



Quality at the Core. Opportunity at the Edges.

From the Desk of the Fixed Income Team

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For investors seeking attractive income with measured interest risk, the **TD Diversified Bond Pool** (the "Fund") brings together a high-quality, investment-grade corporate bond foundation with the flexibility to pursue additional income opportunities across the broader credit universe. The result is a diversified, actively managed solution designed to balance income generation, diversification and risk management within a single quality-focused credit portfolio.

Balancing Income, Flexibility and Risk

Generating income in today's fixed income environment requires more than yield alone. Investors must consider how interest rate risk, credit exposure and portfolio flexibility work together. The Fund seeks to balance these considerations through a disciplined and actively managed approach.

- **Calibrated Interest Rate Risk:** The Fund targets a duration range of approximately 3 to 4.5 years. This short-medium duration profile is designed to reduce sensitivity to interest rate movements while maintaining attractive income potential.
- **Flexible Income Generation:** The Fund can selectively invest in areas such as high yield bonds, emerging market debt, preferred shares, senior loans and securitized assets. These exposures provide additional sources of income and diversification and are used when the Fixed Income Team (the "Team") believes the potential opportunity justifies risk.
- **Active Management Matters:** Active management allows the Team to adjust portfolio exposures as market conditions evolve. This flexibility helps the Team identify opportunities across the credit markets while maintaining a disciplined approach to risk management.

Understanding the Trade-Off

At the core of the Fund is a disciplined approach to balancing risk and potential reward. Rather than relying primarily on greater interest-rate risk to generate returns, the Fund can selectively add credit risk exposure when the Team believes investors are being appropriately compensated.

The Team continually evaluates opportunities across credit markets. The Fund can increase exposure to higher-yielding areas when valuations are compelling and emphasize investment-grade securities when the potential reward does not justify taking additional risk.

This flexibility operates within clear guardrails. At least 75% of the Fund must remain invested in investment grade holdings, while exposure to non-investment-grade investments is limited to 25%. This allows the Team to pursue incremental income and return opportunities while maintaining a high-quality foundation.

Building Portfolio Resilience with TD Diversified Bond Pool

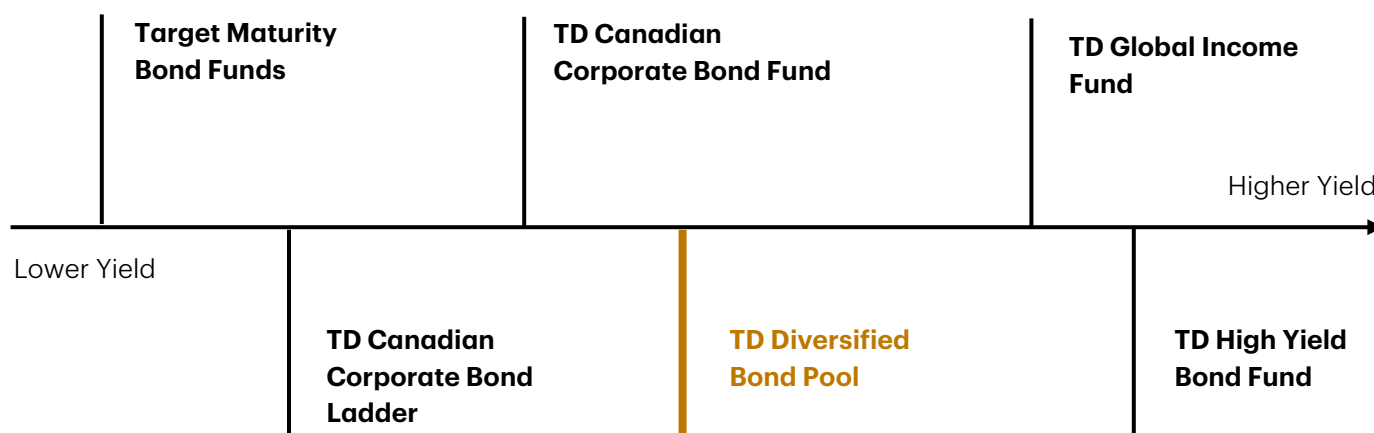
The Fund is designed primarily for investors seeking income and who value giving an experienced investment team the flexibility to adjust credit exposures as market conditions change. Investors seeking dedicated investment-grade corporate bond exposure may prefer a traditional corporate bond mandate, while those focused on specific maturity may consider target maturity bond strategies. The Fund offers a broader income-oriented solution, combining a quality-focused corporate investment grade core with the flexibility to invest across a diversified range of credit opportunities.

Table 1: Primary Portfolio Objectives of TDAM Strategies

Primary Portfolio Objective	Investor Need	TDAM Strategies
Liquidity	Preserve capital and maintain access	• TD Canadian Money Market Fund • TD Cash Management ETF • TD Ultra Short Term Bond Fund
Income	Generate income with limited duration	• Target Maturity Bond Funds • TD Select Short Term Corporate Bond Ladder ETF • TD Canadian Corporate Bond Fund • TD Diversified Bond Pool
Diversification	Portfolio ballast during recession, growth slowdown or broader risk-off periods	• TD Short Term Bond Fund • TD Canadian Bond Fund • TD Canadian Core Plus Bond Fund • TD Fixed Income Pool

Note: The strategies shown may fulfill more than one portfolio objective. Table 1 includes a selection of TDAM Fixed Income strategies and is not intended to represent the full suite of available strategies.

Chart 1: The Income Continuum: Navigating TDAM's Income Focused Solutions



Source: TD Asset Management Inc. For illustrative purposes only..

The Fund seeks to identify and capture income opportunities as they arise, while maintaining a diversified portfolio and reducing dependence on any one return driver. Rather than requiring advisors to actively shift between investment-grade and higher-yielding strategies, the Fund takes a dynamic approach, allocating across credit markets and capitalizing on opportunities when market dislocations create attractive value.

The Opportunity for Yield

Today's fixed income landscape offers more meaningful income potential than investors experienced through much of the last decade, particularly within credit markets. The Fund seeks to capture this potential through a high-quality investment-grade corporate bond foundation, complemented by selective allocations to other income-producing sectors.

Chart 2: Capture Today's Yield Opportunity



Source: TD Asset Management Inc. as at August 31, 2026.

The Fund's investment-grade core is designed to provide a meaningful source of predictable income. Selective allocations to areas such as high-yield bonds and emerging-market debt may provide additional income and diversification. These allocations are not static. The Team can increase or reduce exposure as valuations, opportunities and market conditions evolve.

New Fund. Established Capabilities.

Behind every investment decision is the experience and insight of TD Asset Management's broader fixed income platform. While the TD Diversified Bond Pool is a new solution, the capabilities supporting it have been developed through years of managing credit portfolios across a range of market environments.

The Fund is supported by a dedicated fixed income and credit research team that continually evaluates companies, sectors and market developments. This research helps TDAM portfolio managers identify opportunities, assess risks and adjust exposures as conditions change.

Importantly, the Fund is not driven by a single individual's view of the market. Investment decisions are informed by a collaborative process involving analysts, researchers and portfolio managers with expertise across different areas of fixed income. This breadth of expertise helps support disciplined decision-making and reinforces the Fund's active approach to delivering dependable income to investors.

The TD Diversified Bond Pool brings together established TDAM capabilities across Canadian corporate, short-term, and high-yield credit within a single, diversified solution. While the Fund is new, the investment experience and research disciplines supporting it are well established.

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



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