



As at July 29, 2011

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 continued to weaken during the month largely as result of US economic data suggesting the economic recovery had begun to moderate significantly. US second quarter GDP of 1.3% combined with a revised GDP of 0.4% for the first quarter growth provided clear evidence of a very sluggish 6 month period. A number of macro issues including 1) the end of the US Federal Reserve's "QE2" program 2) the uncertainty of the US debt limit negotiations in Washington and 3) the continued concerns over Euro sovereign debt issues all conspired to create a high level of uncertainty in equity markets during the month.

Both the US and the several Euro zone countries will have to deal with significant reductions in spending to reign in record deficits and market participants are concerned that this will further impact growth in these countries with a spillover to overall world growth. As mentioned in previous commentaries, the key question of whether 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.

Canadian economic indicators generally remain relatively strong with housing and employment conditions much stronger than most other developed economies. A higher level of political stability in Canada as a result of the recent election of a conservative majority government and relatively strong government financial position should help Canada to remain among the better performing economies for the coming years.

Record low interest rates in North America are expected to remain until economic growth is deemed to be on a self sustaining growth path. In the context of these low rates, 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. The dividend income continues to be supplemented by income generated from the covered call writing program.

Distributions (by record date)

	XTD	XTD.PR.A	Total
Total to Date	\$1.8000	\$2.0901	\$3.8901
2011 YTD	\$0.3500 ⁽²⁾	\$0.3063	\$0.6563
2010	\$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:	\$12.87
Cash Weighting:	8%
Canadian Equity Weighting:	98%
XTD.PR.A Trading Price:	\$10.20
Current Yield*:	5.1%
Market Capitalization:	\$17,006,052
XTD Trading Price:	\$5.45
Current Yield*:	11.0%
Market Capitalization:	\$9,086,567

*Last distribution annualized.

Holding

Symbol

Toronto-Dominion Bank

TD



TD Company News

TD Bank % return for July 2011:	-6.5%
TD Bank % return year-to-date 2011:	3.0%
Dividend Yield on TD Bank shares:	3.45%

	One Month to July 29, 2011	Year to Date July 29, 2011
TSX	-2.67%	-3.70%
S&P 500	-2.15%	2.75%
DJII	-2.18%	4.89%
NASDAQ	-0.62%	3.90%

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