Funds managed by TDAM only buy and hold short-term notes with a minimum of R-1 Low credit rating by DBRS Limited or an equivalent rating from another recognized credit rating agency.

A Fund's direct exposure to short-term notes and/or debt instruments, by ratings categories, where applicable, is disclosed in the Fund-Specific Notes. Where a Fund invests in a single Underlying Fund, the direct and indirect exposure to short-term notes and/or debt instruments, where applicable, is disclosed by rating categories in the Fund-Specific Notes.

The Funds and their Underlying Funds may also engage in securities lending transactions. For these funds that are managed by TDAM, the securities lending transactions are with counterparties that have a minimum credit rating of A by S&PGR or an equivalent rating from another credit agency. The value of cash or securities held as collateral by these funds in connection with these transactions is at least 102 percent of the fair value of the securities loaned. The collateral and loaned securities are marked to market on each business day. The aggregate fair value of the securities loaned is limited to 50 percent of each fund's NAV determined immediately after the fund enters into any such transaction. Information about the fair values of securities lent and collateral held and securities lending income received, where applicable, is disclosed in the Fund-Specific Notes.

### (c) Liquidity Risk

Liquidity risk is defined as the risk that a fund may not be able to settle or meet its obligations on time or at a reasonable price. A fund's exposure to this risk is concentrated in the daily cash redemptions of redeemable shares. The Funds primarily invest in Underlying Funds that are redeemable on demand by the Funds. The Underlying Funds primarily invest in securities that are traded in active markets and can be readily disposed of. In addition, the Funds retain sufficient cash and cash equivalents to maintain liquidity, and have the ability to borrow up to 5 percent of their respective NAV for the purpose of funding redemptions.

All non-derivative financial liabilities, other than redeemable shares outstanding, are due in less than 3 months.

On August 27, 2020, the International Accounting Standards Board issued Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39 and IFRS 7. The amendments are effective for the Funds' current fiscal year and provide, among other things, practical expedients for instruments accounted for at amortized cost or in hedge accounting relationships. There was no accounting impact from adoption of these amendments. In March 2021, ICE Benchmark Administration (the administrator of LIBOR) in conjunction with the UK's Financial Conduct Authority announced the cessation of LIBOR settings across various tenors and currencies (all GBP, EUR, CHF and JPY LIBOR settings and the one-week and two-month USD LIBOR settings) by December 31, 2021. All remaining USD LIBOR settings (overnight, one-, three-, six-, and twelve-month) ceased to be published after June 30, 2023. On May 16, 2022, Refinitiv Benchmark Services (UK) Limited, the administrator of the Canadian Dollar Offered Rate (CDOR), announced the cessation of the calculation and publication of all tenors of CDOR immediately following a final publication on June 28, 2024. TDAM did not notice any significant liquidity or valuation impact on the Funds from the LIBOR and CDOR transition.

### (d) Concentration Risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, security type or industry sector. A Fund's concentration risk is disclosed in the Fund-Specific Notes.

## 9. Capital Risk Management

Shares issued and outstanding represent the capital of the Funds. The Funds do not have any specific capital requirements on the subscription and redemption of shares, other than certain minimum subscription requirements. Changes in the Fund's capital during the reporting periods are reflected in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares. TDAM is responsible for managing the capital of the Funds in accordance with each Fund's investment objectives and for managing liquidity in order to meet redemption requests.

The most recent financial statements of the Underlying Funds managed by TDAM are available, without charge, by writing to TD Asset Management Inc., P.O. Box 100, 66 Wellington Street West, TD Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1G8, by e-mail to [tdadvisor@td.com](mailto:tdadvisor@td.com), or by visiting our website at [www.td.com/ca/en/asset-management](http://www.td.com/ca/en/asset-management) or the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

### Currency codes used throughout the report:

Currency Code	Description
CAD/C\$	Canadian Dollar
CHF	Swiss Franc
EUR	Euro
GBP	British Pound
JPY	Japanese Yen
USD/US\$	United States Dollar

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