

TD Target 2025 Investment Grade Bond Fund

599726
(03/25)

TD Mutual Funds Annual Management Report of Fund Performance

for the period ended December 31, 2024

This annual management report of fund performance contains financial highlights, but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, at no cost, by calling 1-800-386-3757, by writing to us at TD Asset Management Inc., P.O. Box 100, 66 Wellington Street West, TD Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1G8, or by visiting our website at www.td.com/ca/en/asset-management or the SEDAR+ website at www.sedarplus.ca.



Securityholders may also contact us or visit our website to get a copy of the investment fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure at no cost.

Management Discussion of Fund Performance

Investment Objectives and Strategies

The investment objective of TD Target 2025 Investment Grade Bond Fund (the "Fund") is to seek to provide regular income and preserve capital by investing primarily in, or gaining exposure to, a diversified portfolio of investment-grade Canadian corporate bonds denominated in Canadian dollars each maturing in 2025, which corresponds to the expected year the Fund will terminate. It is anticipated that the Fund will terminate on or about November 30, 2025. In seeking to achieve this objective, the Fund may: invest in units of TD Target 2025 Investment Grade Bond ETF (the underlying fund or "UF"), invest directly in such securities and/or use derivatives to gain exposure to such securities.

Risk

The risks of investing in the Fund remain as outlined in the simplified prospectus.

Results of Operations

The Fund commenced its operations on September 17, 2024. This report covers the period from the commencement date to December 31, 2024 (the "Reporting Period"). Investment performance is not provided for a fund that has been available for less than one year.

Market Update

Canada's economy came under pressure during 2024, largely as a result of tight financial conditions. Consumer spending, real estate activity and the labour market weakened. At the same time, inflationary pressures softened, moving closer to the Bank of Canada's ("BoC") 2% target. In response, the BoC began lowering interest rates in June 2024 and continued to lower rates over the remainder of the year. Overall, the BoC lowered its benchmark overnight interest rate by 1.75% to 3.25%. The BoC also suggested it would gradually lower interest rates further in 2025, hoping that looser financial conditions could ease the burden on Canadian households and help reignite consumer spending. There was also some expectation that rising demand could kickstart business activity, potentially resulting in improved job growth.

Canadian bond prices increased during 2024, with yields moving lower. The BoC's interest rate decreases helped push down Canadian bond yields, particularly those at the shorter end of the yield curve. The benchmark 10-year Government of Canada bond yield rose from 3.11% to 3.22%, with much of the gains coming early in 2024 before the BoC lowered interest rates. Short-term bond prices outperformed their mid- and long-term counterparts. Corporate bond prices rose and outperformed government bonds, which also increased. Credit spreads (the difference in yields between corporate and government bonds with similar maturities) narrowed.

Recent Developments

The UF's Portfolio Adviser expects slightly below or around-trend global economic growth for 2025 as the effects of tighter financial conditions continue to filter through the global economy, offset by decreasing interest rates. While most central banks have begun easing their monetary policies, the current financial conditions are still restrictive relative to those of the past decade, and higher borrowing costs may continue to weigh on business activity. While interest rates are moving lower, the UF's Portfolio Adviser believes the path that central banks take regarding monetary policy will largely be determined by inflation's "stickiness" and labour market conditions, with the former playing an increasing role in policy decisions.

Related Party Transactions

Affiliates of TD Asset Management Inc. ("TDAM") may earn fees and spreads in connection with various services provided to, or transactions with, the Fund, such as in connection with banking (including deposit taking), custody, securityholder account maintenance and reporting, brokerage and derivatives transactions.

Manager, Trustee and Portfolio Adviser:

TDAM, a wholly-owned subsidiary of The Toronto-Dominion Bank ("TD"), is the manager, trustee and portfolio adviser of the Fund. The Fund pays TDAM an annual management fee, which may vary for each series of the Fund. The Fund also pays TDAM an annual administration fee of 0.03%, calculated and accrued as a percentage of the net asset value, with respect to the Private Series units of the Fund. The Fund may hold underlying fund(s) managed by TDAM for which TDAM may be paid a fee. However, no management fees are payable by the Fund that, to a reasonable person, would duplicate a fee payable by the underlying fund(s) for the same services.

Distributor:

Certain series of units of the Fund are distributed through brokers and dealers including TD Waterhouse Canada Inc. ("TDWCI"), a wholly-owned subsidiary of TD. TDWCI, like other dealers, is paid a trailer commission by TDAM for distributing certain series of units of the Fund. Trailer commissions are paid by TDAM out of the management fees it receives from the Fund and are based on the average value of assets held by each dealer.

Registrar and Transfer Agent:

TD is the registrar and transfer agent of the Fund, and as such maintains all unitholder records, processes purchase, switch, conversion and redemption orders, issues investor statements and prepares annual tax reporting information on behalf of the Fund.

TD earns a foreign exchange spread when unitholders switch between units of funds denominated in different currencies. The Fund also maintains bank accounts and overdraft provisions with TD for which TD earns a fee.

Custodian:

TD is the sub-custodian of the Fund and may hold a portion of the assets (including cash and investments) of the Fund.

Buying and Selling Securities:

TDAM has established an independent review committee ("IRC") which acts as an impartial and independent committee to review and provide recommendations or, if appropriate, approvals respecting any conflict of interest matters referred to it by TDAM. The IRC prepares, at least annually, a report of its activities for securityholders of the Fund. The report is available on the TDAM website at www.td.com/ca/en/asset-management or at the securityholder's request at no cost by contacting TDAM (see front cover).

The Fund and/or underlying fund(s) in which the Fund invests relied on standing instructions from the IRC in respect of one or more of the following transactions:

- (a) trades in securities of TD or any affiliate or associate thereof;
- (b) investments in the securities of an issuer where TD Securities Inc., TDWCI, or any other affiliate of TDAM (a "Related Dealer") acted as an underwriter during the distribution of such securities and the 60-day period following the completion of the distribution of the underwritten securities;
- (c) purchases or sales of securities of an issuer from or to another investment fund or discretionary managed account managed by TDAM; and
- (d) purchases of securities from or sales of securities to a Related Dealer, where it acted as principal.

The relevant standing instructions require that securities transactions with related parties conducted by TDAM (i) are free from any influence by an entity related to TDAM and without taking into account any consideration relevant to an entity related to TDAM; (ii) represent the business judgment of TDAM uninfluenced by considerations other than the best interests of the Fund and/or underlying fund(s); (iii) comply with the applicable policies and procedures of TDAM; and (iv) achieve a fair and reasonable result for the Fund and/or underlying fund(s).

Brokerage Arrangements (000s):

From time to time, the Fund may enter into portfolio securities transactions with Related Dealers who may earn commissions or spreads provided that such trades are made on terms and conditions that are comparable to non-affiliated brokerages. During the Reporting Period, the Fund paid commissions to related parties amounting to \$5 or 99.3% of total commissions paid by the Fund for portfolio transactions in total.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five fiscal years, as applicable. For series that commenced operations during any of the periods presented, the data reported for that period represents results from the commencement of operations (as disclosed in the Past Performance section) to the end of that reporting period.

Net Assets per Unit (\$) ¹

	ADVISOR SERIES					F-SERIES				
	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
Net Assets, Beginning of Year	10.00 [†]	N/A	N/A	N/A	N/A	10.00 [†]	N/A	N/A	N/A	N/A
Increase (Decrease) from Operations:										
Total Revenue	0.12	N/A	N/A	N/A	N/A	0.11	N/A	N/A	N/A	N/A
Total Expenses (excluding distributions)	(0.02)	N/A	N/A	N/A	N/A	(0.01)	N/A	N/A	N/A	N/A
Realized Gains (Losses) for the Period	0.00	N/A	N/A	N/A	N/A	0.00	N/A	N/A	N/A	N/A
Unrealized Gains (Losses) for the Period	0.02	N/A	N/A	N/A	N/A	0.01	N/A	N/A	N/A	N/A
Total Increase (Decrease) from Operations²	0.12	N/A	N/A	N/A	N/A	0.11	N/A	N/A	N/A	N/A
Distributions:										
From Net Investment Income (excluding dividends)	(0.12)	N/A	N/A	N/A	N/A	(0.10)	N/A	N/A	N/A	N/A
From Dividends	0.00	N/A	N/A	N/A	N/A	0.00	N/A	N/A	N/A	N/A
From Capital Gains	0.00	N/A	N/A	N/A	N/A	0.00	N/A	N/A	N/A	N/A
Return of Capital	0.00	N/A	N/A	N/A	N/A	0.00	N/A	N/A	N/A	N/A
Total Annual Distributions³	(0.12)	N/A	N/A	N/A	N/A	(0.10)	N/A	N/A	N/A	N/A
Net Assets at December 31	9.96	N/A	N/A	N/A	N/A	9.99	N/A	N/A	N/A	N/A
	PRIVATE SERIES									
	2024	2023	2022	2021	2020					
Net Assets, Beginning of Year	10.00 [†]	N/A	N/A	N/A	N/A					
Increase (Decrease) from Operations:										
Total Revenue	0.12	N/A	N/A	N/A	N/A					
Total Expenses (excluding distributions)	(0.01)	N/A	N/A	N/A	N/A					
Realized Gains (Losses) for the Period	0.00	N/A	N/A	N/A	N/A					
Unrealized Gains (Losses) for the Period	0.01	N/A	N/A	N/A	N/A					
Total Increase (Decrease) from Operations²	0.12	N/A	N/A	N/A	N/A					
Distributions:										
From Net Investment Income (excluding dividends)	(0.18)	N/A	N/A	N/A	N/A					
From Dividends	0.00	N/A	N/A	N/A	N/A					
From Capital Gains	0.00	N/A	N/A	N/A	N/A					
Return of Capital	0.00	N/A	N/A	N/A	N/A					
Total Annual Distributions³	(0.18)	N/A	N/A	N/A	N/A					
Net Assets at December 31	9.91	N/A	N/A	N/A	N/A					

¹ This information is derived from the Fund's audited annual financial statements prepared in accordance with International Financial Reporting Standards. The Fund measures fair value of its investments based on close market prices, where the close market price falls within the bid-ask spread or based on quotations from recognized dealers. As such, the Fund's accounting policies for measuring the fair value of investments in the financial statements are substantively consistent with those used in measuring the net asset value ("NAV") for transactions with unitholders.

² Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial periods. These tables are not intended to be a reconciliation of the net assets per unit.

³ Distributions were paid in cash or reinvested in additional units of the Fund, or both.

[†] Initial offering price.

Ratios and Supplemental Data

	ADVISOR SERIES					F-SERIES				
	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
Total Net Asset Value (\$000s) ¹	5,994	N/A	N/A	N/A	N/A	5,339	N/A	N/A	N/A	N/A
Number of Units Outstanding (000s) ¹	602	N/A	N/A	N/A	N/A	535	N/A	N/A	N/A	N/A
Management Expense Ratio (%) ²	0.51	N/A	N/A	N/A	N/A	0.23	N/A	N/A	N/A	N/A
Management Expense Ratio Before Waivers or Absorptions (%)	0.54	N/A	N/A	N/A	N/A	0.28	N/A	N/A	N/A	N/A
Trading Expense Ratio (%) ³	0.28	N/A	N/A	N/A	N/A	0.28	N/A	N/A	N/A	N/A
Portfolio Turnover Rate (%) ⁴	12.64	N/A	N/A	N/A	N/A	12.64	N/A	N/A	N/A	N/A
Net Asset Value per Unit (\$)	9.96	N/A	N/A	N/A	N/A	9.99	N/A	N/A	N/A	N/A

	PRIVATE SERIES				
	2024	2023	2022	2021	2020
Total Net Asset Value (\$000s) ¹	1,193	N/A	N/A	N/A	N/A
Number of Units Outstanding (000s) ¹	120	N/A	N/A	N/A	N/A
Management Expense Ratio (%) ²	0.03	N/A	N/A	N/A	N/A
Management Expense Ratio Before Waivers or Absorptions (%)	0.10	N/A	N/A	N/A	N/A
Trading Expense Ratio (%) ³	0.28	N/A	N/A	N/A	N/A
Portfolio Turnover Rate (%) ⁴	12.64	N/A	N/A	N/A	N/A
Net Asset Value per Unit (\$)	9.91	N/A	N/A	N/A	N/A

¹ This information is provided as at December 31 of the past five fiscal years, as applicable.
² Management Expense Ratio ("MER") is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) net of any waivers or absorptions for the stated period, including the Fund's proportionate share of the MER, if any, of the underlying fund(s) in which the Fund has invested in, and is expressed as an annualized percentage of daily average NAV during the period. Management Expense Ratio Before Waivers or Absorptions is based on total expenses and excludes the management fees on the portion of the NAV the Fund invests in the underlying funds that are managed by TDAM or its affiliates. There will be no duplication of management fees paid to TDAM or its affiliates. Any waivers or absorptions may be discontinued at any time by TDAM at its discretion without notice.
³ The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average NAV during the stated period. Where a Fund invests in units of any underlying fund, the TER presented for the Fund includes the portion of TERs, if available, of the underlying fund(s) attributable to this investment.
⁴ The Fund's portfolio turnover rate ("PTR") indicates how actively the Fund's portfolio adviser manages its investments. A PTR of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the stated period. The higher a fund's PTR, the greater the trading costs payable, directly or indirectly, by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the fiscal year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Management Fees

As manager and trustee of the Fund, TDAM is responsible for the overall business and affairs of the Fund, including activities related to making units of the Fund available to investors, and providing, or arranging for the provision of, investment advisory services and marketing services to the Fund. In consideration for the provision of such services, each series of the Fund, other than Private Series units, pays TDAM a management fee.

Management fees are calculated and accrued on a daily basis for each applicable series based on the net asset value of that series and paid monthly to TDAM.

The simplified prospectus discloses a specified annual management fee rate that TDAM can charge for each series of the Fund. Where TDAM chooses to charge a management fee rate below the specified annual management fee rate, the difference represents a waiver of management fees. TDAM may waive all or a portion of the management fees being charged to the Fund, which may be discontinued at any time by TDAM at its discretion without notice to unitholders.

The annual management fees and a breakdown of the major services rendered for each series, as a percentage of the management fees paid, are as follows:

(expressed as a %)	Annual Mgmt. Fees*	Dealer Compensation	Waived Operating Expenses	Other‡
Advisor Series	0.45	>100.00°	0.00°	0.00°
F-Series	0.20	0.00	>100.00°	0.00°
Private Series	0.00	N/A	N/A	N/A

° TDAM's expenses for servicing the Fund exceeded the management fees paid by the Fund.
 There are no management fees paid by the Fund in respect of Private Series units of the Fund. Unitholders in the Private Series pay a negotiated fee directly to TDAM, their dealer or TD Waterhouse Private Investment Counsel Inc.
 * Includes management fees paid by the Fund and the proportionate management fees, if any, of the underlying fund(s) 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 fund(s) for the same services.
 ‡ Investment advisory, trustee, marketing services and other.

Past Performance

The Fund commenced its operations on September 17, 2024. TDAM does not report performance returns for funds with a history of less than one year.

Summary of Investment Portfolio

as at December 31, 2024

	% of Net Asset Value
ASSET ALLOCATION	
Canadian Bond Funds	99.6
Cash (Bank Overdraft)	0.1
Other Net Assets (Liabilities)	0.3
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	% of Net Asset Value
TOP 25 INVESTMENTS	
TD Target 2025 Investment Grade Bond ETF [†]	99.6
Cash (Bank Overdraft)	0.1
Total % of Net Asset Value represented by these holdings	99.7
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TOTAL NET ASSET VALUE (000s)	\$ 12,526
<hr/>	
	% of Net Asset Value
INVESTMENT MIX OF UNDERLYING FUND(S)	
Corporate Bonds	98.9
Cash (Bank Overdraft)	0.6
Other Net Assets (Liabilities)	0.5

	% of Net Asset Value
TOP 25 INVESTMENTS OF UNDERLYING FUND(S)	
The Toronto-Dominion Bank [†] Variable Rate, Callable 3.105% Apr 22, 2030	5.7
Bell Canada Callable 3.350% Mar 12, 2025	4.8
Bank of Montreal Callable 2.370% Feb 3, 2025	4.7
Federation des caisses Desjardins du Quebec Variable Rate, Callable 2.856% May 26, 2030	4.7
Rogers Communications Inc. 3.100% Apr 15, 2025	3.9
Ford Credit Canada Company 6.777% Sep 15, 2025	3.9
Federation des caisses Desjardins du Quebec 5.200% Oct 1, 2025	2.9
Canadian Western Bank 3.859% Apr 21, 2025	2.9
Heathrow Funding Limited 3.250% May 21, 2027	2.4
Enbridge Inc. Callable 2.440% Jun 2, 2025	2.1
RioCan Real Estate Investment Trust Callable, Series AB 2.576% Feb 12, 2025	2.1
Alimentation Couche-Tard Inc. Callable, Series 5 3.600% Jun 2, 2025	2.1
TransCanada PipeLines Limited Callable 3.300% Jul 17, 2025	2.1
Intact Financial Corporation Callable 3.691% Mar 24, 2025	2.1
National Bank of Canada 2.580% Feb 3, 2025	2.0
General Motors Financial of Canada Limited 1.700% Jul 9, 2025	2.0
H&R Real Estate Investment Trust Callable, Series Q 4.071% Jun 16, 2025	1.9
Saputo Inc. Callable 3.603% Aug 14, 2025	1.9
CT Real Estate Investment Trust Callable, Series B 3.527% Jun 9, 2025	1.9
AltaGas Limited Callable 2.157% Jun 10, 2025	1.9
Brookfield Renewable Partners ULC Callable 3.752% Jun 2, 2025	1.9
Inter Pipeline Limited Callable, Series 7 3.173% Mar 24, 2025	1.9
Royal Bank of Canada Variable Rate, Callable 2.088% Jun 30, 2030	1.9
Pembina Pipeline Corporation Callable, Series 5 3.540% Feb 3, 2025	1.9
Nissan Canada Inc. 2.103% Sep 22, 2025	1.6
Total % of Net Asset Value represented by these holdings	67.2

[†] Related party to the Fund as an affiliated entity of TD Asset Management Inc.

Note: Totals may not add due to rounding to one decimal place of individual figures.

The prospectus and other information about the underlying investment funds are available on the investment fund's designated website and/or at www.sedarplus.ca. The prospectus and other information about underlying TD investment funds are also available at www.td.com/ca/en/asset-management, www.td.com/ca/en/global-investment-solutions or upon request to TD Asset Management Inc.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and underlying fund(s). Updates are available quarterly. You may obtain the most current quarterly information by contacting 1-800-386-3757, by writing to us at TD Asset Management Inc., P.O. Box 100, 66 Wellington Street West, TD Bank Tower, Toronto, Ontario, M5K 1G8, or by visiting our website at www.td.com/ca/en/asset-management.

Caution regarding forward-looking statements

Certain portions of this report, including, but not limited to, “Results of Operations” and “Recent Developments”, may contain forward-looking statements including, but not limited to, statements about the Fund, its strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” and similar forward-looking expressions or negative versions thereof.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general business environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks and uncertainties, some of which may be unforeseeable. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date.

Forward-looking statements are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and relevant market factors in North America and internationally, interest and foreign exchange rates, equity and capital markets, business competition, technological change, changes in government relations, unexpected judicial or regulatory proceedings and catastrophic events.

The above mentioned list of important factors is not exhaustive. You are encouraged to consider these and other factors carefully before making any investment decisions and you are urged to avoid placing any undue reliance on forward-looking statements. Further, there is no specific intention of updating any forward-looking statements contained herein whether as a result of new information, future events or otherwise.

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