Product Overview

TD Diversified Bond Pool

At a glance

- **A short duration fund, purpose-built for today's fixed income environment:** A flexible, diversified solution, providing a duration between 3 – 4.5 years and the potential for enhanced yield
- **Carefully Curated:** Anchored by TD funds such as the TD Canadian Corporate Bond Fund as a core building block, with the ability to leverage select third-party solutions within the Fund
- **Active Oversight:** Regular monitoring provides flexibility for portfolio managers to allocate weights to where opportunities reside, using additional tools to help improve income potential and total return

Investment Objectives

TD Diversified Bond Pool (the "Fund") seeks to generate income and the potential for long-term capital appreciation by investing primarily in, or gaining exposure to, fixed income securities and other income-producing securities.

Why Invest:

- **Reduced Interest Rate Risk:** Provides investors with reduced overall fixed income volatility
- **Attractive yield potential:** Designed to deliver enhanced income potential over investment-grade government and corporate bonds
- **Yield-Plus Exposure:** Ability to add up to 25% high-yield exposure while the Fund's portfolio maintains an overall investment-grade corporate rating
- **Active, research-driven management:** Backed by TD Asset Mangement's (TDAM) deep credit expertise and disciplined investment approach

TD Diversified Bond Pool is a short fixed income duration solution which aims to optimize yield and total return

Investment

Key Features

Reduced Interest Rate Risk

Purpose-built for today's fixed income environment, targeting the 3 to 4.5-year duration sweet spot where interest rate risk is reduced while still benefiting from higher yield potential.

Potential for Higher Income

Investment-grade core holding with higher income than government bonds, and the potential for even higher yields through allocations to other credit sectors such as high yield bonds and emerging markets.

Single Credit Solution

Core investment-grade exposure with access to multiple sectors across the credit spectrum which include TDAM as well as third party solutions, providing short-term credit diversification in one solution.

Risk Management

Features a disciplined risk framework, including a 25% cap on high yield exposure.

Professional Portfolio Management

Managed by the experienced Fixed Income investment team at TDAM.

How it works:

- The Fund targets a diversified mix of primarily investment grade corporate fixed income securities, with a focus on Canadian issuers and Canadian dollar exposure, while maintaining flexibility to include global securities. This approach can help provide core stability while expanding the opportunity set beyond domestic markets.
- The Fund draws from a broad fixed income universe, including floating-rate instruments, convertibles, preferred shares, bank loans, government and emerging market debt, as well as select structured and securitized assets such as collateralized loan obligations (CLO) and mortgage-backed securities (MBS). Access to multiple sectors can support diversification and allow the portfolio to adapt across different market environments.
- Up to 25% of the portfolio may be allocated to below investment-grade securities to complement overall income characteristics, within defined credit parameters. This flexibility can help enhance yield potential while maintaining a disciplined credit framework.
- Currency exposure is actively managed, with a significant portion typically hedged back to Canadian dollars using derivatives such as forward contracts. Currency management can help reduce the impact of foreign exchange movements on portfolio variability.

Core & Satellite Approach

Fast Facts

Fund Names	TD Diversified Bond Pool
Benchmark	70% FTSE Canada Short Term Corporate A Bond Index 30% FTSE Canada Mid Term Corporate A Bond Index
CIFSC Category	Canadian Corporate Fixed Income
Suitability	This fund may be suitable for investors who: • Are investing for the medium to long-term • Are contributing to the income component of a diversified portfolio • Can handle small changes in the value of their investment
Portfolio Managers	Rachana Bhat, Anthony Imbesi
Management Fees	• Fee-Based (F) Series: 0.35% • Advisor (A) Series: 0.85% • D Series: 0.35% • Private Series: Dealer Agreed Pricing
Currency	Canadian Dollar
Currency Hedging	The Fund will generally hedge a substantial portion of the foreign currency exposure within the portfolio back to Canadian dollars, with flexibility to benefit from having up to 10% foreign currency exposure.
Risk Rating	Low
Management Style	Active
Distributions	Monthly

The TDAM Advantage

Our Fixed Income Team

- TDAM's Fixed Income Team consists of 70 professionals, leveraging their depth of expertise across various areas like credit research, portfolio management, portfolio analytics, trading, and risk management
- Based in Toronto and New York, our independent Credit Research Team conducts thorough, independent and proprietary credit assessments with nearly 20 years of experience among senior members, supported by a Credit Committee

Portfolio Managers

Rachana Bhat, CFA

Vice President & Director, Lead of Credit Portfolio Management, TDAM

Joined the firm: 2017 | Began career: 2010

- Rachana is a Vice President & Director on the Active Fixed Income Portfolio Management team. She is the Lead Portfolio Manager of the TD Canadian Corporate Bond Fund, TD Select Short Term Corporate Bond Ladder ETF, TD Target Maturity Bond Funds and TD Target Maturity Bond ETFs. Rachana co-manages the TD Diversified Monthly Income Fund, TD Global Tactical Monthly Income Fund and TD Global Income Fund.
- Previously, she was a part of the Credit Research team with the firm, where she covered the Global Consumer and Retail sector. She gained industry experience as a Senior Analyst on the Infrastructure Finance team of a credit research and ratings firm, focusing on public/private partnerships, airports, ports and other infrastructure-related issuers. She also previously worked in the Investment Banking division of a large international bank in New York.
- Rachana holds a B.Eng. with Distinction from Visvesvaraya Technological University and an M.Sc. in Financial Engineering from the University of Michigan

Anthony Imbesi, CFA

Vice President & Director, Lead, High Yield, TDAM

Joined the firm: 2016 | Began career: 1996

- Anthony contributes to the management and oversight of the firm's high yield mandates by applying fundamental, research-intensive discipline to security selection and portfolio construction. He is the Lead Portfolio Manager of the TD High Yield Bond Fund and the TD Active U.S. High Yield Bond ETF.
- Anthony has extensive fixed income investing experience across various mandates, specializing in credit analysis with a focus on high yield and leveraged loan securities. He has held positions of escalating seniority from Analyst to Vice President & Portfolio Manager at several high-profile financial services and asset management firms.
- He holds a B. Comm. from the University of Toronto

For more information, visit www.tdam.com
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