



September 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 achieved very significant gains in the month of September. Although the various economic data points continue to show a very sluggish and mixed recovery, stock market valuations especially in context within the record low interest rate environment appear to be relatively attractive. Impetus for the latest market move appears to have resulted in part from the recent US Federal Reserve minutes of the last meeting which made it clear that monetary policy will continue to be highly accommodative for as long as it takes for the recovery to become sustainable. The prospect of more quantitative easing and a corresponding weaker US dollar is perceived by most market participants as positive for US stocks. In addition, increasing prospects of political gridlock in the United States over the remaining 2 years of the Obama administration appear to be potentially supportive for the market going forward.

The Canadian economy continues to be among the leaders of developed countries but will be adversely impacted if US growth remains below average since it remains Canada's most important trading partner.

As mentioned in previous commentaries, market participants will continue to carefully scrutinize every piece of economic data in order to try and ascertain the shape and durability of this economic recovery. Sustained economic growth will require a greater transition from government led growth to private economic growth.

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 by the covered call writing program.

	One Month to Sept 30, 2010	Year to Date Sept 30, 2010
TSX	3.82%	5.30%
S&P 500	8.76%	2.34%
DJII	7.72%	3.45%
NASDAQ	12.04%	4.38%

Distributions (by record date)

	XTD	XTD.PR.A	Total
Total to Date	\$1.3000	\$1.6526	\$2.9526
2010 YTD	\$0.3500 ⁽²⁾	\$0.3938	\$0.7438
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:	\$13.21 (Sept 30/10)
Cash & Fixed Income Weighting:	16%
Canadian Equity Weighting:	84%
XTD.PR.A Trading Price:	\$10.10 (Sept 30/10)
Current Yield:	5.2%* annually
Market Capitalization:	\$16,839,326
XTD Trading Price:	\$4.37 (Sept 30/10)
Current Yield:	13.7%* annually
Market Capitalization:	\$7,285,927

*Last distribution annualized.

Holding

Symbol

Toronto-Dominion Bank

TD



TD Company News

TD Bank % return for Sept 2010:	3.2%
TD Bank % return year-to-date 2010:	12.9%
Dividend Yield on TD Bank shares:	3.28%

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