

TD Asset Management

TD *Emerald* U.S. Market Index Fund

526378
(08/19)

TD *Emerald* Funds Semi-Annual Management Report of Fund Performance

for the period ended June 30, 2019

This Interim Management Report of Fund Performance contains financial highlights, but does not contain either the complete interim financial report or annual financial statements of the investment fund. You can get a copy of the interim financial report or annual financial statements at your request, at no cost, by calling 1-888-834-6339, by writing to us at TD Asset Management Inc., TD Canada Trust Tower, 34th Floor, 161 Bay Street, Toronto, Ontario, M5J 2T2, by e-mail to inst.info@tdam.com, or by visiting our website at www.tdaminstitutional.com or the SEDAR website at www.sedar.com

Securityholders may also contact us or visit our website to get a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure at no cost.

This Interim Management Report of Fund Performance represents management's view of the significant factors and developments affecting the investment fund's performance and outlook since December 31, 2018, the investment fund's fiscal year-end, until June 30, 2019. This report should be read in conjunction with the 2018 Annual Management Report of Fund Performance.



Management Discussion of Fund Performance

Results of Operations

The Class B units of TD Emerald U.S. Market Index Fund (the “Fund”) returned 13.2% for the six-month period ended June 30, 2019 (“Reporting Period”), versus 13.1% for the Fund’s product benchmark. The Fund’s product benchmark is the S&P 500 Total Return Index (Net Dividend, C\$). Unlike the product benchmark, the Fund’s return is quoted after the deduction of fees and expenses.

Market Update

The U.S. economy remained relatively strong throughout the Reporting Period. However, unresolved trade disputes with China created volatility and weighed on markets. Economic growth, as measured by gross domestic product, advanced on an annualized basis in the first quarter of 2019, led by robust personal and government spending. Taking into account global trade uncertainty and lower forecasts for the economy, the U.S. Federal Reserve Board (“Fed”) held its benchmark interest rate to a range of 2.25% to 2.50% throughout the Reporting Period. The Fed’s cautious tone and statements alluding to a possible interest rate reduction this year provided a boost to equity markets overall. The U.S. unemployment rate generally declined and in April reached its lowest level since December 1969. U.S. inflation pulled back near the end of the Reporting Period, as energy prices dropped.

U.S. equities were up over the Reporting Period in Canadian-dollar terms, as all 11 sectors posted positive returns. Information technology, consumer discretionary and industrials were the strongest-performing sectors, while health care, energy and utilities were the weakest-performing sectors.

Early in the Reporting Period, the information technology sector, which generates much of its revenue overseas, benefited from the heightened potential for a resolution to the trade disputes between the U.S. and China. The consumer discretionary sector was supported by healthy U.S. consumer spending over the Reporting Period. Manufacturing in the U.S. was relatively strong compared to the rest of the world, and export growth drove the industrials sector higher.

Key Contributors/Detractors

The Fund continued to be managed with the objective of seeking to track the performance of its product benchmark. The Fund’s returns are influenced by the same factors that affect the U.S. equity market.

Recent Developments

Looking ahead, the Portfolio Adviser continues to monitor a variety of macroeconomic factors that could impact financial markets. Central banks have become less optimistic about the global economy. The Portfolio Adviser expects the Bank of Canada and the Fed to reduce interest rates from current levels given a slowing global economy and persistent trade frictions. In the Portfolio Adviser’s view, Brexit uncertainty and weak industrial production could hamper economic growth in Europe, which may prompt the European Central Bank to cut interest rates as well. The Portfolio Adviser expects a low and potentially declining interest rate environment in the coming year.

In the Portfolio Adviser’s view, financial markets may experience periods of volatility as a slowing global economy and trade tensions between the U.S. and China cause uncertainty for investors. While corporate fundamentals, valuations and low interest rates tend to support equity prices, the Portfolio Adviser anticipates that political and economic risks could pose a challenge to financial markets over the coming year.

Related Party Transactions

Affiliates of TD Asset Management Inc. (“TDAM”) may earn fees and spreads in connection with various services provided to, or transactions with, the Fund, such as in connection with banking, custody, brokerage and derivatives transactions.

Manager, Trustee and Portfolio Adviser:

TDAM, a wholly-owned subsidiary of The Toronto-Dominion Bank (“TD”), is the manager, trustee and portfolio adviser of the Fund. TDAM is paid directly by the unitholders an annual management fee for providing management services.

The Fund pays TDAM an annual administration fee in consideration for TDAM paying certain operating expenses of the Fund. The tiered administration fee is calculated based on the net asset value of the Fund, and is accrued daily and paid to TDAM monthly.

	<i>(expressed as a %)</i>
First \$300 Million of Net Asset Value	0.03
Next \$400 Million of Net Asset Value	0.02
Balance Over \$700 Million	0.01

Distributor:

Units of the Fund are generally intended for sale to institutional investors subject to certain restrictions and can be obtained directly from a TDAM representative in any province or territory where TDAM is or may become qualified to receive orders for units of the Fund.

Registrar and Transfer Agent:

TD is the registrar and transfer agent of the Fund, and as such maintains all unitholder records, processes purchase, switch, conversion and redemption orders, issues investor statements and prepares annual tax reporting information on behalf of the Fund.

Administration and Securityholder Services:

The Fund also maintains bank accounts and overdraft provisions with TD for which TD earns a fee.

Buying and Selling Securities:

TDAM has established an independent review committee ("IRC") which acts as an impartial and independent committee to review and provide recommendations or, if appropriate, approvals respecting any conflict of interest matters referred to it by TDAM. The IRC prepares, at least annually, a report of its activities for securityholders of the Fund. The report is available on the TDAM website at www.tdaminstitutional.com or at the securityholder's request at no cost by contacting TDAM (see front cover).

The Fund relied on standing instructions from the IRC in respect of one or more of the following transactions:

- (a) trades in securities of TD or any affiliate or associate thereof;
- (b) investments in the securities of an issuer where TD Securities Inc., TD Waterhouse Canada Inc., or any other affiliate of TDAM (a "Related Dealer") acted as an underwriter during the distribution of such securities and the 60-day period following the completion of the distribution of the underwritten securities;
- (c) purchases or sales of securities of an issuer from or to another investment fund or discretionary managed account managed by TDAM; and
- (d) purchases of securities from or sales of securities to a Related Dealer, where it acted as principal.

The IRC of the Fund has approved standing instructions to permit the Fund to engage in *in specie* transactions with related mutual funds and discretionary managed accounts managed by TDAM.

The relevant standing instructions require that securities transactions with related parties conducted by TDAM (i) are free from any influence by an entity related to TDAM and without taking into account any consideration relevant to an entity related to TDAM; (ii) represent the business judgment of TDAM uninfluenced by considerations other than the best interests of the Fund; (iii) comply with the applicable policies and procedures of TDAM; and (iv) achieve a fair and reasonable result for the Fund.

Brokerage Arrangements (000s):

From time to time, the Fund may enter into portfolio securities transactions with Related Dealers who may earn commissions or spreads provided that such trades are made on terms and conditions that are comparable to non-affiliated brokerages. During the Reporting Period, the Fund paid commissions to related parties amounting to \$4 or 22.22% of total commissions paid by the Fund for portfolio transactions in total.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the six-month period ended June 30, 2019 and the past five fiscal years, as applicable.

Net Assets per Unit (\$)¹

CLASS B	2019	2018	2017	2016	2015	2014
Net Assets, Beginning of Period	24.46	24.50	21.96	20.78	17.50	14.45
Increase (Decrease) from Operations:						
Total Revenue	0.35	0.53	0.48	0.49	0.49	0.36
Total Expenses (excluding distributions)	(0.04)	(0.09)	(0.07)	(0.07)	(0.07)	(0.05)
Realized Gains (Losses) for the Period	0.11	3.96	2.91	1.49	0.85	3.15
Unrealized Gains (Losses) for the Period	2.82	(3.40)	(0.43)	(0.36)	2.45	(0.31)
Total Increase (Decrease) from Operations ²	3.24	1.00	2.89	1.55	3.72	3.15
Distributions:						
From Net Investment Income (excluding dividends)		(0.44)	(0.41)	(0.42)	(0.43)	(0.33)
From Dividends		0.00	0.00	0.00	0.00	0.00
From Capital Gains		(0.54)	0.00	0.00	0.00	0.00
Return of Capital		0.00	0.00	0.00	0.00	0.00
Total Annual Distributions ³	0.00	(0.98)	(0.41)	(0.42)	(0.43)	(0.33)
Net Assets, End of Period	27.69	24.46	24.50	21.96	20.78	17.50

¹ This information is derived from the Fund's interim and audited annual financial statements prepared in accordance with International Financial Reporting Standards. The Fund measures fair value of its investments based on close market prices, where the close market price falls within the bid-ask spread or based on quotations from recognized dealers. As such, the Fund's accounting policies for measuring the fair value of investments in the financial statements are substantively consistent with those used in measuring the net asset value ("NAV") for transactions with unitholders.

² Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial periods. This table is not intended to be a reconciliation of the net assets per unit.

³ Distributions were paid in cash or reinvested in additional units of the Fund, or both.

Ratios and Supplemental Data

CLASS B	2019	2018	2017	2016	2015	2014
Total Net Asset Value (\$000s)¹	2,535,951	2,255,596	2,343,076	2,123,835	2,004,534	1,735,539
Number of Units Outstanding (000s)¹	91,569	92,220	95,618	96,729	96,452	99,179
Management Expense Ratio (%)²	0.02	0.02	0.02	0.02	0.02	0.02
Management Expense Ratio Before Waivers or Absorptions (%)	0.02	0.02	0.02	0.02	0.02	0.02
Trading Expense Ratio (%)³	0.00	0.00	0.01	0.01	0.00	0.01
Portfolio Turnover Rate (%)⁴	4.48	18.13	34.62	23.17	11.94	18.94
Net Asset Value per Unit (\$)	27.69	24.46	24.50	21.96	20.78	17.50

¹ This information is provided as at June 30, 2019 and December 31 of the past five fiscal years, as applicable.

² Management expense ratio ("MER") is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) net of any waivers or absorptions for the stated period, including the Fund's proportionate share of the MER, if any, of the underlying fund(s) in which the Fund has invested in, and is expressed as an annualized percentage of daily average NAV during the period. Any waivers or absorptions may be discontinued at any time by TDAM at its discretion without notice.

³ The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average NAV during the stated period. Where a Fund invests in units of any underlying fund, the TER presented for the Fund includes the portion of TERs, if available, of the underlying fund(s) attributable to this investment.

⁴ The Fund's portfolio turnover rate ("PTR") indicates how actively the Fund's portfolio adviser manages its investments. A PTR of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the stated period. The higher a fund's PTR, the greater the trading costs payable, directly or indirectly, by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the fiscal year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Management Fees

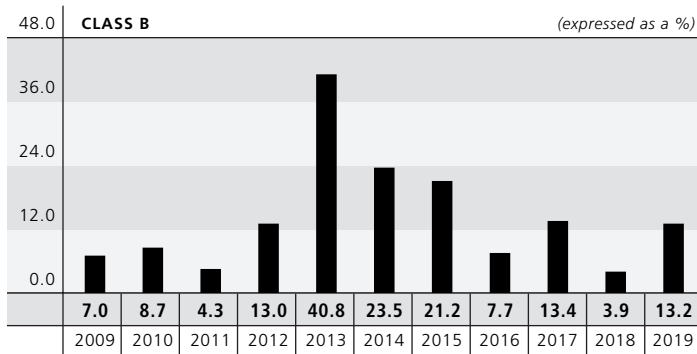
The Fund's Class B units do not pay a management fee to TDAM. Instead, such fees are negotiated separately and paid directly by unitholders.

Past Performance

The following chart shows how the Fund has performed in the past, and can help you understand the risks of investing in the Fund. These returns include the reinvestment of all distributions and would be lower if an investor did not reinvest distributions. They do not include deduction of sales, switch, redemption, or other optional charges (which dealers may charge) or income taxes payable, and these returns would be lower if they did. The Fund’s past performance does not necessarily indicate how it will perform in the future.

Year-by-year returns

The bar chart shows how the Fund’s performance has varied from year to year for each of the years shown. It shows in percentage terms how an investment made on January 1 would have increased or decreased by December 31 for each year and for the six-month period ended June 30, 2019.



For the 12 months ended Dec. 31 and six-month period ended June 30, 2019

Summary of Investment Portfolio

as at June 30, 2019

	% of Net Asset Value
ASSET ALLOCATION	
U.S. Equities	97.0
International Equities	2.5
Cash (Bank Overdraft)	0.2
Investment Funds	0.1
Derivatives	0.0
Other Net Assets (Liabilities)	0.2
PORTFOLIO ALLOCATION	
Information Technology	21.4
Health Care	14.1
Financials	13.0
Consumer Discretionary	10.2
Communication Services	10.1
Industrials	9.4
Consumer Staples	7.2
Energy	5.0
Utilities	3.3
Real Estate	3.0
Materials	2.8
Cash (Bank Overdraft)	0.2
Exchange-Traded Funds	0.1
Foreign Exchange Forward Contracts	0.0
Other Net Assets (Liabilities)	0.2
TOTAL NET ASSET VALUE (000s)	\$ 2,535,951

	% of Net Asset Value
TOP 25 INVESTMENTS	
Microsoft Corporation	4.2
Apple Inc.	3.5
Amazon.com Inc.	3.2
Alphabet Inc.	2.7
Facebook Inc.	1.9
Berkshire Hathaway Inc.	1.7
Johnson & Johnson	1.5
JPMorgan Chase & Co.	1.5
Exxon Mobil Corporation	1.3
Visa Inc.	1.2
The Procter & Gamble Company	1.1
Bank of America Corporation	1.0
AT&T Inc.	1.0
The Walt Disney Company	1.0
Pfizer Inc.	1.0
Mastercard Incorporated	1.0
Chevron Corporation	1.0
Verizon Communications Inc.	1.0
Cisco Systems Inc.	1.0
UnitedHealth Group Incorporated	0.9
The Home Depot Inc.	0.9
Merck & Company Inc.	0.9
Intel Corporation	0.9
The Coca-Cola Company	0.8
Wells Fargo & Company	0.8
Total % of Net Asset Value represented by these holdings	37.0

Note: Totals may not add due to rounding to one decimal place of individual figures.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund. Updates are available quarterly. You may obtain the most current quarterly information by contacting TD Asset Management Inc. at 1-888-834-6339, by writing to us at TD Asset Management Inc., TD Canada Trust Tower, 34th Floor, 161 Bay Street, Toronto, Ontario, M5J 2T2, or by e-mail to inst.info@tdam.com

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Caution regarding forward-looking statements

Certain portions of this report, including, but not limited to, “Results of Operations” and “Recent Developments”, may contain forward-looking statements including, but not limited to, statements about the Fund, its strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” and similar forward-looking expressions or negative versions thereof.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general business environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks and uncertainties, some of which may be unforeseeable. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date.

Forward-looking statements are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and relevant market factors in North America and internationally, interest and foreign exchange rates, equity and capital markets, business competition, technological change, changes in government relations, unexpected judicial or regulatory proceedings and catastrophic events.

The above mentioned list of important factors is not exhaustive. You are encouraged to consider these and other factors carefully before making any investment decisions and you are urged to avoid placing any undue reliance on forward-looking statements. Further, there is no specific intention of updating any forward-looking statements contained herein whether as a result of new information, future events or otherwise.

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