

LOW VOLATILITY STRATEGIES – BACKTESTING

BACKGROUND

This report compares the returns of the existing Diversified Equity Fund and Canadian Equity Fund, with backtested portfolios that include a low volatility strategy. For the Diversified Equity Fund, 10% of the portfolio was invested either in a Canadian equity low volatility strategy or in a Global equity low volatility strategy. For the Canadian Equity Fund, 25% of the portfolio was invested in a Canadian equity low volatility Strategy. The study covers the period from January 1, 2007 to December 31, 2011. The rates of return used for the Canadian equity low volatility strategy are those of the TD Emerald Low Volatility Canadian Equity Fund and for the global equity low volatility strategy, the TD Emerald Low Volatility Global Equity Fund was used. For the Canadian low volatility strategy, actual returns were used from October 2009 to December 2011 and simulated returns were used from January 2007 to September 2009. For the global equity low volatility strategy, actual returns were used from January 2010 to December 2011 and simulated returns were used from January 2007 to December 2009.

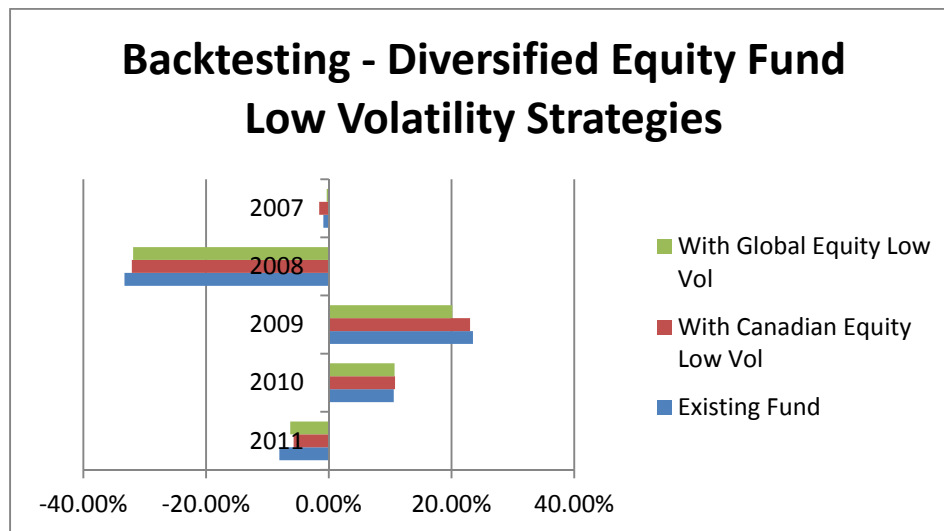
DIVERSIFIED EQUITY FUND

**Annualized Gross Returns
As of December 31, 2011**

	1-Yr	2-Yr	3-Yr	4-Yr	5-Yr
Existing Diversified Equity Fund	-8.06%	0.84%	7.88%	-4.34%	-3.66%
With Canadian Equity Low Vol	-5.75%	2.18%	8.71%	-3.36%	-3.01%
With Global Equity Low Vol	-6.29%	1.86%	7.62%	-4.02%	-3.29%

**Annual Gross Returns
As of December 31,**

	2011	2010	2009	2008	2007
Existing Diversified Equity Fund	-8.06%	10.59%	23.49%	-33.31%	-0.89%
With Canadian Equity Low Vol	-5.75%	10.79%	23.03%	-32.11%	-1.56%
With Global Equity Low Vol	-6.29%	10.72%	20.12%	-31.90%	-0.35%



**Standard Deviation of Returns
As of December 31, 2011**

	2-Yr	3-Yr	5-Yr
Existing Diversified Equity Fund	13.05%	14.57%	15.39%
With Canadian Equity Low Vol	12.34%	13.94%	14.82%
With Global Equity Low Vol	12.14%	13.62%	14.49%

**Sharpe Ratios
As of December 31, 2011**

	2-Yr	3-Yr
Existing Diversified Equity Fund	0.00	1.56
With Canadian Equity Low Vol	0.11	1.60
With Global Equity Low Vol	0.08	1.43
R_f	0.89%	0.69%

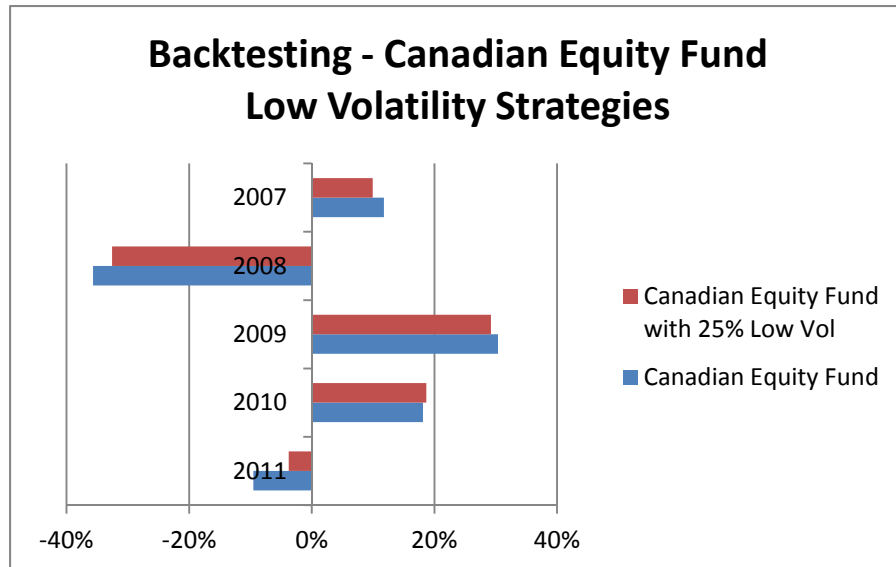
CANADIAN EQUITY FUND

**Annualized Gross Returns
As of December 31, 2011**

	1-Yr	2-Yr	3-Yr	4-Yr	5-Yr
Canadian Equity Fund	-9.53%	3.38%	11.69%	-2.70%	0.05%
Canadian Equity Fund with 25% Low Vol	-3.75%	6.87%	13.85%	-0.12%	2.27%

**Annual Gross Returns
As of December 31,**

	2011	2010	2009	2008	2007
Existing Canadian Equity Fund	-9.53%	18.14%	30.36%	-35.66%	11.77%
Canadian Equity Fund with 25% Low Vol	-3.75%	18.66%	29.21%	-32.56%	9.93%



**Standard Deviation of Returns
As of December 31, 2011**

	2-Yr	3-Yr	5-Yr
Existing Canadian Equity Fund	12.68%	14.23%	16.94%
Canadian Equity Fund with 25% Low Vol	10.67%	12.39%	15.18%

**Sharpe Ratios
As of December 31, 2011**

	2-Yr	3-Yr
Existing Canadian Equity Fund	0.20	0.77
Canadian Equity Fund with 25% Low Vol	0.56	1.06
R_f	0.89%	0.69%