



# TD Greystone Canadian Short Bond Fund



**\$9.2B (C\$) in Fixed Income Assets Under Management<sup>1</sup>**

## Why Invest

- We understand how fixed income risks can interact with equities and alternative investments
- We seek to deliver a bond strategy that provides stability to your portfolio in periods of stress, along with a proven track record of adding value

## Investment Philosophy

- We believe fixed income portfolios should add value while also balancing the equity and liquidity risk of the total investment program
- To accomplish this we have developed a multi-strategy fixed income approach that will harvest value from interest rates and credit when they are attractive and will defend when opportunities are unattractive

## Key Characteristics

<b>\$4.1B</b> Core Fixed Income AUM Fund AUM: \$39.6M	<b>2.5<sup>YRS</sup></b> Modified Duration Benchmark: 2.7 <sup>YRS</sup>	<b>2.1%</b> Yield to Maturity Benchmark: 2.0%	<b>84.2%</b> Turnover Rate (12 Months)	<b>48</b> Number of Holdings
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Our Approach	Interest Rate Risk	Credit Risk
 <p>We actively manage our fixed income portfolios, using a combination of fundamental and technical analysis</p> <p>Fundamental analysis seeks to identify the current stage of the interest rate and credit cycle by examining economic and monetary conditions</p> <p>Technical analysis examines the supply and demand factors allowing us to appropriately scale risk around our fundamental bias</p>	 <p style="text-align: center;">Benchmark Relative</p>	 <p style="text-align: center;">Benchmark Relative</p>

Figure 1: % Returns as at Dec 31, 2019	Q4-19	1 Yr	Annualized	
			3 Yrs	Since Jul-15
<b>TD Greystone Canadian Short Bond Fund</b>	<b>0.2</b>	<b>3.2</b>	<b>2.0</b>	<b>1.7</b>
FTSE Canada Short Term Overall	0.1	3.1	1.7	1.4
Difference	0.1	0.1	0.3	0.3

This figure shows the performance of the TD Greystone Canadian Short Bond Fund in C\$, including cash; net of custodial fees, audit fees, transfer agent fees and administrative expenses; gross of investment management fees.

<sup>1</sup> The AUM shown is a combined total of all TD Greystone Fixed Income strategies.

**Figure 2: Portfolio Characteristics**

	Fund	FTSE Canada Short Term Overall
Maturity (yrs)	2.7	2.9
Macaulay Duration (yrs)	2.5	2.8
Modified Duration (yrs)	2.5	2.7
Yield (%)	2.1	2.0
Average Coupon (%)	2.8	2.6
<b>Maturity (%)</b>	<b>Fund</b>	<b>FTSE Canada Short Term Overall</b>
Short (0-5 yrs)	97.8	100.0
Mid (5-10 yrs)	2.2	0.0
Long (+10 yrs)	0.0	0.0
<b>Credit Quality (%)</b>	<b>Fund</b>	<b>FTSE Canada Short Term Overall</b>
AAA	32.7	50.4
AA	28.6	26.4
A	23.6	12.2
BBB	15.1	11.0
Average Quality	AA	AA
<b>Sector Mix (%)</b>	<b>Fund</b>	<b>FTSE Canada Short Term Overall</b>
Federal	32.7	47.7
Provincials	15.2	17.3
Municipals	0.0	1.2
Corporates	52.1	33.8

Excludes cash. As at December 31, 2019.

**Figure 3: Top 10 Holdings**

	Weight (%)
HSBC BANK CDA2.908 SEP 29 21	3.7
BANK MONTREAL 1.880 MAR 31 21	3.5
TD BANK 2.692 JUN 24 20/25	3.2
ROYAL BANK CDA 2.030 MAR 15 21	2.7
WELLS FARGO FINL CDA 3.040 JAN 29 21	2.6
INTER PIPELINE LTD 3.776 MAY 30 22	2.5
CIBC 2.300 JUL 11 22	2.2
HSBC BANK CDA 2.253 SEP 15 22	2.2
BANK NOVA SCOTIA 2.380 MAY 01 23	2.2
SUN LIFE FINANCIAL 2.750 NOV 23 22	2.0

Excludes cash. As at December 31, 2019.



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