



December 2009

Monthly Update

TDb Split Corp is an Investment Corporation designed to pay monthly cash dividends. The Corporation invests in common shares of TD Bank, a leading Canadian Financial institution. Two types of shares are available, a Class A and a Preferred (Priority Equity Share).

Commentary

December proved to be strong as all of the broad market indices posted continued gains and ended the year with solid returns, most coming since the March 2009 lows as shown below.

Leading indicators in both Canada and the United States continue to point to improving economic conditions. Overall confidence in the US financial system continues to improve as some of the larger US Banks continue to repay government funds and raise private capital. However, credit expansion through lending is still very sluggish and this will likely have the effect of dampening the recovery as many small businesses in particular have not been able to access capital. Concerns over commercial real estate and a still weak US housing market continue to weigh on the prospect of a more robust recovery. A surprisingly strong housing market and continued increases in commodity prices have continued to provide support to the Canadian economy.

Although economic conditions are continuing to improve, double digit unemployment in the U.S. is likely to keep fiscal and monetary stimulus in place for some time to come. The low levels of interest rates around the world are proving to provide significant fuel to propel the prices of financial assets and commodities. As Canadian and US government fixed income yields continue to remain at very low absolute and relative rates, this should continue to be very supportive to the strong dividend paying companies.

Attractive dividend yields, low historic valuations and significant option premiums available in the market place continue to bode well for the portfolio. The Manager continues to actively manage the relative weightings of the companies held within the portfolio.

	One Month to Dec 31, 2009	Year to Date Dec 31, 2009
TSX	2.61%	30.69%
S&P 500	1.78%	23.45%
DJII	0.80%	18.82%
NASDAQ	5.81%	43.89%

Distributions (by record date)

	XTD	XTD.PR.A	Total
Total to Date	\$0.9500	\$1.2589	\$2.2089
2009 YTD	\$0.1500 ⁽²⁾	\$0.5250	\$0.6750
2008	\$0.5500	\$0.5250	\$1.0750
2007	\$0.2500	\$0.2089 ⁽¹⁾	\$0.4589

⁽¹⁾ Initial distribution for the period Aug 7/07 to Dec 31/07.
⁽²⁾ Please review the [Annual Information Form](#).

Details

Gross Proceeds:	\$35,000,000
Units Issued:	1,750,000
Inception Date:	August 7, 2007
Termination Date:	Dec 1, 2014
Net Asset Value:	\$12.45 (Dec 31/09)
Cash & Fixed Income Weighting:	10%
Canadian Equity Weighting:	90%
XTD.PR.A Trading Price:	\$9.48 (Dec 31/09)
Current Yield:	5.5% annually
Market Capitalization:	\$15,968,681
XTD Trading Price:	\$3.99 (Dec 31/09)
Market Capitalization:	\$6,720,995

Holding

Symbol

Toronto-Dominion Bank

TD



TD Company News

TD Bank % return for December 2009:	-0.8%
TD Bank % return year-to-date 2009:	51.8%
Dividend Yield on TD Bank shares:	3.70%

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