Investment Adviser Brochure for TDAM USA INC.

TDAM USA INC.
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This Brochure provides information about the qualifications and business practices of TDAM USA Inc. If you have any questions about the contents of this Brochure, please contact us at (1) (866) 416-4031. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about TDAM USA Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

2. MATERIAL CHANGES

This Brochure dated, January 29th 2019, is an annual update to the Brochure dated January 25th 2018. There were no changes, deemed to be material, that were made to the Brochure from January 25th 2018 to January 29th 2019.

To the extent that we materially amend our Brochure in the future, you will receive either an amended Brochure or a summary of any material changes to the annual update within 120 days of the close of our fiscal year. We also provide you with an interim amended Brochure based on material changes or new information. Upon request, we will provide you with a current Brochure, at any time, without charge.

Our current Brochure is publicly available at www.adviserinfo.ser.gov or on our website, www.tdamusa.com. You may also request a free copy of our Brochure by contacting us at (866) 416-4031.

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4. ADVISORY BUSINESS

TDAM USA Inc. ("TDAM USA" or "TD Asset Management") is a Delaware corporation formed in 1995. Our principal office is located in Toronto, Ontario, Canada and branch offices are located in New York, NY and Montreal, Quebec, Canada. We offer a broad spectrum of fundamental and quantitative, active and passively managed investment strategies and products. We offer custom solutions such as asset liability matching, as well as other specialized segregated investment management services, including cash management and currency overlay. Clients can impose restrictions on investing in certain securities or types of securities through written investment guidelines.

We provide discretionary and non-discretionary investment management services to a wide variety of clients. We provide advice to our affiliates, including TD Bank, N.A. ("TD Bank"), a nationally chartered U.S. bank, and its subsidiary, TD Private Client Wealth LLC ("TDPCW"), a registered investment adviser and broker dealer, in each case on behalf of their clients. We also provide advice to TD Asset Management Inc. ("TDAM"), a Canadian-licensed portfolio manager and certain other institutions. We provide investment management services to TD Asset Management USA Funds Inc. (the "TDAM Funds"), a family of open-end mutual funds registered under the Investment Company Act of 1940 ("1940 Act"), and act as sub-adviser to TDAM in the management of one affiliated Canadian mutual fund. We offer our services as a discretionary adviser or sub-adviser to corporations, collective investment trusts, insurance companies, foundations, endowments, pension plans and mutual funds. Where services are provided to a pension plan, we do so as a "fiduciary" within the meaning of the Employment Retirement Income Security Act of 1974.

We are a wholly-owned subsidiary of TD Bank US Holding Company, which is itself a wholly-owned subsidiary of The Toronto-Dominion Bank, a Canadian chartered bank. TDAM, TD Bank and TDPCW are all wholly-owned subsidiaries of The Toronto-Dominion Bank. The Toronto-Dominion Bank and its subsidiaries are collectively known as TD Bank Group ("TD"). See Section 10.C.3, below, for more information on TDAM, Section 10.C.4 for additional information on TD Bank and The Toronto-Dominion Bank and Sections 10.C.1 and 10.C.3 for more information on TDPCW.

Advisory Services Provided to TD Bank and TDPCW

We provide discretionary and non-discretionary investment management services to TD Bank and TDPCW, on behalf of their clients, through separately managed account programs. More specifically, we provide TD Bank and TDPCW with models consisting of various securities corresponding to different investment strategies (each, a "Model Portfolio").

TD Bank

We create and provide to TD Bank various Model Portfolios which are offered by TD Bank to its clients. TD Bank clients in this program may give TD Bank either full discretion with no special guidelines ("Sole Authority") or may include guidelines or restrictions to be applied to their accounts ("Shared Authority"). On behalf of participating clients, TD Bank may select among: (1) specific Model Portfolios we or an affiliate create; (2) modules consisting either wholly of 2 or more Model Portfolios, or partially of 1 or more Model Portfolios, third party mutual funds and selected non-modeled assets ("Modules"); or (3) portfolios of non-modeled assets. Once TD Bank selects among Model Portfolios, Modules or non-modeled assets for specific TD Bank clients, we assume various responsibilities for managing the portfolios of these clients in accordance with guidelines and restrictions provided by TD Bank and, as applicable, participating clients. Where a client imposes restrictions on investing in certain securities or types of securities, the performance of its account may be different from the performance of other accounts within the same Model Portfolio that lack any such restrictions.

We create Model Portfolios which provide TD Bank clients with discretionary management of fixed income assets including corporate bonds, mortgage-backed and asset-backed securities, and fixed income securities issued by the U.S. government or its agencies. Apart from the Model Portfolios, we have limited discretionary authority over the selection of municipal bonds for TD Bank clients as non-modeled assets. TD Bank charges its clients in this program an asset-based fee that covers investment advice and custodial services. We receive a portion of this asset-based fee depending on the amount of assets we participate in advising.

TD Bank creates and provides its clients with Model Portfolios which consist primarily of third party mutual funds and exchange traded funds ("ETFs") but may also include TDAM Funds. Where TD Bank selects TDAM Funds for its Model Portfolios, TD Bank clients will pay their pro rata portion of management and administrative fees embedded in the TDAM Funds to us. These fees are in addition to the asset-based fee clients pay to TD Bank and are disclosed in each TDAM Fund's prospectus. See Section 5, below, for a more detailed discussion of our fees.

Epoch Investment Partners, Inc. ("Epoch"), an advisory affiliate with expertise in equity securities, creates and makes available to TD Bank, Model Portfolios that invest in equity securities for use by TD Bank in its investment-related services to its clients.

We provide trading and portfolio implementation services for all TD Bank clients investing through their program, whether invested in our Model Portfolios, in Model Portfolios created and maintained by TD Bank or Epoch, or in Modules or non-modeled assets. We provide trading services to TD Bank and its clients by arranging, on a discretionary basis, for the execution of all orders for each participating TD Bank client account. For a more complete discussion of our discretionary trading activities, see Section 12, below.

TDPCW

We provide discretionary investment advice to TDPCW clients through participation in a 'wrap program'. Clients of TDPCW may select us from a list of separate account managers presented to them by TDPCW. Clients in this program pay one all-inclusive fee for an array of services, including administrative, technology and advisory services. Where a client selects us from the list of separate account managers, we receive a portion of the fee paid by the client to the program sponsor. We provide fixed income Model Portfolios to TDPCW clients through the program and manage each client's account in accordance with the selected Model Portfolio. Because the sponsor has limited capability to execute fixed-income transactions, we also provide trading and portfolio implementation services for all clients invested in our fixed income strategies. Clients grant us full investment discretion and may include guidelines and reasonable restrictions to be applied to their account. As noted above, the performance of a client's account subject to restrictions may be different from the performance of other accounts within the same Model Portfolio that lack any restrictions.

Our role as an investment manager in the programs of TD Bank and TDPCW is substantially similar to our role in managing institutional client accounts, in that we provide discretionary management of fixed income assets and manage each account in accordance with the selected strategy, subject to any restrictions imposed by the client. However, the execution of a strategy through the TD Bank or TDPCW platform may differ from the execution of the same strategy for an institutional client. More specifically, a Model Portfolio may invest in TDAM Funds which do not charge any fees, instead of investing in individual securities. In addition, the services we provide to clients invested in our Model Portfolios differ from the services we provide to institutional clients, as we rely on TD Bank and TDPCW to conduct all client suitability determinations and to provide all account statements and reports.

Non-Discretionary Advice

From time to time we provide TD Bank and TDPCW with guidance regarding asset allocation and portfolio construction for their respective clients. We have no authority to implement any of our recommendations, as our affiliates will ultimately determine the appropriate asset mix and construction for a specific portfolio. We have a conflict of interest when providing portfolio construction services because we have a financial incentive to favor allocations to affiliated products. For additional information about this arrangement and the associated conflicts of interest, please see Section 10.C.3. and Section 10.C.4.

Investment Manager Research

On behalf of TD Bank and TDPCW, we provide screening, analysis and due diligence services for non-affiliated investment managers and products. We perform these activities in accordance with the research methodology developed by our affiliates, which consists of a preliminary screening process that is followed by quantitative measures and qualitative assessments. Our recommendation to include or remove a specific non-affiliated manager or product is subject in each instance to review and approval by the Wealth Investment Risk

Oversight Committee ("WIROC"), a committee of senior business leaders and risk officers.

As of December 31, 2018, we managed approximately $4.7 billion on a discretionary basis and $20 million on a non-discretionary basis.

5. FEES AND COMPENSATION

Separate Accounts

Management fees for separate accounts are subject to negotiation, depending on the type of service provided and any special requirements associated with the account. Our specific fee schedule for each client is established in the client's investment management agreement with us. Separate account client fees are computed and accrued daily based on assets under management (subject to a minimum fee) and are billed in arrears on a calendar quarterly basis. An invoice is provided to each client.

Advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses. Clients may also incur certain charges imposed by custodians, brokers and other third parties such as fees charged by other managers, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. See Section 12 for additional information on brokerage. If we recommend or invest separate account client assets in a TDAM Fund, we will reduce the separate account advisory fee by an amount equal to the management fee of the TDAM Fund.

Mutual Funds

U.S. mutual funds and ETFs pay management fees and commissions related to fund securities' transactions, in addition to fees and expenses of service providers such as transfer agents, auditors and custodians. Fund shares may also be sold with sales charges. All fund-related fees are disclosed in each fund's prospectus and are exclusive of and in addition to our fees. They are paid directly by the fund shareholder. We receive no portion of these fund fees, commissions or costs for any unaffiliated fund. We may not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. However, related broker-dealers do receive asset-based compensation for the sale of TDAM Funds or compensation for trade execution. See Section 10.C.1 for additional information on related broker-dealers. See also Section 12 for information on the factors that we consider in selecting broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Where we serve as the manager of an affiliated U.S. mutual fund, we receive all or a portion of the fund's embedded management fees. These fees are set forth in the prospectus for each such fund.

TD Bank

As discussed in Section 4, above, we provide a variety of investment management and other services to TD Bank. In furtherance of this relationship, we entered into a service agreement with TD Bank which, among other things, provides for fee sharing based on the nature and extent of services provided. On a monthly basis, TD Bank pays us a portion of the advisory fees it collects from its own clients in the program. Our portion of the fee, up to a maximum of 13 basis points, depends on the total size of TD Bank's client portfolios invested in each of our respective strategies. TD Bank also pays us a portion of its asset-based fees for providing portfolio implementation services to clients invested in Model Portfolios provided by Epoch and TD Bank. More specifically, we currently receive 8 basis points for implementation services relating to equity portfolios, and 2 basis points for implementation services provided to unaffiliated mutual funds.

TDPCW

As noted above, we receive a portion of the wrap fee that clients pay to the program sponsor for creating and maintaining fixed income Model Portfolios in the TDPCW program. Management fees are currently 25 basis points (on an annualized basis) of the assets under management for each Model Portfolio and are deducted from a client's account by the sponsor and remitted to us quarterly in arrears. The wrap fee does not cover certain charges associated with fixed-income transactions in a client's account, such as dealer markups or markdowns, and a client will incur these costs in addition to the wrap fee. A client participating in a wrap fee arrangement should consider the services covered by the wrap fee, the amount of portfolio activity within the account, and the value of custodial and other services provided. Depending upon the level of the wrap fee charged, the wrap fee may exceed the aggregate fees that the client might pay other parties for these services if they were provided separately.

TD Bank and TDPCW

The portion of the fee we receive for managing client assets in the programs of our affiliates, as described above, is reduced in respect of institutional accounts with assets over $5 million but less than $25 million. Additionally, we are compensated for our non-discretionary advice and investment manager research in the form of one annual fee paid by our affiliates that is prorated on a monthly basis.

6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not currently charge performance-based fees for advisory services. Only fees based on a percentage of AUM are charged. However, our affiliate, TDAM, charges performance-based fees on certain accounts which may be managed by portfolio managers who manage similar mandates for both TDAM and us. As such, even though we do not charge any performance-based fees, we may be deemed to engage in side-by-side management of asset-based fee and performance-based fee accounts. Performance-based fees may create potential conflicts of interest because of the incentive for portfolio managers to favor these accounts in the allocation of investment opportunities.

In recognition of these potential conflicts, TDAM USA and TDAM have adopted and implemented policies and procedures designed to provide that over time no account is favored to the detriment of another, whether charged asset-based or performance-based fees. If policy requirements are not met, the trade would be considered an error and our error reporting and review processes would be followed. All errors are reported and reviewed by representatives from Regulatory & Policy Governance and Compliance. With respect to accounts managed by the same portfolio manager with like investment mandates, the Investment Risk team compares performance across the portfolio manager's accounts with similar mandates and investigates any significant deviations.

7. TYPES OF CLIENTS

As discussed in Section 4, above, we provide investment management services to U.S. registered investment companies, corporations and certain affiliates, including TDAM and TD Bank. We also offer our services to pension plans, endowments and foundations, but do not directly offer our services to high net worth or retail clients. Through our relationships with TD Bank and TDPCW, however, we provide discretionary advice and trading services to the portfolios of participating TD Bank and TDPCW clients, some of which are high net worth or retail accounts.

8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

Methods of Analysis

In formulating investment advice, we use various methods of security analysis. Our fixed income investment philosophy is based upon strong and independent credit research. Proprietary research is vital to our investment process and forms the basis for all of our investment decisions. Research analysts rely on a broad range of information when evaluating an issuer's credit quality, including financial strength, management capabilities and market position. Portfolio managers work closely together with research analysts to develop investment ideas and apply our investment philosophy consistently across our strategies.

We use third-party written reports (including brokerage research) prepared by recognized analysts who are specialists in a particular industry, but ultimately, we form our own conclusions about an issuer's credit quality. In addition, we use statistical and other information published by industry and government sources and engage in telephone communications and/or meetings with professionals within a particular industry.

Within our quantitative investment strategies, we use a number of proprietary risk models to evaluate companies and select investments. Our Low Volatility Equity strategy relies on proprietary risk models to construct optimized portfolios of stocks which have demonstrated lower long-term volatility. These risk models use statistical methods to capture the relationships between currency and stock return fluctuations. Similarly, our Systematic Alpha strategy relies on proprietary return factor models, which use statistical methods to determine the properties of stocks that have historically been associated with superior performance. Core factors include value (higher earnings and dividend yields), market sentiment (price momentum and earnings revisions), quality (profitability, operating efficiency, distance-to-default), and corporate management (shareholder friendly practices).

Fixed Income Strategies

As discussed in Section 4 above, we manage assets according to a variety of strategies and invest in fixed income instruments across the spectrum of duration. Our approach to portfolio construction is disciplined and focuses on sector allocation, yield curve analysis and credit quality. Set forth below are some of our key fixed income strategies:

Broad Market	Intermediate Duration	Short Duration
• Core Bond Aggregate • Core Bond Govt. Corporate • Long Govt. Corporate Bond	• Intermediate Govt. • Intermediate Govt. Corporate	• Ultra Short Govt. Bond • Ultra Short Govt. Corporate Bond A- • Short-Term Govt. Corporate Bond A- • Short-Term Govt. Bond • Short Intermediate Govt. Bond • Short Intermediate Govt. Corporate A-

Quantitative Investment Strategies

As noted above, we offer several Low Volatility Equity strategies, including strategies focusing on international, U.S., emerging markets and global equity. These strategies will generally hold stocks that are expected to deliver less volatile returns and avoid stocks that are expected to deliver more volatile returns. We also offer a Systemic Alpha U.S. Equity strategy, which seeks to exploit market inefficiencies related to the valuation of securities. Through its investments, the Systemic Alpha strategy optimizes exposure to stocks that are expected to outperform the overall market while avoiding uncompensated risks and factoring in implementation costs.

Each of these strategies will invest in a diversified portfolio of equity securities including, but not limited to, common and preferred stocks, securities convertible into common stocks, ETFs, American Depository Receipts, and real estate investment trusts. Each of these strategies will also invest in money market securities and other cash management vehicles.

Risks

Below are the potential material risks our clients may encounter in relation to our investment strategies or through a mutual fund we manage. Clients may be subject to risks other than those described. The investment risks to which a client is subject will vary depending on the strategy or product selected.

Performance Risk

As with any investment, there is a risk of loss and there is no guarantee that your portfolio will achieve its investment objectives.

Interest Rate Risk

Income from fixed income investments will vary with changes in prevailing interest rates. As a result, fixed income securities may decline in value. Accounts that invest in or have exposure to bonds, mortgages and other income-producing securities can also be affected by changes in the general level of interest rates. Bonds generally pay interest based on the level of rates when the bonds were issued. When interest rates fall, the price of bonds generally rises. That is because existing bonds pay higher rates than new ones and are therefore in greater demand and worth more. On the other hand, when interest rates rise, bond prices generally fall, reducing the value of the bond.

Credit Risk

Fixed income investments involve credit risk. Credit risk is the risk that the government, company or special purpose vehicle (such as a trust) issuing a short-term (sometimes called commercial paper) or long-term fixed income security will be unable to make interest payments or pay back the principal. Securities that have a low credit rating have high credit risk. Lower-rated debt securities issued by companies or governments in developing countries often have higher credit risk. Securities issued by well-established companies or by governments of developed countries tend to have lower credit risk. The market value of a debt security can be affected by a downgrade in the issuer's credit rating, a change in the creditworthiness, or perceived creditworthiness, of the issuer or, in the case of asset-backed commercial paper, any assets backing the security. Accounts that invest in or have exposure to companies or markets with high credit risk tend to be more volatile.

Prepayment Risk

Prepayment risk is the risk that the ability of an issuer of a debt security to repay principal prior to a security's maturity can cause greater price volatility if interest rates change. Such prepayments often occur during periods of declining interest rates and may cause reinvestment of assets in lower yielding securities.

Equity Risk

Accounts that invest in or have exposure to equities, also called stocks or shares, are affected by stock market movements. When the economy is strong, the outlook for many companies will be good, and share prices will generally rise, as will the value of the account that owns these shares. On the other hand, share prices usually decline in times of general economic or industry downturn. The price of equity securities of certain companies or companies within a particular industry sector may fluctuate differently than the value of the overall stock market because of changes in the outlook for those individual companies or the particular industry.

Liquidity Risk

Liquidity risk is the possibility that an account will not be able to convert its investments to cash when it needs to or will not be able to do so at a reasonable price. Some securities are or may become illiquid because of legal restrictions, the nature of the investment itself, settlement terms, a shortage of buyers or other reasons. Generally, investments with lower liquidity tend to have more dramatic price changes and may subject the holder to losses or additional costs.

International Market Risk

Accounts that invest in or have exposure to securities of foreign issuers are subject to additional risks including, but not limited to:

- The economic environment or the particular economic and political factors of the country or geographic region in which the foreign issuer operates may impact the value of its securities.
- Certain foreign countries may have different accounting, auditing and financial reporting standards for issuers of securities, making their securities more difficult to evaluate.
- There may be less information publicly available about a foreign issuer than about a U.S. issuer, and the quality of the information may be less reliable.
- Volume and liquidity in some foreign markets are less than in the U.S. Also, at times, there can be greater price volatility. Investment dealers in foreign countries may be less regulated than in the U.S. Political and social instability, restrictions on the movement of capital and the threat of expropriation can affect the value of investments in less developed countries.

Suspension of Trading Risk

Securities exchanges typically have the right to suspend or limit trading in any instrument traded on the exchange. A suspension would render it impossible to liquidate positions and could expose the account to losses.

Specialization Risk

Accounts may invest primarily in or have exposure to companies in particular industries or particular geographic areas of the world. If the particular industry or geographic region prospers, the outlook for companies in that industry or geographic region will generally increase, as may the value of the accounts that invest in them. Conversely, if the particular industry or geographic region experiences a downturn, the outlook for companies in that industry or geographic region will generally decline, as may the value of the accounts that invest in or have exposure to them. In addition, the account may suffer because it has relatively few other investments within other industries or geographic areas to offset the downturn.

Asset-Backed Securities Risk

The value of asset-backed securities may be affected by the credit risk of the servicing agent for the pool, the originator of the loans or receivables, or the financial institution(s) providing the credit support. In addition to credit risk, asset-backed securities and other securities with early redemption features are subject to prepayment risk. During periods of declining interest rates, prepayment of loans underlying asset-backed securities can be expected to accelerate or an issuer may retire an outstanding bond early to reduce interest costs.

Tax Risk

Tax laws and regulations applicable to an account or fund may change, which may result in unexpected tax liabilities. Clients should consult their own tax advisors to determine the potential tax-related consequences of investing through an account or in a fund.

State-Specific Risks

When investing in a particular state's bonds, yields will depend on, among other things, conditions in that state's municipal securities markets and debt securities markets generally, and economic, political and regulatory occurrences within that state.

Concentration Risk

The investment objectives of an account may permit concentration in one or more issuers. A relatively high concentration of assets in, or exposure to, a single or small number of issuers may reduce the diversification and/or liquidity of an account and increase its volatility.

Derivatives Risk

The use of derivatives by accounts is subject to certain risks:

- There is no assurance that liquid markets will exist for an account to close out its derivative positions. Derivative instruments in foreign markets may be less liquid and more risky than comparable instruments traded in North American markets.
- Exchange-imposed trading limits could affect the ability of an account to close out its positions in derivatives. These events could prevent an account from making a profit or limiting its losses.
- Prices of options and futures on a stock index may be distorted if trading of certain stocks in the index is interrupted or if trading of a large number of stocks in the index is halted. Such price distortions could make it difficult to close out a position.
- An account that uses over the counter derivatives is subject to credit risk associated with the ability of counterparties to meet their obligations. In addition, an account could lose its margin deposits if a dealer or clearing agent with whom an account has an open derivatives position goes bankrupt.
- An account that uses cleared derivatives could lose some or all of its margin deposit if another client of a futures commission merchant ("FCM") defaults and there are insufficient funds at the central clearing agent to cover those losses such that clients of all FCMs of the central clearing agent, including your

account, would be expected to cover those losses proportionately.

- There is no assurance that an account's hedging strategies will be effective. There may be an imperfect historical correlation between the behavior of the derivative instrument and the investment being hedged. Any historical correlation may not continue for the period during which the hedge is in place.
- Using futures and forward contracts to hedge against changes in currencies, stock markets or interest rates cannot eliminate fluctuations in the prices of securities in the account or prevent losses if the prices of these securities decline.
- Hedging may also limit the opportunity for gains if the value of the hedged currency or stock market rises or if the hedged interest rate falls. The inability to close out options, futures, forwards and other derivative positions could prevent an account from using derivatives to effectively hedge its portfolio or implement its strategy.

Foreign Currency Risk

Changes in non-U.S. currency exchange rates or the imposition of foreign exchange controls may negatively affect the value of any securities with foreign currency exposure held by an account. For example, if the U.S. dollar rises in value relative to the Canadian dollar, an account's Canadian holdings will be worth less in U.S. dollars. On the other hand, if the U.S. dollar falls, an account's Canadian holdings will be worth more in U.S. dollars.

Repurchase Risk

An account or fund may enter into repurchase agreements, which are instruments under which an account or fund acquires ownership of a security from a broker-dealer or bank that agrees to repurchase that security from the account or fund at a mutually agreed upon time and price (which resale price is higher than the purchase price), thereby determining the yield during the account's or fund's holding period. Repurchase agreements are, in effect, loans collateralized by the underlying securities. In the event of a bankruptcy or other default of a seller of a repurchase agreement, an account or fund might have expenses in enforcing its rights, and could experience losses, including a decline in the value of the underlying security and loss of income.

Quantitative Investment Strategy Risk

Quantitative investment strategies rely on data and historical analysis to predict risk and relative value. Quantitative strategies have inherent limitations, as actual market events may fail to correspond to one or more assumptions underlying the strategy. As a result, actual performance may vary significantly from predicted performance.

Cybersecurity Risk

As use of the internet and other technologies has become more prevalent in the course of business, our business has become more susceptible to operational and financial risks associated with cybersecurity. Cybersecurity incidents can result from targeted attacks on systems and applications, malicious software, phishing attacks and theft of data, and may involve attempts to fraudulently induce employees or third-party service providers to disclose sensitive information in order to gain access to our data. While measures have been developed which are designed to reduce the risks associated with cybersecurity, there is no guarantee that those measures will be effective, particularly since techniques used change frequently and risks can originate from a wide variety of sources that have also become increasingly sophisticated. As such, cybersecurity failures or breaches of our systems or those of our service providers have the potential to cause operational disruptions, financial loss, misappropriation or unauthorized release of confidential, financial or personal information, damage to our computers and systems, violations of applicable privacy and other laws, regulatory penalties, additional compliance costs and reputational damage.

Additional risk disclosures specifically applicable to the TDAM Funds are provided in each Fund's Prospectus and Statement of Additional Information. Please review those documents prior to investing in a TDAM Fund.

9. DISCIPLINARY INFORMATION

TDAM USA and our management persons have no reportable legal or disciplinary information to disclose.

10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

10.A. & 10.B. –Broker-Dealer, FCM, CPO or CTA Registration

No reportable information.

10.C. Material Relationships with Related Persons

We are a wholly-owned subsidiary of The Toronto-Dominion Bank, and we have relationships with, and may utilize, suggest or recommend the services of, various TD-affiliated entities. The particular services involved will largely depend upon the types of services offered by the affiliated entity.

1. Broker-Dealers

TD Securities Inc. ("TD Securities"), is a Canadian "investment dealer" registered in all provinces and territories of Canada and, as a wholly-owned subsidiary of The Toronto-Dominion Bank, a related person of TDAM USA. On occasion, we execute securities transactions through TD Securities subject to applicable regulatory requirements. TD Securities receives dealer mark-ups or mark-downs on principal transactions and commissions on agency transactions. We seek to obtain best execution on all such transactions. From time to time we purchase securities underwritten by TD Securities for our client accounts subject to applicable regulatory requirements.

TD Securities (USA) LLC ("TDSI USA"), a broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority ("FINRA"), is a wholly-owned subsidiary of The Toronto-Dominion

Bank. TDSI USA provides products and services in the areas of investment banking, capital markets, derivatives and commodities. On occasion, we purchase securities underwritten by TDSI USA for our client accounts subject to applicable regulatory requirements.

TD Private Client Wealth LLC ("TDPCW"), an affiliate dually registered with the SEC as a broker-dealer and investment adviser, and a member of FINRA, is a wholly-owned subsidiary of TD Bank, N.A., which itself is a wholly-owned subsidiary of The Toronto-Dominion Bank. TDPCW offers several wrap programs under which clients pay a single fee for asset management, custody and brokerage services. We provide fixed income Model Portfolios for clients in these programs. We receive compensation for managing these products based upon a percentage of the assets invested in each product. This creates a conflict of interest, since TDPCW has a financial incentive to recommend affiliated products to its clients over another investment and we benefit financially from increased sales of our products. These conflicts are minimized as TDPCW will only recommend an affiliated product that has been approved by the WIROC and when doing so is in a client's best interest, based on the client's investment objectives and financial circumstances. In addition, clients of TDPCW have the ability to direct TDPCW not to invest their assets in affiliated products. See discussion of our affiliated advisers in Section 10.C.3, below, for more information on our material relationship with TDPCW.

TD Ameritrade relationships. We also have relationships material to our investment management business with certain organizations associated with us by a joint venture between TD Luxembourg International Holdings S.a.r.l., an indirect wholly-owned subsidiary of The Toronto-Dominion Bank, and TD Ameritrade Holding Corporation ("Ameritrade"), the parent company of entities bearing the "Ameritrade" name, and certain of its original shareholders. Ameritrade is a U.S. publicly-traded company with common shares listed on the New York Stock Exchange. It is a leading provider of securities brokerage services and technology-based financial services to retail investors and business partners. As of December 31, 2018, The Toronto-Dominion Bank owned approximately 42% of the outstanding voting securities of Ameritrade. The Bank's investment in Ameritrade is subject to a Stockholders Agreement that contains provisions relating to governance, board composition, stock ownership, transfers of shares, voting and other matters. In particular, the Stockholders Agreement places restrictions on ownership percentage for TD to purchase more than the specified limits of outstanding Ameritrade shares for the account of TD or any customer or client over which TD exercises discretion. Ameritrade has issued securities to the public in the United States and we may purchase securities of Ameritrade for discretionary managed accounts subject to these restrictions. Before acquiring such securities, we fully disclose the relationship and obtain informed written client consent.

TD Ameritrade Inc. ("TD Ameritrade") is a U.S. registered broker-dealer and member of FINRA. TD Ameritrade distributes shares of the TDAM Funds to its clients, and also provides shareholder services. TD Ameritrade receives compensation from the TDAM Funds for both distribution and shareholder service activities. These payments may create a conflict of interest by influencing TD Ameritrade to recommend to its clients the TDAM Funds over another investment. We benefit financially from increased sales of fund shares. To address these potential conflicts of interest, recommendations to invest assets in TDAM Funds are made only when such investments are consistent with an account's investment objectives, policies, guidelines and restrictions.

TD Ameritrade Clearing, Inc. ("TD Ameritrade Clearing"), also a U.S. registered broker-dealer, provides transfer agency services for the TDAM Funds and is paid by the TDAM Funds for these services. We have a conflict in using TD Ameritrade Clearing rather than a third party, because more of the fees charged to the TDAM Funds will remain within TD and Ameritrade entities.

TD Waterhouse Canada Inc. ("TD Waterhouse") is registered in all Canadian provinces and territories as a broker-dealer and is a member of the Investment Industry Regulatory Organization of Canada. Certain brokers within TD Waterhouse have discretion to place client assets in units of a Canadian fund managed by TDAM. Should TD Waterhouse exercise its discretionary investment authority to place client assets in a fund we sub-advise for TDAM, we will benefit by the receipt of additional sub-advisory fees. To address this conflict, recommendations to invest assets in a fund managed by TDAM are made only when it is consistent with the account's investment objectives, policies, guidelines and restrictions.

2. Investment Companies

As disclosed in Section 4, above, we manage the TDAM Funds, a U.S. registered series investment company. We also have an Administrative Agreement with the TDAM Funds to provide administrative services, such as maintaining books and records and preparing reports required by federal, state and other applicable laws and regulations. Subject to client investment guidelines and applicable law, we may invest clients' assets in the TDAM Funds. We have a financial incentive to choose a TDAM Fund over a third-party fund by reason of the additional compensation we or our affiliates would receive. Although we will offset our advisory fee in an amount equal to the management fee of the TDAM Fund, this offset does not necessarily eliminate the conflict since, with respect to certain TDAM Funds, we and our affiliates will receive other fees and compensation. We would only choose a TDAM Fund when it is consistent with a client's investment objectives, policies and restrictions.

3. Investment Advisers

TD Asset Management Inc. As discussed throughout this Brochure, we are affiliated with TDAM, a corporation organized under the laws of Ontario, Canada, and a wholly-owned subsidiary of The Toronto-Dominion

Bank. TDAM is registered as a "portfolio manager" in all Canadian provinces and territories and may also act as an exempt market dealer of securities, including investment funds managed by TDAM. As discussed above, we sub-advise TDAM with respect to one Canadian mutual fund, but we are not the investment fund manager of that fund.

We also share trading policies and procedures with TDAM. Canadian law may in some instances require TDAM to implement different procedures applicable to non-U.S. clients. Where policies and procedures can be shared, it increases our operational efficiency and regulatory compliance by ensuring that portfolio managers, traders and other advisory personnel are subject to the same requirements in both firms unless legally required to do otherwise.

In providing investment management services and advice, we draw on TDAM's personnel, resources and experience through an arrangement which provides us with TDAM's advice and/or research for use with our U.S. clients. TDAM acts as a "participating affiliate" in accordance with a series of SEC staff no-action letters, under which TDAM shares portfolio management and other personnel with us. By the same token, TDAM may recommend to its clients, or invest on behalf of its clients in, securities that are the subject of our recommendations to, or discretionary trading on behalf of, our U.S. clients. In some instances, this advice is provided by persons who are dual employees of both advisers as discussed below. These dual employees may manage performance fee accounts for TDAM clients side-by-side with our asset-based fee clients. As discussed in Section 6, above, we have adopted policies and procedures to mitigate the inherent conflict of interest posed by side-by-side management of accounts subject to asset-based fees versus performance-based fees, and to prevent us from favoring any client account over others. All TDAM personnel who participate in our advisory activities are deemed to be "supervised persons" under our Code of Ethics ("Code") and are subject to our personal securities transaction reporting requirements. For more information on the Code and reporting requirements, see Section 11, below.

Various senior executives and portfolio managers have overlapping titles and responsibilities in both affiliated advisers and executive positions in the Bank. For example, our Chief Executive/Investment Officer ("CEO/CIO") is also Chairman and CEO/CIO of TDAM and a Senior Vice President of the Bank and our Chief Administrative Officer ("CAO") is also the CAO of TDAM and of Epoch and is a Vice President of the Bank. We also share client service personnel. In general, we believe that sharing executive officers improves organizational communication and efficiency. More importantly, the application of our Code to dual employees minimizes any conflicts of interest associated with their dual responsibilities. We also share a brand name with TDAM. Both TDAM USA Inc. in the United States and TD Asset Management Inc. in Canada use the brand name "TD Asset Management" for marketing purposes.

TDPCW, described in Section 10.C.1, above, offers investment advisory services through several wrap programs. We provide a number of fixed income Model Portfolios to TDPCW as separately managed investment options for its clients. In connection with these Model Portfolios, we receive a management fee that is calculated as a percentage of client assets invested in each Model Portfolio.

As discussed above under Section 4, we provide TDPCW with guidance on asset allocation and portfolio construction upon request. We have a conflict of interest when we provide portfolio construction services, as we have an incentive to favor allocations to affiliated products (and allocations to affiliated products with higher management fees than other affiliated products), since such allocations will result in increased compensation to us and our affiliates. We work to reduce this conflict and will recommend an allocation to an affiliated product only when we believe it will optimize a portfolio to a greater extent than any other affiliated or non-affiliated product. We have no discretion to implement our recommendations as TDPCW is not required to utilize our guidance. Furthermore, clients have the ability to direct TDPCW not to invest their assets in affiliated products, a factor which further mitigates this conflict.

Epoch Investment Partners, Inc., a wholly-owned subsidiary of TD Bank U.S. Holding Company (which is ultimately a wholly- owned subsidiary of The Toronto-Dominion Bank), is registered with the SEC as an investment adviser and makes available equity strategies to TD Bank clients. We provide trading and portfolio implementation services for clients invested in Epoch's strategies through the TD Bank program. .

TD Waterhouse Private Investment Counsel Inc. ("TDW PIC") is registered in all Canadian provinces and territories as a portfolio manager. It may also act as an exempt market dealer of securities, including securities of investment funds managed by TDAM. TDW PIC has discretion to place client assets in units of Canadian funds managed by TDAM. Whenever TDW PIC exercises its discretionary investment authority to place client assets in a fund we sub-advise for TDAM, we benefit by the receipt of additional sub-advisory fees.

Greystone Managed Investments Inc., ("Greystone") is registered in all Canadian provinces and the Northwest Territories as a portfolio manager and exempt market dealer of securities. Greystone is registered in the United States as a Registered Investment Adviser. We provide supervisory oversight to employees of Greystone by the CEO/CIO of Greystone reporting to the CEO/CIO of TDAM USA.

4. Bank or Thrift Company

TD Bank, N.A., is a U.S. national bank subject to regulation by the Office of the Comptroller of the Currency ("OCC") and, as an indirect wholly-owned subsidiary of The Toronto-Dominion Bank, a related person. TD Bank distributes shares of certain TDAM Funds to its clients, and also provides shareholder services. TD Bank receives compensation from certain TDAM Funds for performing both of these services. In addition, we pay TD Bank from our own revenue for the performance of shareholder servicing activities for certain TDAM Funds.

The same types of conflicts of interest inherent in the TD Ameritrade distribution arrangement exist with respect to TD Bank and are mitigated by the same type of requirement; that is, TD Bank may only sell TDAM Fund shares to those of its clients whose investment objectives are met by the affiliated funds.

We provide TD Bank with Model Portfolios as fixed income investment options for its clients and perform portfolio implementation services for all client accounts. TD Bank also creates and offers its clients mutual fund Model Portfolios, which may include TDAM Funds as described in Item 4, above. When TD Bank selects a TDAM Fund for its mutual fund Model Portfolios, TD Bank clients will pay their pro rata share of management and administrative fees embedded in the TDAM Fund to us.

We also provide TD Bank with non-discretionary advice similar to the advice we provide to TDPCW, in that we offer guidance on asset allocation and portfolio construction upon request. The same types of conflicts of interest inherent in the TDPCW arrangement exist with respect to this arrangement. In particular, when constructing portfolios, we have an incentive to favor allocations to affiliated products (and allocations to affiliated products with higher management fees than other affiliated products) since such allocations result in increased compensation to us and our affiliates. We work to reduce this conflict and will recommend an affiliated product only when we believe it will optimize a portfolio to a greater extent than any other affiliated or non-affiliated product. In addition, we have no discretion to implement our recommendations as TD Bank is not required to utilize our guidance. Furthermore, clients have the ability to direct TD Bank not to invest their assets in affiliated products, a factor which further mitigates this conflict.

TD Bank may delegate investment authority to us as permitted by OCC regulations. TD Bank may delegate pursuant to written investment management agreements between itself and certain TD Bank clients, including pension plans, and they may describe us as a fiduciary to such plans.

The Toronto-Dominion Bank, our ultimate parent company, is a Canadian chartered bank regulated by the Canadian Office of the Superintendent of Financial Institutions. Certain areas of the Bank provide us with services, including Compliance, Legal and Finance. The Bank has issued securities to the public in the United States and Canada. We may purchase securities of the Bank for our clients' accounts subject to regulatory requirements. Before acquiring such securities, we fully disclose the relationship and obtain informed written client consent.

11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

We have adopted a Code of Ethics for all supervised persons of the firm describing our standards of business conduct and fiduciary duty to our clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All of our supervised persons, including the TDAM "participating affiliate" employees discussed in Section 10.C.3. above, must acknowledge the terms of the Code annually.

We anticipate that, in appropriate circumstances, consistent with clients' investment objectives, we will cause accounts over which we have management authority to effect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which we, our affiliates and/or clients, directly or indirectly, have a position of interest. As supervised persons, our officers, directors, and employees are required to follow our Code and Personal Trading Policy and Procedures. Subject to satisfying this policy and applicable laws, our officers, directors and employees are permitted to trade for their own accounts in securities that we recommend to and/or purchase for our clients. In addition, employees are permitted to hold interests in one or more TDAM Funds, for example as part of a retirement savings plan, but must report these interests under the Code. The Code is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with:

1. making decisions in the best interest of advisory clients; and
2. implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Under the Code certain classes of securities have been designated as exempt securities, based upon a determination that trades in these exempt securities would not materially interfere with the best interest of our clients. In addition, the Code requires pre-clearance of non-exempt securities and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code, which is reasonably designed to prevent conflicts of interest between us and our clients. In the event that a violation does occur, there are various disciplinary measures that can be imposed based on the severity of the violation.

The Code and Personal Trading Policy and Procedures are overseen by Compliance, which has a reporting line to The Toronto-Dominion Bank Global Compliance Department. Our clients and prospective clients may request a copy of the Code by contacting us at (866) 416-4031 as provided in Section 2.

Gifts and Entertainment

Employees may be offered a gift or entertainment by clients, prospective clients, brokers, vendors or other entities which transact or seek to transact business with us. Gifts and entertainment received or provided under appropriate circumstances may build goodwill and enhance working relationships among business partners; however, the offer or acceptance of such items may result in actual or perceived conflicts of interest. We are committed to the highest standards of business conduct and have adopted a Gifts and Entertainment Policy to provide guidance for the offering and acceptance of gifts and entertainment.

Additional Potential Conflicts and Restrictions Relating to Advisory Activities

Management of Affiliated Assets

We manage assets for one or more affiliated employee benefit plans and may pursue investment strategies that are the same as those we pursue for other client accounts. We may purchase or sell the same securities for affiliated employee benefit plans that we also purchase or sell for client accounts. As a fiduciary we have an obligation to act in the best interests of all of our clients and not to favor any one client. Accordingly, we have adopted trade allocation procedures that are designed to ensure the fair and equitable treatment of all client accounts. Please see Section 12 for more information on our trade aggregation and allocation process.

Competing Investment Positions

Different investment teams may, on behalf of client accounts, make investments in different parts of an issuer's capital structure. For example, our fixed income investment team may acquire debt securities of an issuer for one client, while our equity investment team may acquire equity securities of the same issuer for another client. If the issuer faces financial difficulty, the interests of the company's debt and equity holders may conflict, as debt holders might favor liquidation of the issuer in a manner that leaves little value for equity holders. In such a situation, the actions we take with respect to assets held by one client may have an adverse impact on the interests of another client. Each investment team will make investment decisions that it believes are in the best interests of our clients. In specific cases, should we determine it to be necessary, we may establish information barriers between portfolio managers within the fixed income investment team and their counterparts within the equity investment team. Nonetheless, a conflict of this type may cause a particular client to receive less favorable investment returns as compared to another client.

Likewise, although we do not engage in short selling, certain of our portfolio managers who are also portfolio managers for TDAM, may establish a short position in a security for a TDAM client account and a long position in that same security for our client accounts. These inconsistent positions could create conflicts of interest, since a short sale of the security by TDAM may reduce the market value of a long position in the same security. Our Regulatory & Policy Governance group will monitor this activity on a regular basis to ensure each position is consistent with the investment objectives and strategies of the client account. However, there can be no assurance that the conflict will not result in a client receiving less favorable returns on an investment.

Potential Restrictions Relating to Material Non-Public Information

By reason of the business and investment activities we conduct, we may acquire material non-public information or otherwise be restricted in our investment activities and, in such event, we may not be free to act upon such information. Moreover, due to our receipt of material non-public information, we may not initiate a transaction for a client account that we otherwise might have initiated, and the client account, as a result, may be required to maintain a position that it otherwise might have liquidated, or be required to refrain from acquiring a position that it otherwise might have acquired. We have implemented policies and procedures that are designed to control the flow of material non-public information within our business and to prevent its misuse. In particular, employees are prohibited from trading in the securities of an issuer while in possession of material non-public information for themselves or on behalf of others. Employees are also prohibited from communicating material mon-public information to others. These prohibitions remain in effect until the information has been publicly disseminated.

Use of Seed Capital

We or one of our affiliates may provide seed capital in order to establish a TDAM Fund and allow it to operate. This type of investment is intended to be temporary pending purchases by unrelated investors and is not made for the purpose of earning investment returns or short-term profits. As a result, we (or one of our affiliates) may hedge a seed capital investment in a TDAM Fund, including by short selling ETFs or using currency forwards. We (or our affiliate) may redeem all or a part of the seed capital in a TDAM Fund at any time, without notice and subject to applicable regulatory constraints. Within the Model Portfolios, we may exercise discretionary authority over a client account in order to invest client assets in securities of a TDAM Fund, and this may occur without notice to the client and concurrently with the withdrawal of all or a part of the seed capital by us or our affiliate from the same TDAM Fund.

12. BROKERAGE PRACTICES

Broker Selection and Best Execution

Unless otherwise directed by the client in writing, we make all decisions as to the purchase and sale of securities, including the selection of the broker-dealer and the negotiation, where applicable, of commissions or spreads on a discretionary basis. In general, we also exercise discretion over the selection of broker-dealers for trade execution, including for the nondiscretionary recommendations we make to TD Bank in connection with our Model Portfolios and the equity Model Portfolios managed by Epoch. In selecting broker-dealers to effect securities transactions for all investment accounts, we have a fiduciary duty to seek to obtain "best execution" (*i.e.*, the most advantageous execution terms for clients that are reasonably available under the circumstances at the time of the trade), as well as to assess their order execution capabilities, brokerage products and services, and research products and services. In seeking best execution, we consider a number of elements, including but not limited to, execution price, speed of execution, certainty of execution, and overall cost of the transaction.

We maintain a list of broker-dealers ("Approved Brokers") that meet our standards with respect to execution and research capabilities. We perform periodic evaluations of the brokerage; order execution and research services received from the Approved Brokers and update the list as appropriate.

Trades executed directly with a market-maker in a security, such as transactions in most fixed income securities, are charged dealer mark-ups or mark-downs rather than commissions. Over-the counter trades with brokers may result in commissions on top of dealer mark-ups or mark-downs. Trades that could be executed with a market-maker are executed on an agency basis only when we believe that agency execution will be more favorable to the client than going directly to a market-maker. For fixed income transactions, brokerage allocation is primarily based on the broker-dealer's order execution capabilities, focusing on availability of inventory and pricing. Our traders may place fixed income trades with an affiliated broker-dealer, so long as the trader believes that the costs and execution of such trades are comparable to and competitive with other brokers on the Approved Brokers list and trade-by-trade client consent is obtained as required by law. See also, discussion of affiliated broker-dealers in Section 10.C.1, above.

For equity transactions and through the broker vote process, we estimate a target percentage allocation of trades covering a six-month period, which is based on our evaluation of how each Approved Broker has performed for us in the past. The target allocations we make to each Approved Broker are strictly targets and not an obligation. While we try to adhere to the target percentages, variance may occur due to the overriding principle of seeking best execution. Again, affiliated broker-dealers may be used to the extent permitted by law.

We have established a Trade Management Oversight Committee ("TMOC") as a framework for oversight on conflict of interest matters relating to trading, as well as our overall trading processes. TMOC has a broad representation within the firm, and its membership includes Portfolio Management, Trading, Regulatory & Policy Governance, Compliance and Operations. Quarterly TMOC meetings are held during which members evaluate and approve the addition or deletion of broker-dealers on the Approved Brokers list and assess and approve trading policies. Committee members also discuss industry developments and share ideas. Additionally, TMOC sub-committees conduct periodic asset class-specific meetings where trading matters relevant to each asset class are reviewed, including adherence to the brokerage allocation targets set from the results of the broker-dealer vote for equity transactions.

Brokerage, Research and Soft Dollars

The term "soft dollars" is generally defined as the practice whereby an adviser causes a discretionary client to pay a brokerage commission that is in excess of what another broker might have charged for effecting the same transaction, in recognition of the value of the brokerage and/or research products and services provided by the specific broker. While we do not enter into specific soft dollar commitments, consistent with our duty to seek best execution, and in accordance with SEC guidance, we may participate in bundled brokerage and/or commission sharing arrangements to receive brokerage and research products and services.

Brokerage and research products and services provided to us by a broker-dealer or third party service provider include, among other things, advice as to the value of securities and the advisability of effecting transactions in securities; analyses and reports concerning securities, issuers, industries and portfolio strategies or economic or political factors and trends that may have an impact on the value of securities or investment strategies; seminars and conferences; databases and software including, but not limited to, quantitative analytical software; market data from feeds or databases; post-trade analytics; execution management systems and order management systems (to the extent they help arrange or effect a securities transaction); algorithmic trading software and market data (to the extent they assist in the execution of orders); and custody, clearing and settlement services that are directly related to an executed order that generated commissions. The brokerage and research products and services provided by a broker-dealer may be proprietary and/or provided by a third party (i.e., originates from a party independent from the broker that provided the execution services).

As part of our duty to seek best execution, we may select a specific broker-dealer for a portion of our trades provided that we have: (i) determined that the brokerage and research products or services provided by the broker-dealer appropriately support our investment decision-making responsibilities, and (ii) made a good faith determination that the amount of commissions paid (which may be higher than commissions charged by other Approved Brokers) is reasonable in relation to the value of brokerage and research products and services received. These determinations can be viewed in terms of either the specific transactions or our overall responsibility to the accounts for which we exercise investment discretion.

We believe access to this type of research and brokerage is important to our investment decision-making process. While we seek to allocate soft dollar benefits in a fair and equitable manner, we may use the brokerage and research products and services provided by a broker-dealer and/or third-party provider in servicing any or all of our clients, including clients other than those making the payment of commissions to the extent permitted by SEC interpretive positions. Because we have a participating affiliate arrangement with TDAM, TDAM clients may also benefit from the brokerage and research products and services we obtain. By the same token, because of the participating affiliate arrangement, our clients benefit from research and brokerage obtained by TDAM.

We also participate in Commission Sharing Arrangements ("CSAs") in which the CSA provider will allocate our client commission dollars for transactions we've executed through them to certain non-affiliated broker-dealers and/or third-party providers, which provide or have provided us with meaningful research or brokerage products or services. We may cause clients to pay more if we believe that the amount of additional commission is reasonable in relation to the value of the brokerage and research products and services received.

In some cases, we receive research/brokerage and non-research/non-brokerage (*e.g.,* administrative or accounting services) services. In addition, we use certain research/brokerage products to assist us with marketing our services to the public or other operational processes. This is commonly referred to as a "mixed use" product. In these cases, we make a good faith determination of the portion allocated to non-research/non- brokerage and/or marketing and operations, and we pay the allocation amount with our own monies ("hard dollars"). In making such good faith allocations, a conflict of interest may exist by reason of our allocation of the costs of such services and benefits between those that primarily benefit us and those that primarily benefit our clients.

The receipt of brokerage and research products and services in exchange for client soft dollars may be deemed to be the receipt of an economic benefit by us, because we do not pay hard dollars for the products and services received. This is deemed to create a conflict of interest, because these arrangements give us an incentive to select or recommend a broker-dealer or third-party provider based on our interest in receiving the research or brokerage products or services, rather than on our clients' interest in receiving a more favorable execution. To address the conflicts surrounding soft dollar arrangements, we have adopted written policies and procedures regarding trading, use of client commissions and brokerage selection.

Directed Brokerage

At the request of a client, we may enter into directed brokerage and/or commission recapture arrangements, which are solely for the benefit of the requesting client. When a client designates a broker-dealer, it may not be possible for us to obtain the same execution that would be attainable if we had full discretion to select the executing broker-dealer. Under these circumstances, clients should understand that: (1) we generally do not negotiate specific brokerage commission rates with the directed broker on the client's behalf, or seek better execution services or prices from other broker-dealers and, as a result, a client may pay higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case; and (2) transactions for that client generally will be effected independently (not aggregated). Therefore, prior to directing us to use a specific broker-dealer, a client should consider whether the directed broker's execution, clearance and settlement capabilities, commission expenses and whatever amount is allocated to custodian fees, if applicable, would be comparable to those otherwise obtainable on the client's behalf by allowing us to select the executing broker-dealer.

Trade Aggregation and Allocation

At a particular moment in time, we may determine, for a variety of reasons, that the purchase or sale of a particular security is appropriate for multiple client accounts. This may give rise to actual or potential conflicts of interest among the accounts for whom the security purchase or sale is planned. We have a fiduciary duty to treat all accounts fairly and equitably. In this endeavor, we generate trade orders or trade order instructions for the same investment decision at the same time and aggregate all similar orders (subject to certain exceptions) and consistently allocate securities. In cases of partial fills, a conflict may be created among the accounts participating in an aggregated order. To address these conflicts, we have adopted certain policies and procedures that we follow when aggregating orders in an effort to provide an objective and equitable method of trade allocation so that all participating clients are treated fairly.

When allocating filled aggregated orders among our clients we allocate partially filled orders on a pro rata basis or in another fair and reasonable manner, as outlined in our policies and procedures, to ensure fairness to all participating accounts. When orders for the same security are aggregated for execution, the allocation method used in relation to the corresponding fills will be documented prior to the execution. Partially filled orders that include pooled proprietary accounts (i.e., new funds that are launched with an investment by TD that do not contain any client investments) will be allocated to all non-proprietary accounts first, with the pooled proprietary accounts filled last.

While some of our pooled proprietary accounts and affiliated employee benefit plans participate in aggregated orders, the firm's proprietary accounts (i.e., accounts where TD is the beneficial owner) are generally excluded from aggregation and those orders are generally executed only after all other client account orders involving the same security, in the same direction of trade, are fully executed. However, orders to transact in a particular security may be placed by multiple portfolio managers, and trading instructions relating to those orders may be communicated to multiple traders at various times throughout the day, so it is possible for a firm proprietary account to transact ahead of other client accounts at a different price. In addition, as discussed further below, we execute orders for accounts participating in Model Portfolios ("Model Portfolio Accounts") separately, so it is possible that a firm proprietary account will transact in a security ahead of, and at a price that is different from, a Model Portfolio Account.

Money market trading is driven by the continuous need to reinvest proceeds from maturing money market securities or to address cash flow requirements of accounts. We, within the constraints of regulatory rules and investment guidelines, make a determination about the amount to be invested or reinvested with an issuer. The key concept of fairness is allocation of investment opportunities at the time specific portfolio management requirements are known rather than aggregation and allocation at the time of executions.

Trade Sequencing

As an adviser to both separate accounts and to the Model Portfolios, we generally do not aggregate orders for separate accounts with orders for Model Portfolio Accounts. Although our investment decisions for separate accounts and recommendations for Model Portfolios Accounts are made/conveyed simultaneously, we need more time to make trade decisions for the Model Portfolio Accounts. This generally means that we will trade the Model Portfolio Accounts later than separate accounts and the Model Portfolio Accounts will likely receive different prices from those received by separate accounts for the same securities. When we aggregate orders in the same securities for both separate accounts and Model Portfolio Accounts, we will average price the securities acquired for the benefit of all participating accounts.

We generally aggregate Model Portfolio Accounts within the same program and block trade them together. However, the timing of the portfolio modeling and implementation process is different for each program. Therefore, we may not aggregate and block trade the Model Portfolio Accounts of TD Bank with those of TDPCW. In addition, there are timing differences related to the provision of advice to certain client accounts. In particular, non-discretionary clients must determine whether to act on our advice and, as a result, trades are often executed for these client accounts after executions for discretionary client accounts. This may result in clients paying or receiving different prices for the same recommended securities.

Limited Offering Allocations

We may, from time to time, when determined consistent with a client's investment objectives, strategy and restrictions, purchase limited investment offerings (*e.g.,* new issues, private placements) for certain client accounts, including the firm's proprietary and pooled proprietary accounts. When this occurs, we seek to allocate these investments among participating accounts in an equitable manner so as not to unfairly prefer one account over another. If we do not receive a full allocation, then the amount received will be allocated to the participating accounts on a pro rata basis, with the exception that we will not allocate to any account where such allocation would result in a de minimis amount. All proprietary accounts receive allocations only after client accounts are completely filled. We reserve the right to make exceptions to this policy if we believe it is in the best interest of clients to do so. We do not purchase securities in any initial public offering or private placement for Model Portfolio Accounts unless specifically requested by TD Bank or TDPCW on behalf of a particular client.

Error Correction

A trade error is an error in the placement, execution or settlement of a transaction. A trade error is not an intentional or reckless act of misconduct. We correct trade errors promptly, in a manner that does not disadvantage the client, and not through the use of client brokerage commissions. When an error occurs, a client will keep any resulting gain, or we will reimburse the client for any material loss. Clients may not be reimbursed for errors when the impact is not material, which is a currently a threshold set at less than $100. Where more than one transaction is involved in an error, the gain will be determined net of any associated loss. We review errors on a regular basis for appropriate mitigation and resolution.

Cross Trades

Cross trades are transactions where two or more investment accounts are transacting with one another. We may engage in cross trades if: (1) the transaction is believed to be in the best interest of the clients; (2) the transaction is believed to fulfill our duty to seek best execution; (3) we have made full and appropriate disclosures; and (4) the transaction does not violate applicable law. Further, cross trades are prohibited where one of the investment accounts is a TDAM Fund and an affiliate's seed capital investment in that TDAM Fund is 25% or more.

13. REVIEW OF CLIENT ACCOUNTS

Separate Accounts

Our portfolio managers and Regulatory & Policy Governance group review separate client accounts on a regular basis. Clients provide us with written investment guidelines and these guidelines are monitored on a daily basis using an automated compliance monitoring system. Finally, depending on their requirements, clients receive, on a monthly or quarterly basis, written reports on portfolio positions, transaction summaries and performance reviews.

Model Portfolios

Model Portfolios are reviewed daily by portfolio managers for consistency with investment strategies and appropriateness of portfolio holdings. The Regulatory Policy & Governance group also monitors Model Portfolios daily for adherence to internal guidelines. As previously discussed, we provide portfolio management and advisory services to TD Bank and TDPCW on behalf of their clients. We do not formulate investment guidelines customized to an individual's investment objectives or provide statements or reports to individual clients in these programs, as this responsibility resides with TD Bank or TDPCW.

We develop and distribute to TD Bank documentation for the portfolio strategy of certain fixed income Model Portfolios, rebalance all client accounts in accordance with the Model Portfolio (subject to any reasonable restrictions imposed by the client), place all securities transactions and prepare written reports to TD Bank on the performance of the Model Portfolios, including quarterly summaries.

For clients in TDPCW's wrap programs, we are responsible for managing each client's account in accordance with the selected fixed income Model Portfolio (subject to any reasonable restrictions imposed by the client), and for placing fixed income transactions.

14. CLIENT REFERRALS AND OTHER COMPENSATION

We do not receive any economic benefit from persons who are not clients for providing investment advice or advisory services to our clients or to clients of TD Bank or TDPCW. Although not a general practice, we may pay referral fees in some instances to affiliates and non-affiliates who successfully refer clients. These are one time or ongoing arrangements, based on a percentage of the management fee paid by the client, and would not result in an additional charge to advisory clients. We comply with requirements of the Cash Solicitation Rule, Rule 206(4)-3 under the Investment Advisers Act of 1940.

Our affiliate, TDAM, subscribes to investment manager databases and TDAM employees may attend a conference sponsored by an institutional asset management consultant who conducts searches and recommends investment managers to clients. These consultants may recommend that their clients hire us or invest in products that we sponsor.

15. CUSTODY

We do not take actual custody of client assets, nor do we automatically deduct our advisory fees from client accounts. Separate account clients' assets are custodied at qualified custodians, including banks and broker-dealers. TD Bank provides custodial services for its client accounts and a third party, qualified custodian bank provides TD Bank with asset custody services. Assets of TDPCW clients are held with a qualified custodian selected by TDPCW.

Our institutional account clients receive statements concerning their portfolios from us. We encourage clients to carefully review their custodial statements and compare the statements received from their custodians with the statements they receive from us.

16. INVESTMENT DISCRETION

We receive discretionary authority from clients at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. The discretionary authority is provided in the Investment Management Agreement. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the client account and in accordance with fiduciary standards. We do not generally accept nondiscretionary advisory clients, but we do provide some nondiscretionary advice to TD Bank in connection with the Model Portfolios. This advice is generally coupled with the discretionary trading services set out above. When selecting securities and determining amounts, we observe our clients' investment guidelines, limitations and restrictions. Client investment guidelines and restrictions (e.g. affiliated entities) must be provided to us in writing.

For Sole Authority accounts of TD Bank clients, we honor any investment guidelines established by TD Bank. For example, when seeking municipal bonds for customer accounts, we comply with the credit quality and maturity guidelines established by TD Bank. Similarly, we apply any target allocation limits imposed by TD Bank when re-balancing accounts whether the accounts are invested in one of our Model Portfolios, Modules or non-modeled assets. For Shared Authority accounts, we honor both the TD Bank guidelines and the restrictions of each TD Bank client to the extent that TD Bank has accepted the client restrictions under its investment management agreement with its client and has provided these restrictions to us.

Similarly, TDPCW clients grant us full investment discretion and may impose guidelines and reasonable restrictions on their accounts. Where a client seeks to impose reasonable restrictions on its account, we will review all documentation provided to us by the client prior to the inception of an account.

As discussed above in Section 4, we provide guidance regarding asset allocation and portfolio construction to each of TD Bank and TDPCW upon request but have no discretionary authority to implement this guidance.

17. VOTING CLIENT SECURITIES

We are granted proxy voting authority in our client agreements and have established policies and procedures that set out a general statement of policy with respect to our proxy voting activities. The Proxy Policy includes guidelines for determining how to vote in respect of common issues that require voting decisions, a framework for addressing novel or contentious matters and the obligations of the Proxy Committee.

The Proxy Policy permits us to delegate responsibility for certain proxy voting activities to third-party service providers. We have engaged Institutional Shareholder Services, Inc. ("ISS") to vote proxies related to securities held by accounts for which we retain the right to vote. ISS has been instructed to vote in accordance with the principles and guidelines set out in the Proxy Policy and has also been instructed to refer to us certain proposals, so we may consider them case by case.

The Proxy Policy sets out a framework to ensure that we can resolve material conflicts of interest related to voting matters, including conflicts between an account and (i) us and our affiliates; (ii) individuals making proxy voting decisions; or (iii) service providers making proxy voting decisions (each, a "Conflict"). This framework requires independent proxy decision makers to ensure proxies are voted in accordance with the Proxy Policy or brought to the attention of the Proxy Committee. Such decision makers are provided guidance in determining whether a Conflict exists with respect to any voting matter. In cases where a Conflict arises, the Proxy Committee reviews the matter to determine what actions are necessary to ensure the Conflict is handled appropriately and the proxy is voted in the best interests of the account.

Clients may obtain information about how their securities were voted and may obtain the Proxy Policy, at no cost, by contacting our Chief Compliance Officer as provided in Section 2.

18. FINANCIAL INFORMATION

We do not require or solicit prepayment of more than $1,200 in fees per client six months or more in advance and thus have not included a balance sheet of our most recent fiscal year. We are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to clients, nor have we been the subject of a bankruptcy petition at any time during the past ten years.