

Asset Allocation Team's Quarterly Comments

Except for the TD Managed Income Portfolio, all TD MAP Portfolios (the "Portfolios") delivered positive absolute returns¹ over the third quarter, largely driven by strong performance from U.S. and International equities. Canadian Bonds declined 1% over the quarter and contributed to TD Managed Income Portfolio's negative absolute return.

Third Quarter 2018 Performance Commentary:

- Canadian equities declined over the quarter; however, the Portfolios' tactical decision to underweight Canadian equities contributed to performance. TD Canadian Equity Fund and TD Canadian Low Volatility Pool delivered positive absolute returns, outperforming the S&P/TSX Composite Total Return Index, while TD Canadian Value Fund generated negative returns.
- Within global equities, all funds contributed to positive performance except for Epoch International Equity Fund. TD U.S. Mid-Cap Growth Fund, Epoch U.S. Large-Cap Value Fund and TD U.S. Blue Chip Equity Fund were the top contributors in the category.
- Within fixed income, only TD High Yield Bond Fund delivered positive absolute returns; however, the Fund only represents a relatively small weighting within the Portfolios. In addition, our tactical decision to underweight the Fund detracted from performance over the quarter.

Although trade tensions were on the rise, the U.S. economy remained robust, benefiting from strong corporate earnings, tax cuts and low unemployment. On the other hand, concerns remained about fixed income investments as central banks continued to increase interest rates.

Throughout the third quarter of 2018:

- From a strategic perspective, we increased our global fixed income exposure to further diversify the Portfolios and finalized the previous quarter's strategic rebalancing
- From a tactical perspective, we continued to favour U.S. equities over International and Canadian equities and as a result we gradually rotated from International to U.S. equities over the quarter
- From a sector perspective, we reduced exposure to U.S. technology stocks and took some profits from our exposure to U.S. industrial stocks. In terms of currency, we continue to favour USD over CAD & EURO and took profits on USD/CAD trades given the North American trade war uncertainty.

Overall, our fund positioning remains underweight fixed income by approximately 3%. We are relatively neutral equities, but remain underweight Canadian equities and overweight U.S. equities, with U.S. fundamentals contributing to a positive outlook. We remain overweight cash but reduced our position to approximately 2%.

¹ Absolute return refers to the total return (total gain or loss) of a portfolio or fund, as opposed to its relative return against a benchmark.

Performance

as at September 28, 2018

TD Managed Assets Program Portfolios	Inception Date	3 Mo. (%)	YTD (%)	1 Yr. (%)	3 Yrs. (%)	5 Yrs. (%)	10 Yrs. (%)
TD Managed Income Portfolio - A	11/12/1998	-0.2	0.7	3.1	2.8	4.2	4.4
TD Managed Income & Moderate Growth Portfolio - A	11/12/1998	0.1	1.4	4.5	4.2	5.6	5.3
TD Managed Balanced Growth Portfolio - A	11/12/1998	0.4	2.1	5.8	5.2	6.6	5.9
TD Managed Aggressive Growth Portfolio - A	11/12/1998	0.7	2.9	7.1	6.5	7.8	6.5
TD Managed Maximum Equity Growth Portfolio - A	11/12/1998	1.0	3.6	8.3	7.5	8.8	6.7
TD FundSmart Managed Income & Moderate Growth Portfolio - A	11/12/1998	0.0	1.3	4.3	3.6	5.2	5.1
TD FundSmart Managed Balanced Growth Portfolio - A	11/12/1998	0.4	2.1	5.8	5.0	6.5	5.8
TD FundSmart Managed Aggressive Growth Portfolio - A	11/12/1998	0.9	3.0	7.2	6.3	7.8	6.8

Source: TDAM. Performance is reported for Advisor Series units, net of fees. Returns for periods greater than one year are annualized compound returns.

Market & Economic Updates

- The Canadian equity market, as measured by the S&P/TSX Composite Total Return Index, decreased -0.6% over the third quarter of 2018, with five sectors declining. Canada’s economy, as measured by gross domestic product (“GDP”), grew 0.7% over the second quarter. However, ongoing trade uncertainty with the U.S. and an increase in interest rates by the Bank of Canada weighed on Canadian equities. Compared to the previous quarter, Canada’s unemployment rate held steady at 6.0% and inflation increased by 2.8%.
- Materials was the weakest performing sector in the Canadian equity market as a result of the negative impact of the higher U.S. dollar on the metals and mining subsector. The Consumer Discretionary sector also declined over the quarter partly as a result of higher interest rates, which curbed consumer spending. Failure to get key pipeline projects approved drove down the Energy sector as this development weakened the overall competitiveness of Canada’s energy companies.
- U.S. equities, as measured by the S&P 500 Total Return Index, posted a gain of 7.7% in local currency terms over the third quarter of 2018. U.S. GDP growth advanced in the second quarter, and was bolstered by higher personal consumption and trade activity. The U.S. Federal Reserve Board raised its central interest rate in September, partly in response to low unemployment and wage growth. Inflation rose less than expected in August, as higher gas prices and rents were offset by drops in health care and apparel costs.
- Canadian bonds, as represented by the FTSE TMX Canada Universe Bond Index, declined -1.0% over the third quarter of 2018. During the period, trade uncertainty with the U.S. weighed heavily on Canadian bond investors. A variety of factors put pressure on bond prices, including Canadian economic growth, low unemployment and rising inflation.
- Global equities moved higher over the quarter, with the MSCI World Index GD (C\$) rising 3.3% over the quarter. This was led by growth in U.S. equities. European GDP growth advanced during the second quarter, while the unemployment and inflation rates remained fairly stable. The European Central Bank (“ECB”) held its interest rate steady at 0.00%. The Bank of England (“BoE”) raised its interest rate to 0.75% in August, as inflation rose and GDP grew 0.4% in the second quarter. Japan’s GDP rebounded in the second quarter versus the previous quarter, and the Bank of Japan maintained its interest rate at -0.10%.



TD Managed Assets Program (TD MAP)

	3 Month (%)	1 Year (%)	3 Year (%)	5 Year (%)
S&P/TSX Composite TR Index (C\$)	-0.57	5.87	9.70	7.80
MSCI World Index Gross Dividend (C\$)	3.27	15.59	12.80	15.04
FTSE TMX Canada Universe Bond Index (C\$)	-0.96	1.66	1.60	3.26

Source: Morningstar® Direct, as of September 28, 2018

In Focus: The Importance of Global Diversification

Given Canada's recent low equity market returns when compared with other nations globally, now might be a good opportunity to explore diversifying your holdings beyond Canada to help enhance portfolio returns and potentially reduce domestic concentration risk.

Investors tend to exhibit a bias toward their local financial markets, which can result in an overweight exposure to domestic assets within their investment portfolio. This is known as home-country bias. Canada represents a small portion (approximately 4%) of the world's market capitalization and its equity market is heavily concentrated in three sectors: Financials, Energy and Materials. International markets, on the other hand, can have greater sector diversification and can help provide exposure to sectors like Information Technology, Health Care and Consumer Discretionary.

Potential benefits of going Global:

- Adequate portfolio diversification can help reduce the risk of being over-concentrated in an underperforming market (geographic, sector, etc.)
- Asset classes, market capitalizations, geographic regions and investment styles can perform differently at different times, relative to each other. A more balanced portfolio can help to capitalize on broader opportunities as they arise.
- A diversified portfolio has the potential to reduce overall portfolio volatility and help smooth out long-term returns

TD MAP Portfolios are diversified across global markets and can help you reach your goals. For more information, visit our TD Managed Assets Program page at tdassetmanagement.com.

Asset Allocation

as at September 28, 2018

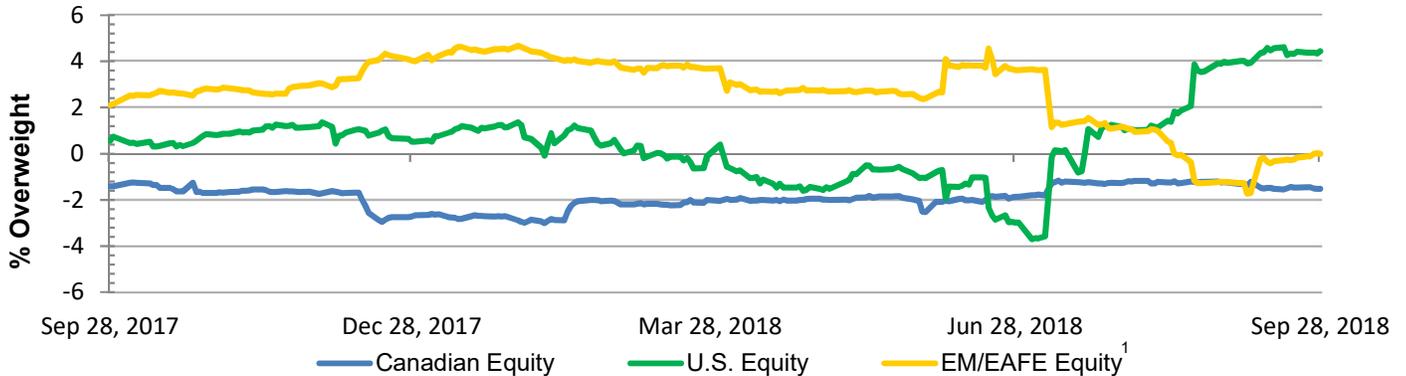
	Income		Income and Moderate Growth		Balanced Growth		Aggressive Growth		Maximum Equity Growth	
	Current* (%)	Difference from Benchmark (%)	Current* (%)	Difference from Benchmark (%)	Current (%)	Difference from Benchmark (%)	Current (%)	Difference from Benchmark (%)	Current (%)	Difference from Benchmark (%)
TD Managed Assets Program Portfolios										
Cash	2.4	2.4	2.6	2.6	2.4	2.4	1.8	1.8	1.4	1.4
Fixed Income	66.3	-3.7	51.2	-3.8	34.1	-3.4	19.4	-3.1	5.2	-2.3
Global Equity	25.8	3.3	35.3	3.3	49.6	3.1	59.1	3.2	69.9	2.9
Canadian Equity	5.5	-2.0	10.9	-2.1	14.0	-2.0	19.1	-1.9	23.5	-2.0

Source: TD Asset Management Inc. (TDAM). Weights relative to strategic benchmarks. Fixed Income is represented by the FTSE TMX Canada Universe Bond Index. Canadian Equity is represented by the S&P/TSX Composite TR Index (C\$). Global Equity is represented by the MSCI World Index (G.D., C\$). *Current allocations may not be equal to 100% as a small percentage of portfolio assets may be allocated to an asset class not represented in the table.



Geographic Allocation

as at September 28, 2018



Source: TDAM. Graph reflects the TD MAP Managed Balanced Growth Portfolio positioning relative to strategic benchmarks and is representative of the tactical moves made across all TD Managed and TD FundSmart Managed Portfolios. ¹ Emerging Market/Europe, Australasia and Far East Equity.

For more information on TD MAP please speak to your Advisor today.

The information contained herein has been provided by TD Asset Management Inc. and is for information purposes only. The information has been drawn from sources believed to be reliable. Graphs and charts are used for illustrative purposes only and do not reflect future values or future performance of any investment. The information does not provide financial, legal, tax or investment advice. Particular investment, tax, or trading strategies should be evaluated relative to each individual's objectives and risk tolerance. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund facts and prospectus, which contain detailed investment information, before investing. The indicated rates of return are the historical annual compounded total returns for the period indicated including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unit holder that would have reduced returns. Mutual funds are not guaranteed or insured, their values change frequently and past performance may not be repeated. Mutual fund strategies and current holdings are subject to change. Index returns are shown for comparative purposes only. Indexes are unmanaged and their returns do not include any sales charges or fees as such costs would lower performance. It is not possible to invest directly in an index. Certain statements in this document may contain forward-looking statements ("FLS") that are predictive in nature and may include words such as "expects", "anticipates", "intends", "believes", "estimates" and similar forward-looking expressions or negative versions thereof. FLS are based on current expectations and projections about future general economic, political and relevant market factors, such as interest and foreign exchange rates, equity and capital markets, the general business environment, assuming no changes to tax or other laws or government regulation or catastrophic events. Expectations and projections about future events are inherently subject to risks and uncertainties, which may be unforeseeable. Such expectations and projections may be incorrect in the future. FLS are not guarantees of future performance. Actual events could differ materially from those expressed or implied in any FLS. A number of important factors including those factors set out above can contribute to these digressions. You should avoid placing any reliance on FLS. TD Mutual Funds and the TD Managed Assets Program portfolios are managed by TD Asset Management Inc., a wholly-owned subsidiary of The Toronto-Dominion Bank and are available through authorized dealers. All rights in the FTSE TMX Index/Indices referred to in this document/publication (the "Index/Indices") vest in FTSE TMX Global Debt Capital Markets Inc. "FTSE" is a trade mark of FTSE International Ltd and is used under licence. "TMX" is a trade mark of TSX Inc. and is used under licence. The TD Mutual Funds/Products (the "Funds/Products") have been developed solely by TD Asset Management Inc. The Index is calculated by FTSE TMX Global Debt Capital Markets Inc. or its agent. FTSE TMX Global Debt Capital Markets Inc. and its licensors are not connected to and do not sponsor, advise, recommend, endorse or promote the Funds/Products and do not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Funds/Products. FTSE TMX Global Debt Capital Markets Inc. and its licensors makes no claim, prediction, warranty or representation either as to the results to be obtained from the Funds/Products or the suitability of the Index for the purpose to which it is being put by TD Asset Management Inc. Bloomberg and Bloomberg.com are trademarks and service marks of Bloomberg Finance L.P., a Delaware limited partnership, or its subsidiaries. All rights reserved. ©©2018 Morningstar is a registered mark of Morningstar Research Inc. All rights reserved. All trademarks are the property of their respective owners. Epoch Investment Partners, Inc. ("Epoch") is a wholly-owned subsidiary of The Toronto-Dominion Bank and an affiliate of TD Asset Management Inc. © The TD logo and other trade-marks are the property of The Toronto-Dominion Bank.

