TD Wealth

Principal Protected Notes

TD Extendible Step-Up Notes

What are TD Extendible Step-Up Notes?

Issued by The Toronto-Dominion Bank, TD Extendible Step-Up Notes are principal protected solutions that provide investors with the opportunity to receive fixed coupon payments that are generally structured to be higher than comparable bonds at each point on the yield curve, without risk of loss of the original investment when the Note is held to maturity.

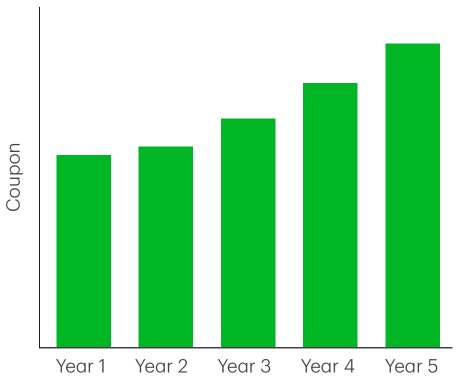
An investor might experience the following outcomes if they hold the Note to maturity:

- Coupons that generally increase each year, paid on each coupon payment date
- Enhanced payments to compensate for the term uncertainty of the extension feature
- Call feature that may result in the early maturity of the Note
- The full return of the original amount invested on each coupon payment date and maturity

Return Profile

Note with 5-year Maturity

For illustrative purposes only



Definitions

Call Feature: The Note issuer may elect at their discretion not to extend the Note to the next coupon payment date.

Coupon: The interest payment an investor receives.

Coupon Payment Date: A pre-defined date on which an investor receives a coupon payment.

Extension Feature: The term of the Note is uncertain as the issuer may, at its option, extend the maturity of the Notes to the next coupon payment date.

Fixed Coupons: A fixed coupon stream that is paid by the Note issuer, as long as the Note remains outstanding.

Principal Protected: The Note issuer will repay an investor's original investment if the investor holds the Note to maturity.

Investor Suitability

- Balanced / Balanced Income investors
- Overweight fixed income
- Seeking to enhance cash flow without assuming incremental risk
- Comfortable with term uncertainty and reinvestment risk
- Medium-term investment horizon
- Transactional and fee-based accounts
- Eligible for RRSPs, RRIFs, RESPs, and TFSAs

The investor is concerned that low yielding fixed income investments alone may generate insufficient cash flow to achieve their lifestyle goals.

They require a solution with the potential to provide enhanced periodic payments compared to traditional fixed income securities, while still maintaining principal protection.

Investment Considerations

- May not be suitable for investors seeking a guarantee that the Note will be extended to the final maturity date
- The issuer is more likely to exercise the call feature during periods of falling or relatively low interest rates. As a result an investor may only be able to reinvest in lower yielding products
- Principal protection only applies when the Note is held to maturity
- Any principal or income payments are dependent upon the issuer's ability to pay their obligations
- Sale of a Note in the secondary market may result in a gain or loss of principal
- Returns are taxed as interest income when held outside registered and tax free accounts
- Not CDIC insured (Canadian Depository Insurance Corporation)

Return Considerations

- Extendible Step-Up Notes tend to perform better than comparable non-extendible bonds in a stable to rising interest rate environment
- If interest rates rise, the likelihood of the Extendible Step-Up Note being extended increases
- If the Notes are extended, the investor generally receives a higher or "step-up" coupon as the Notes progress towards the final maturity date
- The ultimate return realized on an Extendible Step-Up Note will depend upon if, and when, the extension feature is exercised and the resulting final maturity date

Investor Scenarios

Meet Mica

Mica is entering retirement and wants to supplement the income from a low yielding GIC and bond portfolio until her company pension, OAS and CPP begin. Investing in higher yielding, low grade debt or dividend paying equities is not an option as she believes their return does not appear to compensate for the market and / or credit risk she would have to assume.

The TD Extendible Step-Up Note may be a good solution for Mica because she is able to supplement her income with coupon payments that increase each year when the Note is extended. If the Note is not extended and matures early, the possibility of reinvesting at lower interest rates may not be a concern for Mica as the proceeds will be reinvested as part of an ongoing investment strategy.

	Year 1	Year 2	Year 3	Year 4	Year 5
Market Yields	1.85%	1.95%	2.15%	2.50%	2.90%
Annual Note Yield	2.35%	2.50%	2.75%	3.50%	4.00%
Scenario 1: Market yields > Note yields = Note Extended	2.50%	2.65%	2.80%	3.55%	4.10%
Payments on each coupon date	$2,350	$2,500	$2,750	$3,500	$14,000 Principal and Interest
Scenario 2: Market yields < Note yields at Year 3 = Note Not Extended	2.50%	2.65%	2.50%		
Payments on each coupon date	$2,350	$2,500	$12,750 Principal and Interest		

- The examples set out below are included for illustrative purposes only and are not a prediction or guarantee of any gain or particular return of the Note
- The examples assume that a Noteholder has purchased $10,000 of the Notes (100 Notes) and held the Notes until the Maturity Date or until the Note was called; the notes have a term to maturity of 6 years

For a summary of all material facts, especially risk factors relating to the Note under consideration, please refer to the Information Statement which can be found at www.tdstructurednotes.com.

For more information, contact your TD representative.

Documentation carefully before investing in structured notes and / or to discuss the suitability of an investment in the notes with their investment advisor, who will be able to provide investors with a copy of the Note Documentation.

Changes to assumptions may have a material impact on any returns of structured notes. Past performance is not indicative of future performance and investment returns will fluctuate. The return on a structured note is dependent on the change in value (which may be positive or negative) of the underlying assets during the term of the note.

The value of a structured note may fluctuate and / or be adversely affected by a number of factors, including certain risk factors outlined in Note Documentation. It is possible that no return will be paid on a structured note.

The full principal amount of a principal protected note will be repaid only at maturity. Non-principal protected structured notes are not principal protected and investors may lose substantially all of their investment in the Notes.

TD Wealth represents the products and services offered by TD Waterhouse Canada Inc., TD Waterhouse Private Investment Counsel Inc., TD Wealth Private Banking (offered by The Toronto-Dominion Bank) and TD Wealth Private Trust (offered by The Canada Trust Company).