



As at December 31, 2010

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

The North American financial markets ended the year on a strong note. The extension of the Bush tax cuts for all individuals in the United States for at least another two years combined with improving economic data seemed to provide the fuel for the strong rally in the month of December. The US housing market and unemployment market continue to exert a large drag on the US economy. Other measures of economic activity including manufacturing activity and retail sales seemed to suggest that the economy continues to improve, albeit at a fairly modest pace. Continued commitment by the US Federal reserve to its quantitative easing program seems to be providing additional upward bias to all commodity and stock markets. The question of whether this economic growth can become sustainable without the continued record levels of fiscal and monetary stimulus remains to be answered in the coming months and years.

The valuations of the companies in the portfolio generally remain at very reasonable levels when measured by price to earnings ratios and current dividend yields and this should continue to act as a major support at these current market prices. Many Canadian companies held in the portfolios are expected to raise their dividends over the next 6 months. The dividend income continues to be supplemented by income generated by the covered call writing program.

	One Month to Dec 31, 2010	Year to Date Dec 31, 2010
TSX	3.79%	14.45%
S&P 500	6.53%	12.78%
DJII	5.19%	11.02%
NASDAQ	6.19%	16.91%

Distributions (by record date)

	XTD	XTD.PR.A	Total
Total to Date	\$1.4500	\$1.7839	\$3.2339
2010 YTD	\$0.5000 ⁽²⁾	\$0.5250	\$1.0250
2009	\$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:	December 1, 2014
Net Asset Value:	\$12.96
Cash Weighting:	10%
Canadian Equity Weighting:	90%
XTD.PR.A Trading Price:	\$10.10
Current Yield*:	5.2%
Market Capitalization:	\$16,839,326
XTD Trading Price:	\$5.47
Current Yield*:	11.0%
Market Capitalization:	\$9,119,912

*Last distribution annualized.

Holding

Symbol

Toronto-Dominion Bank

TD



TD Company News

TD Bank % return for Dec 2010:	-0.6%
TD Bank % return year-to-date 2010:	12.6%
Dividend Yield on TD Bank shares:	3.27%

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