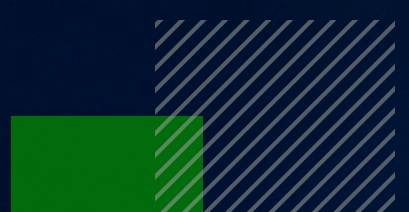




TD Greystone Target Date Plus Funds: Annual Glide Path Update

Reviewing the 2025 Strategic Glide Path

Following the process for the TD Greystone Target Date Plus Funds (the Funds), on an annual basis the glide path is formally reviewed through the Annual Glide Path Update. This involves running the proprietary TD Asset Management Glide Path Analytics (GPA) to help incorporate any evolutions in available asset classes or funds, long-term asset class assumptions or Canadian demographics. The most recent Annual Glide Path Update was conducted in November 2024, and the resulting changes were implemented in December 2024 and January 2025.



Long-Term Asset Class Assumptions

Consistent with the firm-wide approach for multi-asset solutions, TD Asset Management Inc. (TDAM) sets its Long-Term Asset Class Assumptions using an objective building block approach for expected returns, and historical quarterly returns for standard deviations and correlations.

TDAM's asset class assumptions are long-term in nature, reflecting average annual expectations over 7-to-10-year horizons.

The methodology assumes that long-run historical relationships are fairly constant and that most asset classes will trend according to structural macro-economic factors over time. This allows strategic asset mix decisions to rely on intermediate and long-term trends rather than attempting to time the business cycle itself. For more information on how long-term asset class assumptions are set, please reference our Methodology paper, which is available upon request. The data in **Figure 1** is based on inputs as of September 30, 2024.

Figure 1: TDAM's Long-Term Asset Class Assumptions

Equities

2025 Annual Assumptions	Expected Return	Standard Deviation
Canadian Core	6.6	14.0
Canadian Low Volatility	7.0	9.9
Global Small Cap	7.0	14.5
Global Core/Growth	5.7	12.2
Global Yield	5.7	11.3
All Country Low Volatility	5.5	8.7
Emerging Market Equities	8.8	17.0

Fixed Income

2025 Annual Assumptions	Expected Return	Standard Deviation
Canadian Money Market	2.8	0.5
Canadian Short Bonds	3.3	2.1
Canadian Universe Bonds	3.6	4.4
Canadian Long Bonds	4.4	8.2
Global Unconstrained Bonds	4.8	1.8
Canadian Real Return Bonds	3.8	7.4
High Yield Bonds	5.6	9.2

Alternatives

2025 Annual Assumptions	Expected Return	Standard Deviation
Private Commercial Mortgages	5.9	3.2
Canadian Real Estate	6.5	8.6 ¹
Global Infrastructure	7.5	6.9 ¹
Global Commodities	5.2	15.9 ¹

¹We use a de-smoothing technique on the historical returns of real estate and infrastructure to correct for serial correlation. There is no assurance that expected returns will be achieved. Source: TD Asset Management Inc. As of September 30, 2024.

Available Asset Classes

In the 2025 Strategic Glide Path, global commodities were added as available strategic investments via the TD Alternative Commodities Pooled Fund – O series.¹ In addition, there were two fund replacements: the TD North American Small-Cap Equity Fund Series O was replaced with the TD *Emerald* Global Small Cap Pooled Fund Trust², and the TD Greystone China Income & Growth Fund was replaced with the TD *Emerald* Emerging Markets Pooled Fund Trust³.

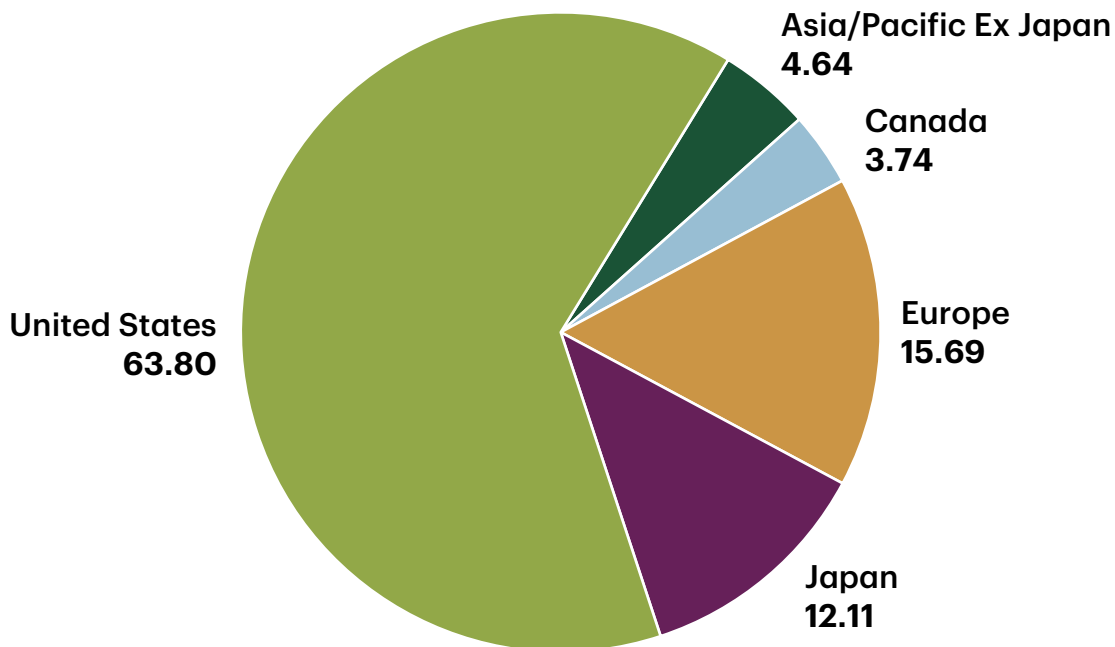
Global Commodities

Commodities are key inputs to global production and form the building blocks of our society. The commodity futures market allows producers, consumers and investors to lock in future purchase or selling prices or to speculate on the direction of commodity prices. There are a few potential benefits for including commodities as an available asset class within the Target Date Plus Funds (via the TD Alternative Commodities Pooled Fund – O series). Those include inflation protection, diversification to equities and fixed income, liquidity as an alternative and the possibility to benefit from thematic tailwinds.

Global Small Cap Equities

Global Small Cap equities were added (through the TD *Emerald* Global Small Cap Pooled Fund Trust) as a replacement for North American Small Cap equities. We believe that moving to a global fund provides greater exposure to a global market and increased potential to seek value added opportunities within an expanded investable universe. In addition, the Global Small Cap product will provide further diversification by moving beyond the United States and Canada (**Figure 2**).

Figure 2: Regional Allocations of MSCI World Small Cap



Source: FactSet Research Systems Inc. As of December 31, 2024.

¹The inception date for the TD Alternative Commodities Pooled Fund – O series is September 26, 2023. As of December 31, 2024, the fund produced a one-year return of 5.41%.

²The inception date for the TD *Emerald* Global Small Cap Pooled Fund Trust is November 1, 2024. As of December 31, 2024, the fund produced a since-inception return of 3.96%.

³The inception date for the TD *Emerald* Emerging Markets Pooled Fund Trust is December 3, 2024. As of December 31, 2024, the fund produced a since-inception return of 0.89%.

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Emerging Market Equities

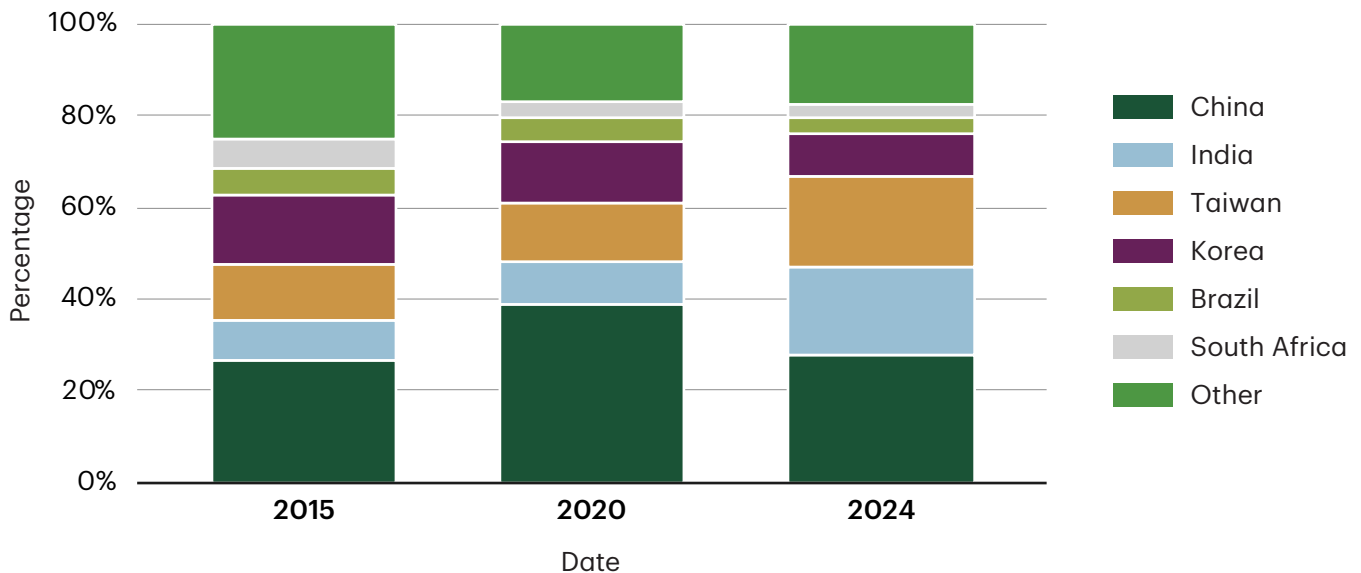
Emerging Market equities were added (through the TD *Emerald* Emerging Markets Pooled Fund Trust) as a replacement for Chinese equities. We believe that emerging markets provide a wider opportunity set for investors to seek the best investment ideas across multiple markets, thus offering greater diversification and potential for improved risk-adjusted returns (**Figure 3**).

Figure 3A: Emerging Markets have the potential for higher growth opportunities

Region	2023	2024	2025
World	3.3	3.2	3.3
Canada	1.2	1.3	2.4
U.S.	2.5	2.6	1.9
Euro Area	0.5	0.9	1.5
Emerging Market & Developing Economies	4.4	4.3	4.3

Source: IMF, World Economic Outlook. As of July 31, 2024.

Figure 3B: Country Allocation in MSCI Emerging Market



Source: FactSet Research Systems Inc. As of December 31 for each year.

Within GPA, the available asset classes and long-term asset class assumptions are used to construct the efficient frontier, which provides the asset mix that delivers the highest return for a given level of risk (standard deviation). Each year along the strategic glide path is defined by a standard deviation, which then corresponds to this efficient frontier.

Canadian Socio-Economic and Demographic Assumptions

Demographic assumptions used by GPA can be broken down to two categories: government-driven assumptions and population-driven demographic assumptions.

Government-Driven Assumptions

Government-driven assumptions are published directly on the Government of Canada or Bank of Canada website and are updated each year through the annual process (**Figure 4**). The year-over-year changes were lower than last year's increase, but above the historical average. This was in line with expectations due to the decline in inflation that was witnessed through 2023 and 2024.

Beginning in 2024, an additional higher upper limit on pensionable earnings was introduced. This new limit, known as the Year's Additional Maximum Pensionable Earnings (YAMPE), will not replace the first earnings ceiling, Yearly Maximum Pensionable Earnings (YMPE). Rather, an individual's earnings will be subject to two earnings limits, which are used to determine eligible earnings for pension contributions.

Figure 4: Government-Driven Assumptions

Metric	2024	2023	Change
Yearly Maximum Pensionable Earnings (YMPE) (\$)	68,500	66,600	2.9%
Year's Additional Maximum Pensionable Earnings (YAMPE) (\$)	73,200	n/a	n/a
Old Age Security (\$) – Age 65 to 74	8,732	8,492	2.8%
Old Age Security (\$) – Age 75 and over	9,605	9,341	2.8%
Canada Pension Plan (\$)	16,375	15,678	4.4%
Inflation Target (%)	2.0	2.0	–

Source: Bank of Canada, Government of Canada. As of October 31, 2024. The 2024 assumptions are used to create the 2025 Strategic Glide Path.

Population-Driven Assumptions

Population-driven demographic assumptions are primarily derived from Statistics Canada's annual surveys or its quadrennial Census of Population.

Typically, population-driven assumptions have a lag of one or two years before they are published. Our approach is to adjust each assumption as needed to help ensure a consistent base year for the data used in GPA.

There were no updates required for TDAM's assumptions for Year of Entry and Year of Retirement. The assumption for starting salary at age 25 increased by 3.0% to approximately \$59,900. The assumption for retirement expenditure increased by 2.0% to approximately \$75,100. There was no change to the assumed contribution rate. It continues to follow a step pattern and ranges from approximately 9% to 10%.

Strategic Glide Path

The long-term asset class assumptions and demographic and socio-economic assumptions are inputs into GPA for the Strategic Glide Path. TDAM imposes constraints on its Annual Glide Path Update to help ensure that the Strategic Glide Path does not see volatile year-over-year swings between asset classes or between individual funds due to changes in asset class assumptions (**Figure 5**).

Figure 5: Constraints for Year-Over-Year Glide Path Changes

Strategy	Constraint	Asset Class	Constraint
Canadian Core Equity	+/- 10%	Equity	+/- 5%
Canadian Low Volatility Equity	+/- 10%		
Global Small Cap Equity	+/- 10%		
Global Core Equity	+/- 10%		
Global Income & Growth Equity	+/- 10%		
Emerging Market Equities	+/- 10%		
ACWI Low Volatility Equity	+/- 10%		
Canadian Money Market	+/- 10%	Fixed Income	+/- 5%
Canadian Short Bonds	+/- 10%		
Canadian Universe Bonds	+/- 10%		
Global Unconstrained Bonds	+/- 10%		
Canadian Long Bonds	+/- 10%		
Canadian Real Return Bonds	+/- 10%		
High Yield Bonds	+/- 10%		
Commercial Mortgages	+/- 2%	Alternatives	+/- 5%
Canadian Real Estate	+/- 2%		
Global Infrastructure	+/- 2%		
Global Commodities	+/- 5%		

Source: TD Asset Management Inc. As of September 30, 2024.

The output of the Annual Glide Path Update process is the TDAM Strategic Glide Path, shown in **Figure 6**.

Figure 6A: TD Greystone Target Date Plus Funds – 2024 Strategic Glide Path

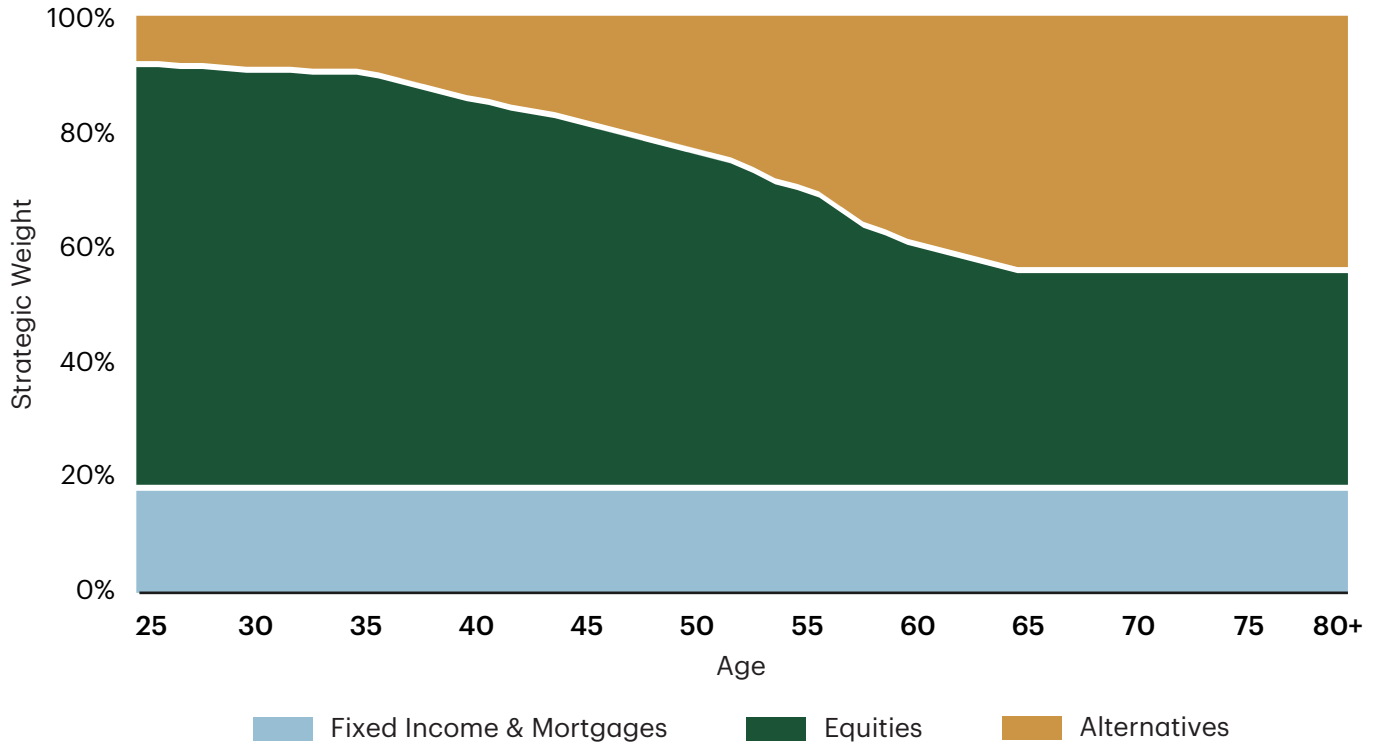


Figure 6B: TD Greystone Target Date Plus Funds – Alternatives Sub Glide Path

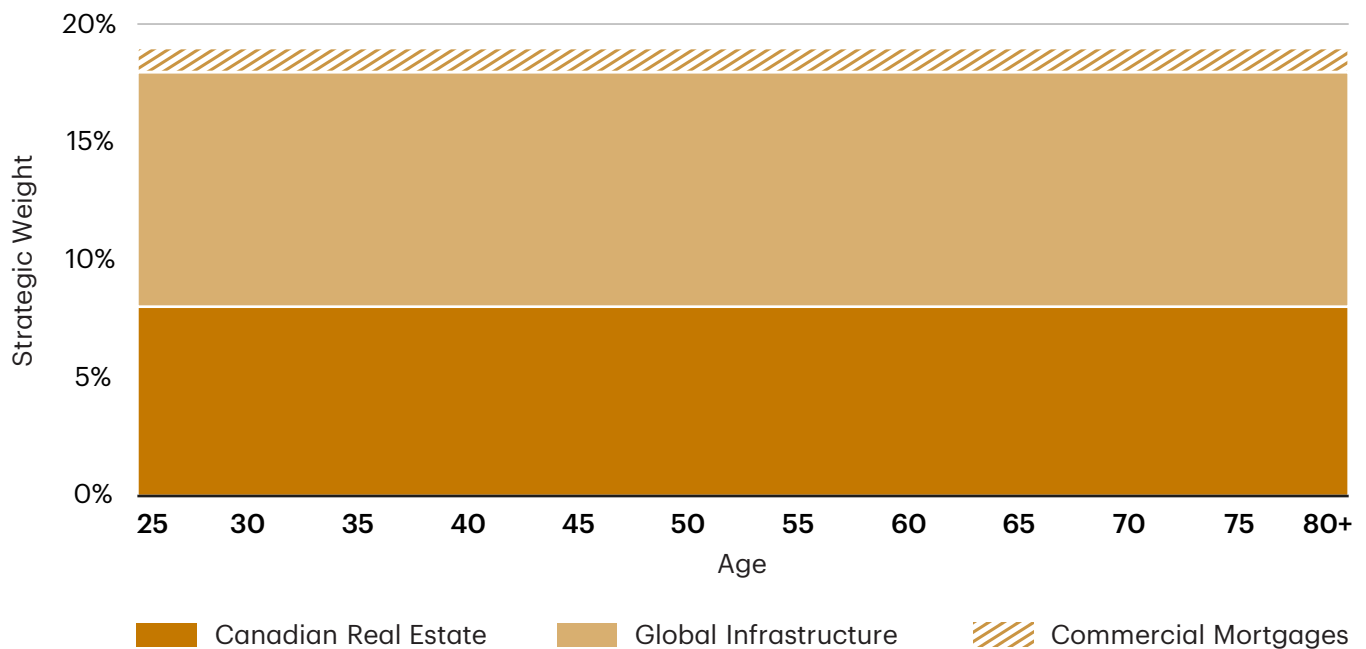


Figure 6C: TD Greystone Target Date Plus Funds – Fixed Income Sub Glide Path

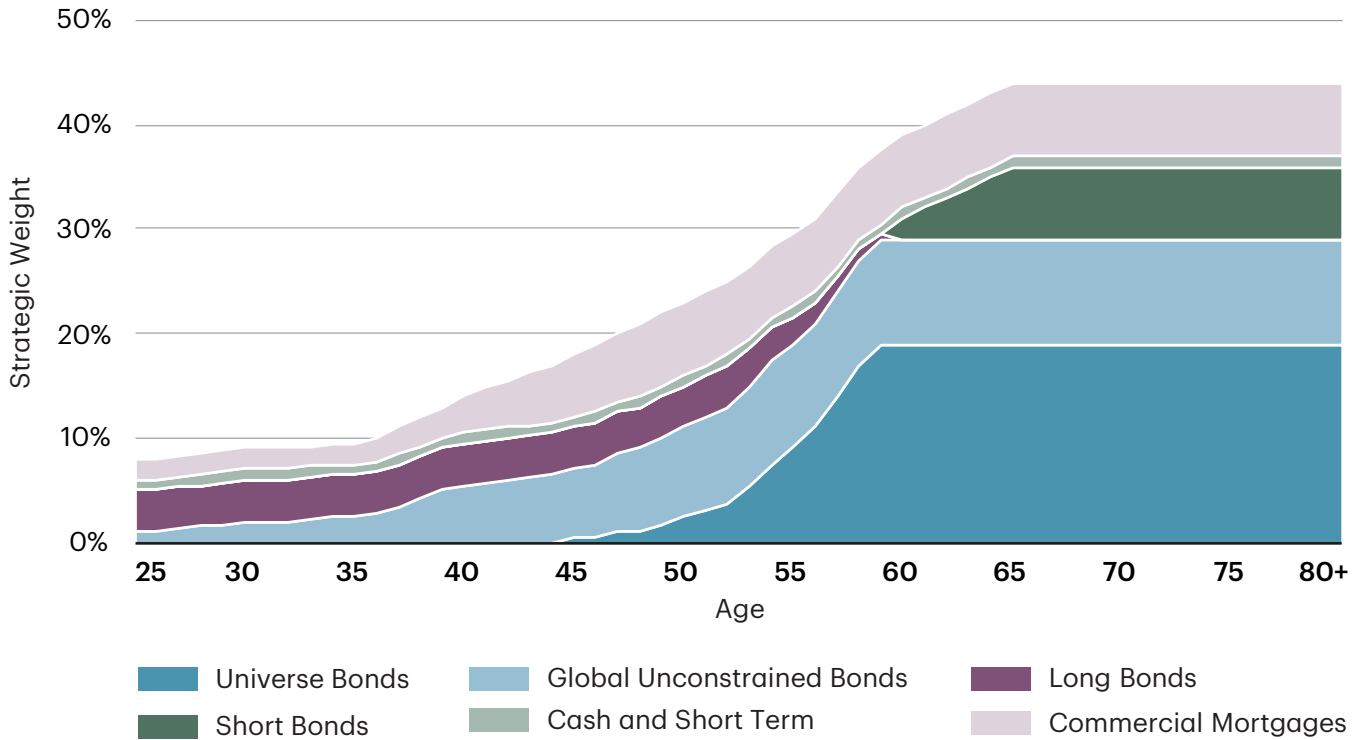
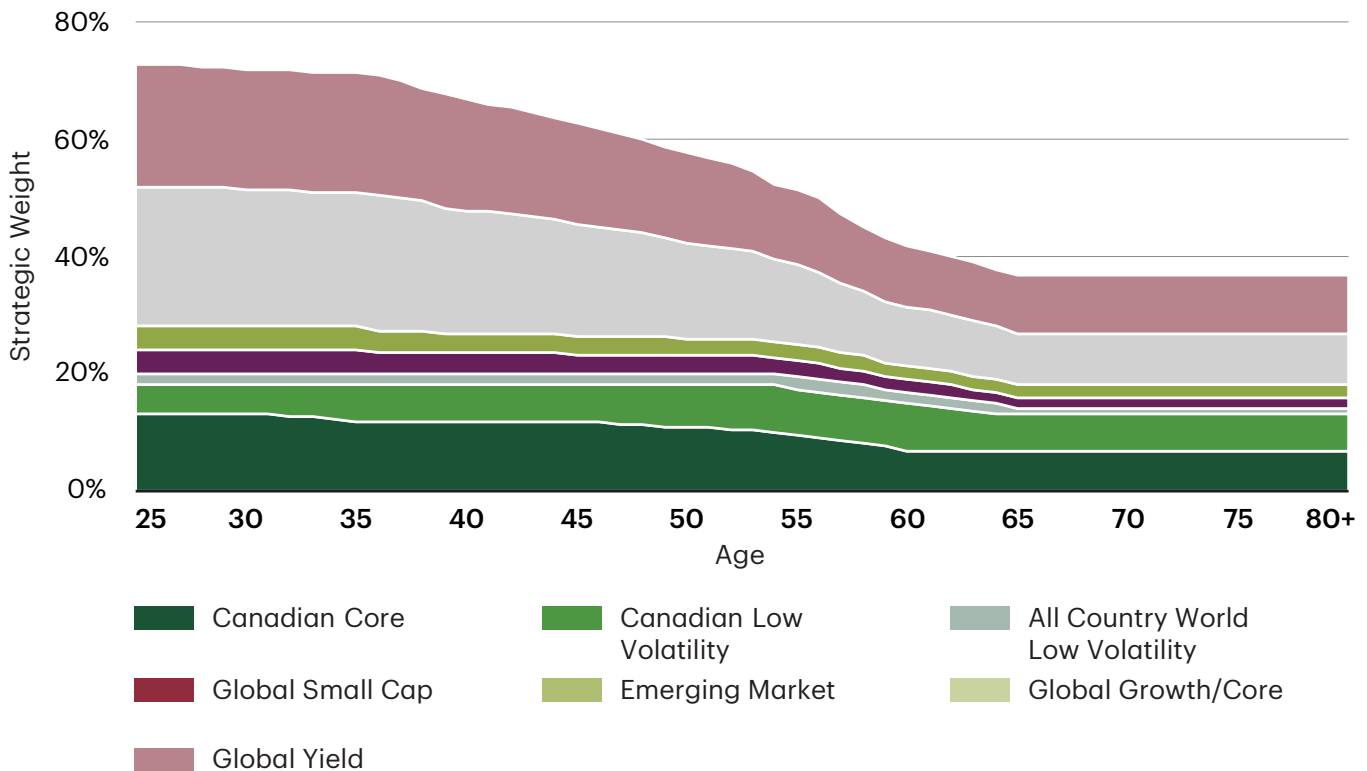


Figure 6D: TD Greystone Target Date Plus Funds – Public Equities Sub Glide Path



Source for figures 6A, 6B, 6C and 6D: TDAM. As of December 31, 2024.
The Strategic Glide Path is effective from January 1, 2025 to Dec 31, 2025.

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TD Greystone Target Date Plus Funds: Annual Glide Path Update



Summary of Changes

Long-term expected returns for equities decreased modestly. However, 10-year Government of Canada bond yields declined substantially from September 2023 to September 2024 and the yield curve started to normalize as central banks began cutting interest rates. As a result, the spread between expected returns for equities and fixed income widened. Similarly, as real estate capitalization rates increased, the spread between expected returns for real estate and fixed income widened. Through GPA, we incorporated the evolutions in long-term asset class assumptions, available asset classes and demographic assumptions. We witnessed the following shifts to the strategic glide path.

Equities

- The glide path is holding equities slightly longer before de-risking and landing with slightly lower equities given the ability of real assets to improve Sharpe Ratio.
- Diversification within equities is leaning less on yield, as emerging market equities and global small cap equities became available asset classes.
- In lower risk vintages, the allocation to Global Core Equities was reduced given lower risk-adjusted returns.

Fixed Income

- High yield bonds were removed due to historically tight spreads.
- Long bonds are held slightly longer due to curve shape and reduced fixed income weights.
- Short bonds are replacing money market funds due to the curve shape and reduced fixed income weights.

Alternatives

- Real estate is looking more attractive, with allocations coming from mortgages and fixed income.
- Strategic allocation to Global Commodities provides potential inflation protection, diversification to equities and fixed income, liquidity as an alternative, and the possibility to benefit from thematic tail winds.

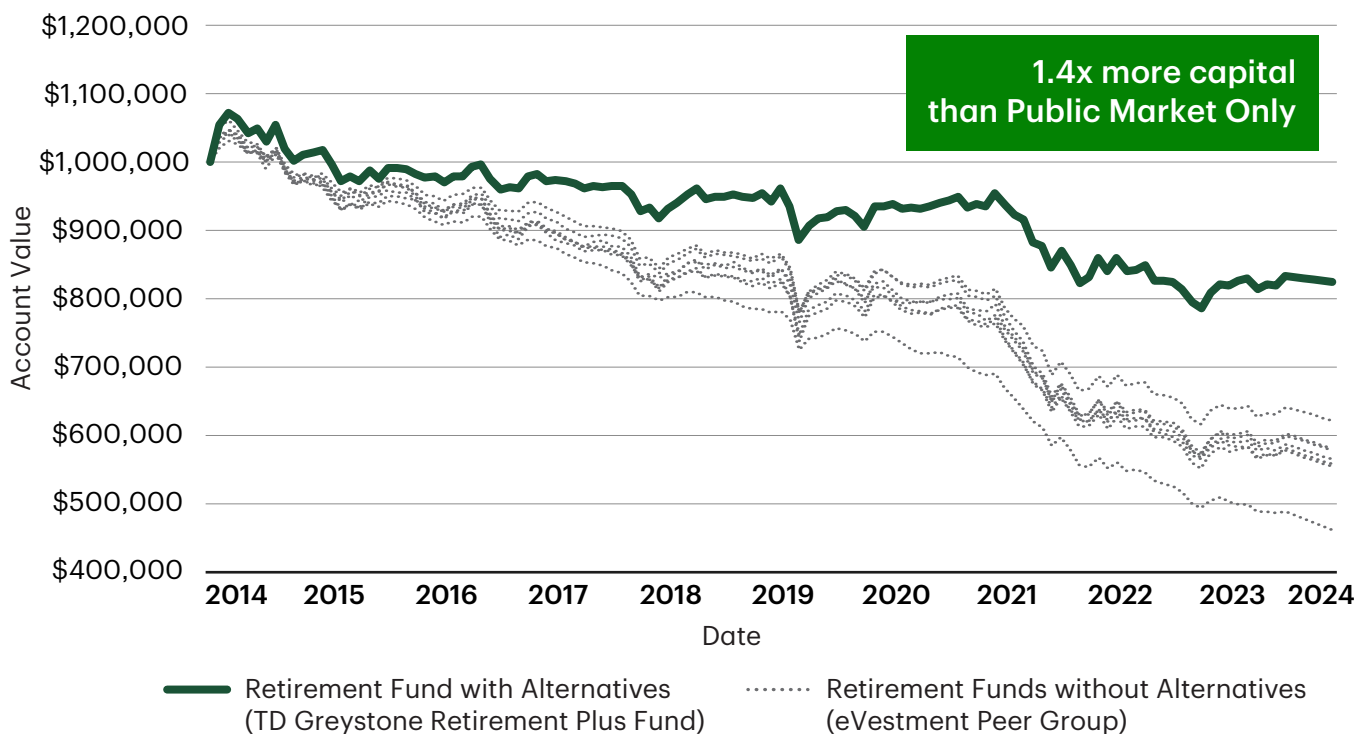
Real estate is looking more attractive, with allocations coming from **mortgages** and **fixed income**.

Decumulation Outcomes

Our philosophy is that the key to improving decumulation outcomes is a higher Sharpe Ratio, which helps mitigate sequence of return risk. This is the risk to an investment portfolio arising from the inopportune timing of negative returns. If a portfolio suffers losses early on and the retiree is required to make a disbursement, their capital base may be permanently impaired.

The TD Greystone Retirement Plus Fund demonstrated first-quartile Sharpe Ratio since inception and it demonstrated enhanced capital preservation and increased income and income stability in retirement versus the peer group (see **Figures 7 and 8**).

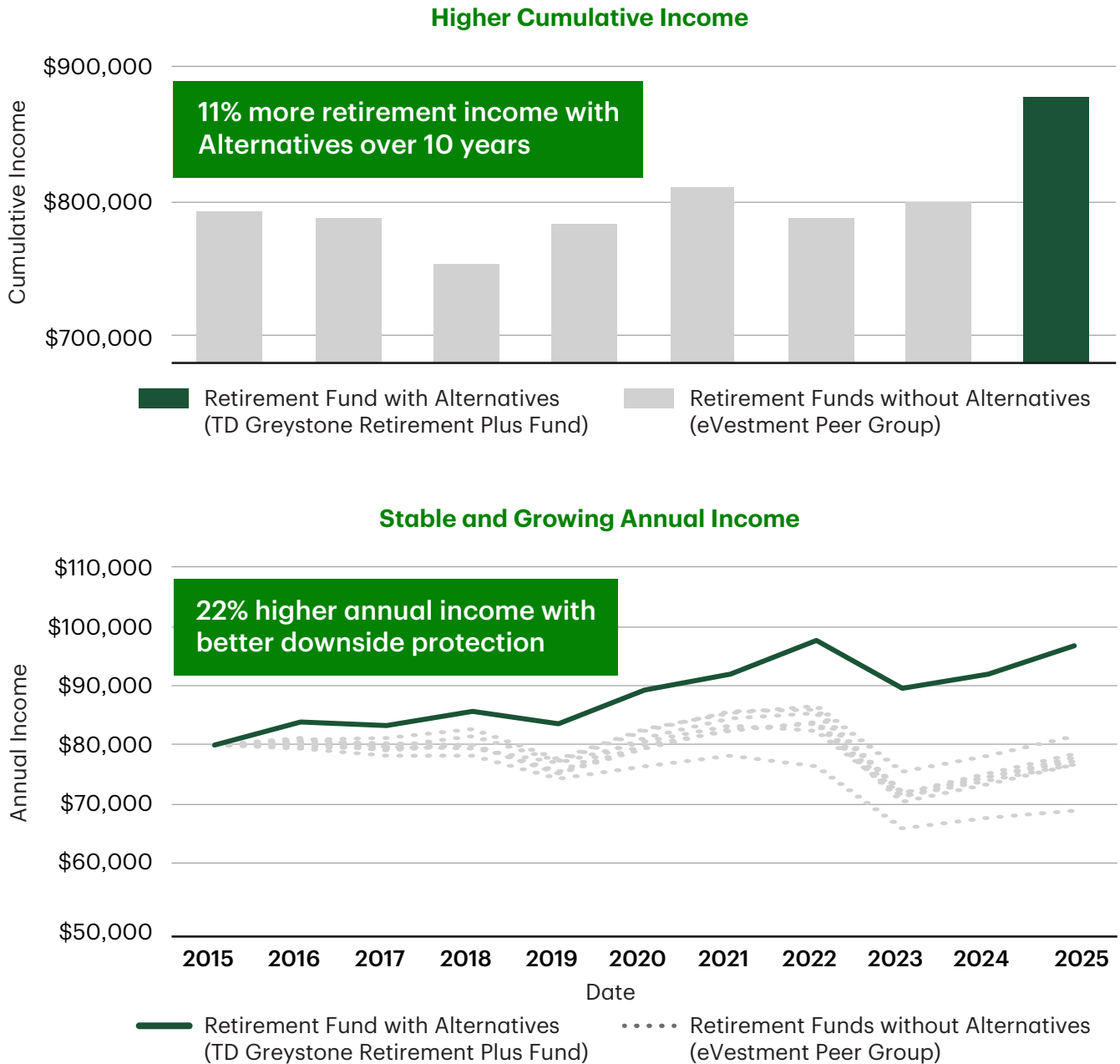
Figure 7: Member Account Balance Under 8% Static Withdrawal



Note: The peer group is eVestment Alliance, LLC - Fund Category: TDF Income Fund – Canadian Universe. As from January 1, 2015 to December 31, 2024. Current number of funds in the category: 8. Annual withdrawal is 8% of initial investment.
Source: TDAM., eVestment Alliance, LLC. As of December 31, 2024.

Alternatives

Figure 8: Retirement Income Under Dynamic Withdrawal Strategy



Note: Withdrawal is 8% of account value calibrated annually using 5% discount rate from January 1, 2015 to December 31, 2024. The peer group is the TDF Income Fund – Canadian Universe from eVestment Alliance, LLC. Source: TDAM, eVestment Alliance, LLC. As of December 31, 2024.

Performance

We are proud of the track record of the TD Greystone Target Date Plus Funds. The Funds have demonstrated strong absolute and peer-relative performance since inception. This performance has been achieved with below-median peer-relative standard deviation, resulting in a high peer-relative Sharpe Ratio. We believe this is particularly relevant as plan members may be subject to behavioural biases triggered by investment volatility, which can negatively impact overall savings.

Figure 9: Performance of the TD Greystone Target Date Plus

Returns as of Dec 31, 2024	Annualized						
	3 months	1 year	2 years	3 years	4 years	5 years	Since Dec 31-14
Retirement Plus Fund	1.72%	11.32%	9.46%	4.94%	6.49%	6.79%	6.92%
Benchmark	2.32%	13.01%	11.22%	4.45%	5.67%	6.46%	6.51%
Difference	-0.61%	-1.69%	-1.75%	0.48%	0.83%	0.33%	0.41%
2025 Target Date Plus Fund	1.73%	11.38%	9.47%	5.05%	6.49%	6.77%	7.01%
Benchmark	2.32%	13.01%	11.27%	4.48%	5.68%	6.47%	6.55%
Difference	-0.60%	-1.63%	-1.80%	0.58%	0.81%	0.29%	0.46%
2030 Target Date Plus Fund	1.82%	12.55%	10.35%	5.53%	6.99%	7.16%	7.44%
Benchmark	2.65%	14.63%	12.53%	5.27%	6.46%	7.11%	7.05%
Difference	-0.83%	-2.08%	-2.18%	0.25%	0.53%	0.05%	0.39%
2035 Target Date Plus Fund	2.12%	14.00%	11.24%	6.40%	7.97%	7.94%	8.26%
Benchmark	3.18%	16.68%	14.06%	6.33%	7.63%	8.10%	7.91%
Difference	-1.06%	-2.68%	-2.82%	0.06%	0.34%	-0.16%	0.35%
2040 Target Date Plus Fund	2.33%	14.94%	12.20%	7.12%	9.16%	8.90%	9.33%
Benchmark	3.49%	17.92%	15.17%	7.06%	8.92%	9.33%	9.00%
Difference	-1.17%	-2.97%	-2.97%	0.06%	0.24%	-0.43%	0.33%
2045 Target Date Plus Fund	2.53%	15.95%	12.86%	7.60%	9.82%	9.47%	9.83%
Benchmark	3.82%	19.27%	16.26%	7.76%	9.79%	10.07%	9.59%
Difference	-1.29%	-3.32%	-3.40%	-0.15%	0.03%	-0.59%	0.23%
2050 Target Date Plus Fund	2.63%	16.49%	13.14%	7.98%	10.09%	9.66%	10.03%
Benchmark	4.05%	20.19%	16.85%	8.16%	10.16%	10.34%	9.85%
Difference	-1.42%	-3.69%	-3.70%	-0.18%	-0.06%	-0.68%	0.18%
2055 Target Date Plus Fund	2.65%	16.56%	13.37%	7.77%	9.79%	9.48%	9.95%
Benchmark	4.15%	20.58%	17.14%	8.34%	10.30%	10.48%	9.97%
Difference	-1.50%	-4.02%	-3.77%	-0.58%	-0.51%	-1.00%	-0.02%
2060 Target Date Plus Fund	2.75%	16.96%	13.58%	8.06%	11.10%	9.92%	9.91%
Benchmark	4.31%	21.23%	17.64%	8.52%	10.70%	10.84%	10.83%
Difference	-1.56%	-4.27%	-4.06%	-0.45%	0.39%	-0.92%	-0.92%
2065 Target Date Plus Fund	2.82%	17.36%	-	-	-	-	16.13%
Benchmark	4.41%	21.54%	-	-	-	-	19.36%
Difference	-1.59%	-4.18%	-	-	-	-	-3.22%

Note: Returns for periods over one year are annualized.

Inception of the 2055 Target Date Plus Fund is January 1, 2015. Inception of the 2060 Target Date Plus Fund is January 1, 2020. Inception of the 2065 Target Date Plus Fund is September 7, 2023.

Each Target Date Plus Fund Benchmark is set at the beginning of each quarter based on the strategic asset mix for the following quarter. Details regarding the benchmark mix are available upon request. Returns presented are in Canadian dollars. The attribution calculation includes cash. Returns are gross of investment management fees and may be subject to rounding.

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Figure 10A: Since Inception Annualized Return

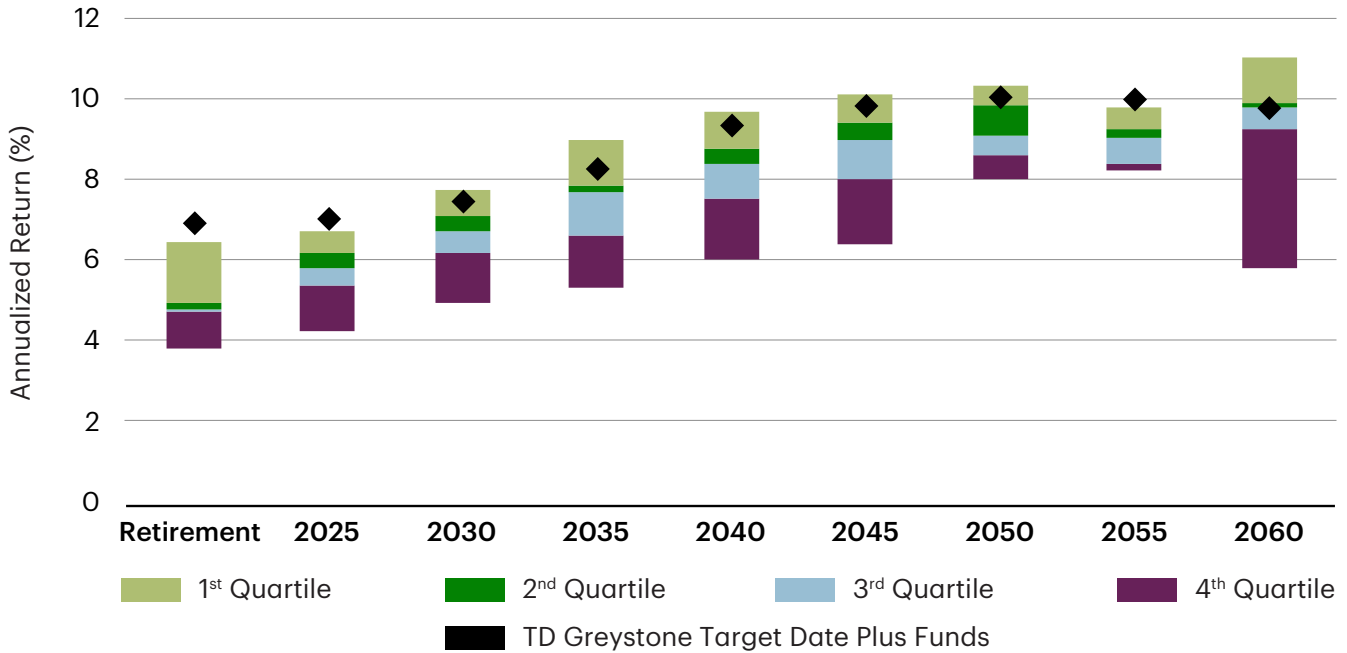


Figure 10B: Since Inception Annualized Standard Deviation

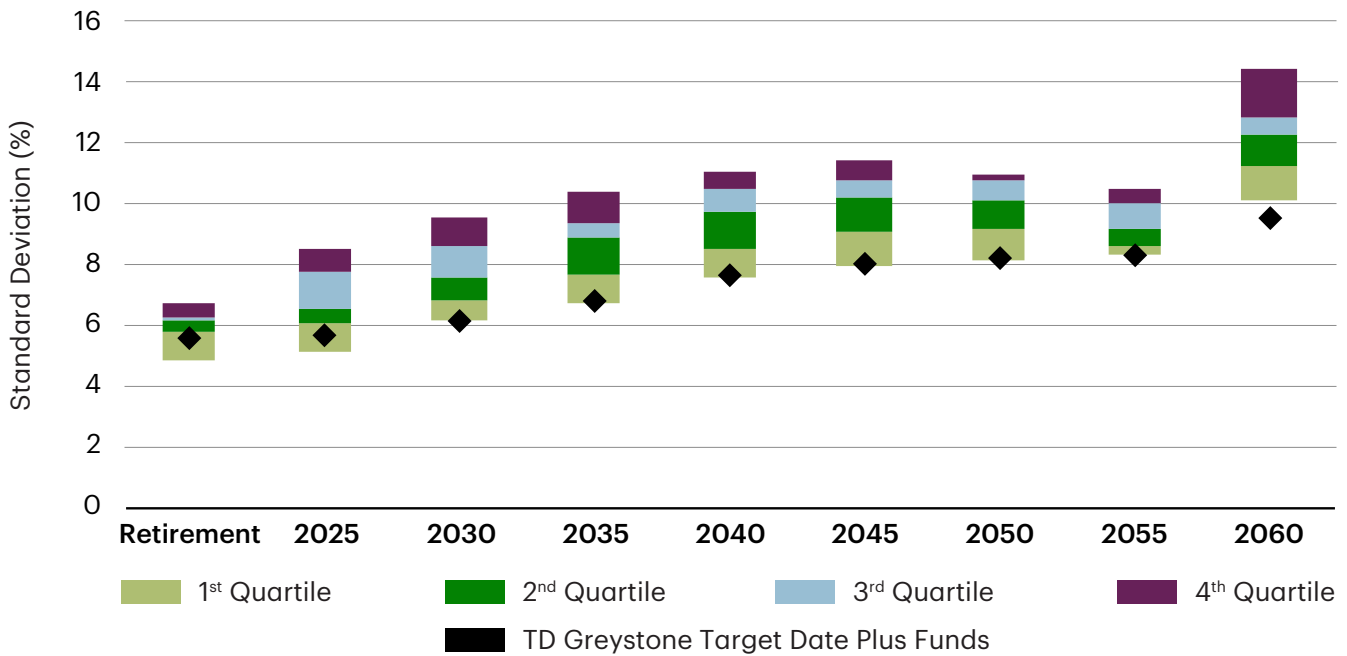
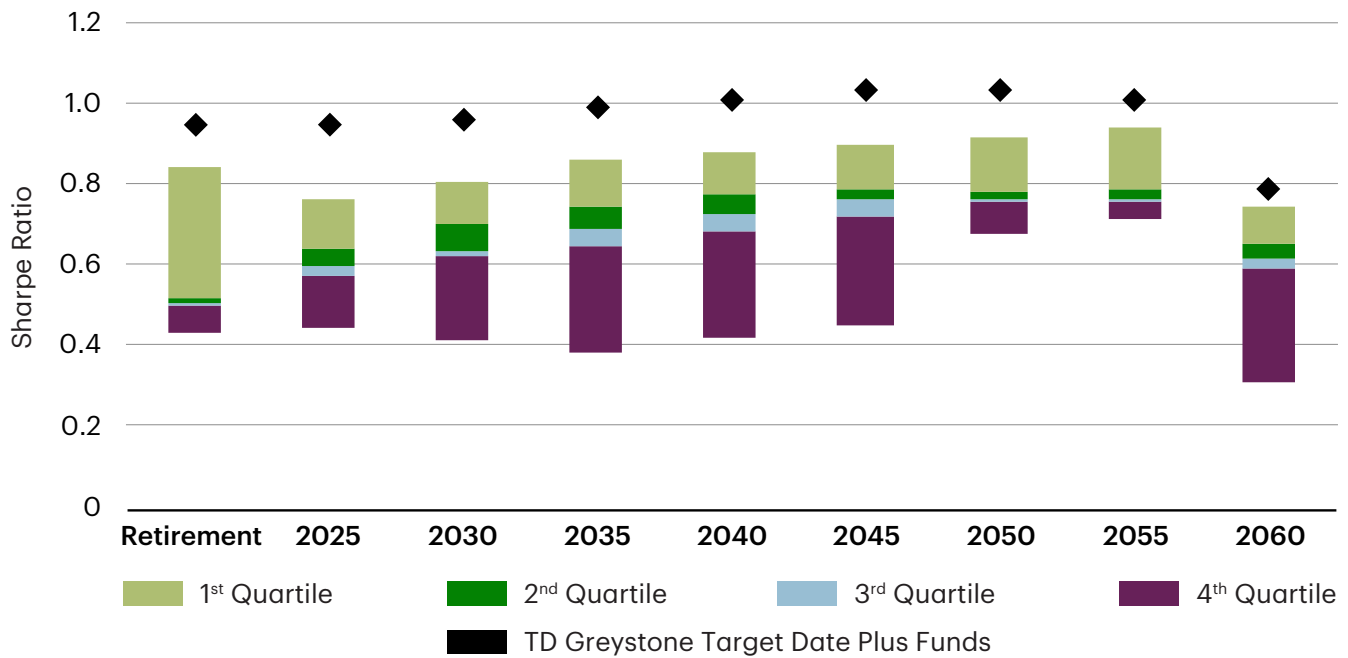


Figure 10C: Since Inception Annualized Sharpe Ratio



Note about figures 10A, 10B and 10C:

Inception date for all funds except the 2060 Target Date Plus Fund is December 31, 2014 (10.0 years). Inception date for the 2060 Target Date Plus Fund is December 31, 2019 (5.0 years). The 2065 Target Date Plus Fund is currently excluded due to length of track record (1.25 yrs). Each TD Greystone Target Date Plus Fund is compared against Canadian-dollar- denominated peers within the respective vintage's eVestment peer group. eVestment Alliance, LLC - Fund Category: TDF Income Fund - Canadian Universe. Current number of funds in the category: 3-8.

Note: Quartile rankings are intended to measure how well a fund has performed compared to other funds in its peer group. Quartile rankings are compiled by ranking all of the funds in a category by return over a given time period. The top performing 25% of funds in the category are assigned a quartile ranking of 1, the next 25% a 2, the next 25% a 3, and the bottom 25% of funds a 4. Quartile rankings can change over time.

Source: eVestment Alliance, LLC. As of December 31, 2024. Data pulled January 20, 2024.





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All products contain risk. Important information about the pooled fund is contained in their offering circular, which we encourage you to read before investing. Please obtain a copy. The indicated rates of return are the historical annual compounded total returns of the funds including changes in unit value and reinvestment of all distributions. Yields, investment returns and unit values will fluctuate for all funds. All performance data represent past returns and are not necessarily indicative of future performance. Pooled Fund units are not deposits as defined by the Canada Deposit Insurance Corporation or any other government deposit insurer and are not guaranteed by The Toronto-Dominion Bank. Investment strategies and current holdings are subject to change. TD Pooled Funds are managed by TD Asset Management Inc.

Sharpe Measure is a ratio of returns generated by the fund, over and above the risk-free rate of return and the total risk associated with it and can change monthly. A high and positive ratio shows superior performance and a low and negative ratio is an indication of unfavourable performance.

Standard deviation is a statistical measure of the range of a fund's performance. When a fund has a high standard deviation, its range of performance has been very wide, indicating that there is a greater potential for volatility than those with low standard deviations.

Any indices cited are widely accepted benchmarks for investment and represent non-managed investment portfolios. It is not possible to invest directly in an index. Information about the indices allows for the comparisons of an investment strategy's results to that of a widely recognized market index. There is no representation that such index is an appropriate benchmark for such comparison. Results for an index do not reflect trading commissions and costs. Index volatility may be materially different from a strategy's volatility and portfolio holdings may differ significantly from the securities comprising the index.

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