



May 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

Continued concerns over Greek sovereign debt and possible contagion effects, a possible Chinese slowdown and the specter of faltering growth in the U.S was a recipe for stock market stagnation during the month of June. Continued stock market weakness in June added to the May market declines. After almost 13 months of improving economic growth and stock market recovery from the March 2009 lows, most broad based global markets have now experienced a market correction of at least 10% to 15% from their recent highs.

Despite an improving earnings profile from most North American companies, North American markets suffered in tandem with these events. The TSX 60 and the S&P 500 declined by -4.28% and -5.39% respectively in the month of June. The economy and stock markets seem to have reached a critical juncture as market participants are increasingly questioning the durability and robustness of the recovery as many of the government sponsored stimulus measures come to an end. High unemployment, continued housing weakness and ballooning deficits in the U.S continue to act as a significant headwind for a more robust economic recovery. The Canadian economy is clearly doing better than most other developed countries but will be adversely impacted if worldwide growth slows due to its dependence on resource exports.

The impact of these global events and the highly divergent and changing views among market participants of how the economy will behave over the next 6 to 12 months continues to increase daily market volatility as the market reacts to various economic data.

On a positive note, this increase in market volatility has increased option premium levels available for the Fund's covered call writing program. The Fund will try to take advantage of these periods of instability to generate higher income for the Fund. The valuations of the companies in the portfolio generally remain at very reasonable levels when measured by price to earnings ratios. Dividend yields should act as a major support at these current market prices.

In order for North American economies to sustain continued economic growth, there needs to be a greater transition from government led growth created through very stimulative fiscal and monetary policies, to private economic growth through the free market capitalist system. If this transition is successful, the companies in the portfolio will be significant beneficiaries of this growth.

	One Month to June 30, 2010	Year to Date June 30, 2010
TSX	-3.98%	-3.85%
S&P 500	-5.39%	-7.57%
DJII	-3.58%	-6.27%
NASDAQ	-6.55%	-7.05%

Distributions (by record date)

	XTD	XTD.PR.A	Total
Total to Date	\$1.1500	\$1.5214	\$2.6714
2010 YTD	\$0.2000 ⁽²⁾	\$0.2625	\$0.4625
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:	Dec 1, 2014
Net Asset Value:	\$12.46 (June 30/10)
Cash & Fixed Income Weighting:	5%
Canadian Equity Weighting:	95%
XTD.PR.A Trading Price:	\$9.97 (June 30/10)
Current Yield:	5.25%* annually
Market Capitalization:	\$16,622,582
XTD Trading Price:	\$3.78 (June 30/10)
Current Yield:	15.79%* annually
Market Capitalization:	\$6,302,242

*Last distribution annualized.

Holding

Symbol

Toronto-Dominion Bank TD



TD Company News

TD Bank % return for June 2010:	-3.9%
TD Bank % return year-to-date 2010:	4.6%
Dividend Yield on TD Bank shares:	3.54%

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