



TD Private Debt Funds: Solutions for yield enhancement and diversification

TD Emerald Private Debt Pooled Fund Trust and TD Emerald Long Private Debt Pooled Fund Trust (the “TD Private Debt Funds”) recently reached their 3-year anniversaries. Since inception, TD Private Debt Funds have strived to deliver from a performance, size, yield enhancement and quality perspective.

At a Glance

- TD Private Debt Funds have provided a consistent and reliable yield over and above their benchmarks
- Potential for increased diversification when compared to traditional bond portfolios
- Access to high-quality private debt securities with opportunities for additional returns

Quick Facts*

Over the past 3 years, TD Asset Management Inc. (TDAM) has worked to grow and deliver value:

53 clients representing over **\$2B** in commitments

Client base spans over **41** institutions, including pensions, insurance companies, endowments, high net worth individuals and family offices

Investment capacity of **\$500M – \$1.0B** per annum

49 unique private debt transactions

Strong and growing pipeline – **105** transactions and **\$27B** in investible assets over the next 12 months

Assets under management of **\$1.8B**

*Source: TDAM. Information presented for TD Emerald Private Debt Pooled Fund Trust and TD Emerald Long Private Debt Pooled Fund Trust as of September 30, 2019.

We offer access to private debt with additional yield

TD Private Debt Funds offer institutional investors an opportunity to invest in higher yielding investments when compared to publicly traded debt through exposure to investment grade private debt securities.

TD Emerald Private Debt Pooled Fund Trust

Yield enhancement objective: +1.25 to +1.75% above the FTSE Canada Universe Bond Index

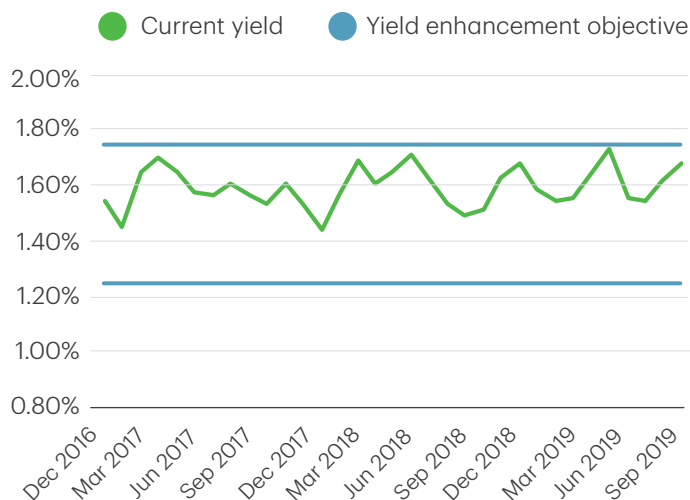
TD Emerald Long Private Debt Pooled Fund Trust

Yield enhancement objective: +1.00 to +1.25% above the FTSE Canada Long Term Bond Index

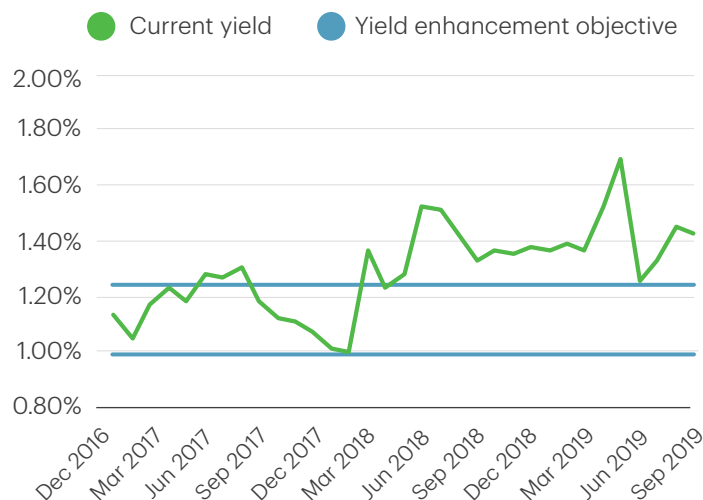
Delivering a higher yield than your typical Canadian bond fund

TD Private Debt Funds have shown a consistent track record in providing a yield enhancement over certain Canadian bond indices.

TD Emerald Private Debt PFT
Yield enhancement over benchmark



TD Emerald Long Private Debt PFT
Yield enhancement over benchmark



Source: TDAM. Information as of September 30, 2019. The benchmark for TD Emerald Private Debt Pooled Fund Trust is the FTSE Canada Universe Bond Index and the benchmark for TD Emerald Long Private Debt Pooled Fund Trust is the FTSE Canada Long Term Bond Index.

How have we performed?

Here's a quick look at how TD Private Debt Funds have performed* since inception.

	1 Year	3 Years	5 Years	Since Inception	Inception Date
TD Emerald Private Debt Pooled Fund Trust	10.34%	4.04%	N/A	4.03%	7/13/2016
TD Emerald Long Private Debt Pooled Fund Trust	14.30%	4.77%	N/A	6.04%	6/21/2016

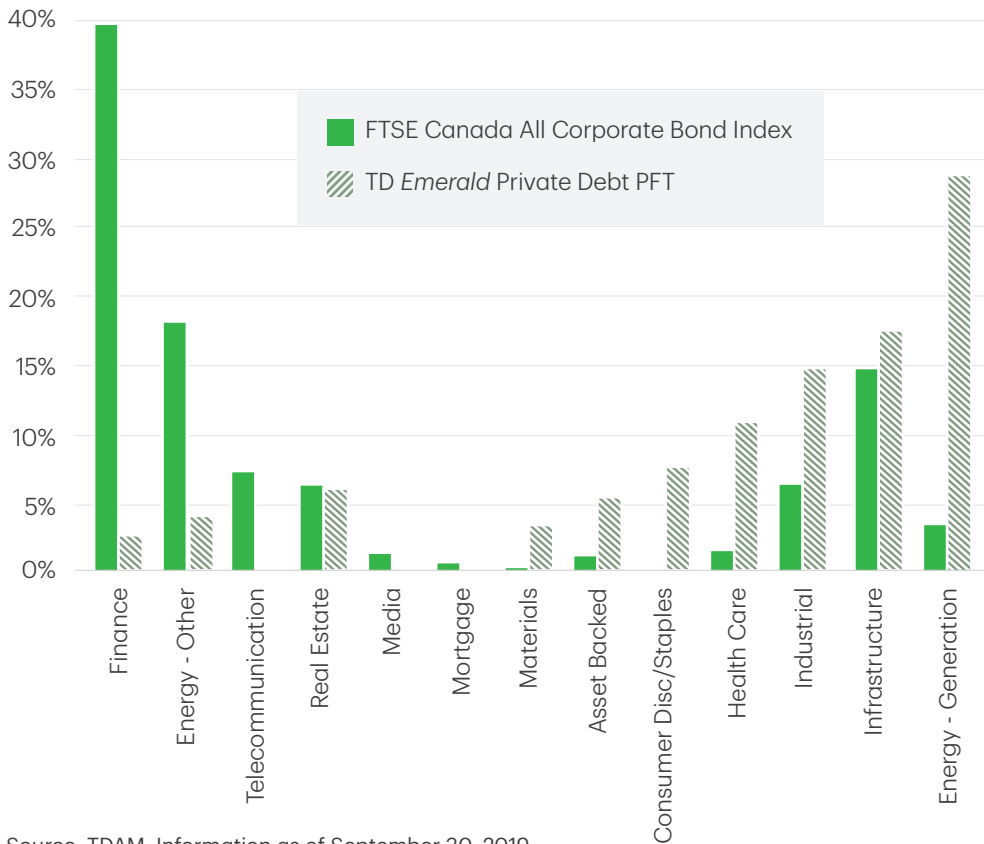
*As of September 30, 2019. Returns over one year are annualized; net of expenses.

Investment-grade quality private debt can be an excellent complement to a traditional corporate fixed income portfolio.

Managing risk through diversification

TD Private Debt Funds are not just another bond fund. The portfolios are designed to provide global exposure to a diversified mix of private opportunities like infrastructure debt, power and energy financing, corporate credit, real estate debt and private securitization. This can provide investors with more opportunities to add yield without increasing risk within their investment portfolios.

Diversifying against traditional allocations



Source: TDAM. Information as of September 30, 2019.

We offer greater exposure to non-traditional sectors

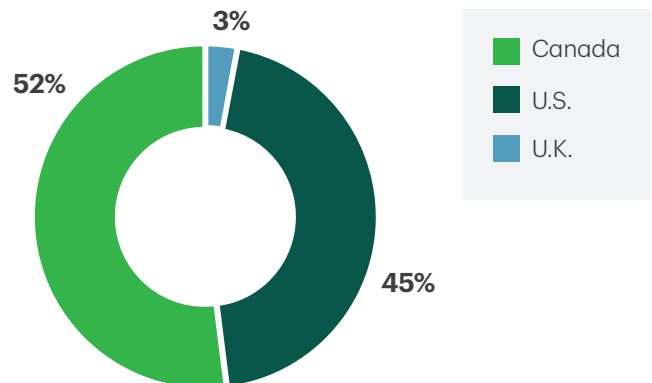
The Portfolio Managers of TD Private Debt Funds strive to allocate assets across multiple sectors that diversify against traditional Canadian credit index allocations. This can help ensure that clients are not overly concentrated in one specific area or sector with their portfolios.

More than just a domestic bond fund

TD Private Debt Funds can also provide geographic exposure, with approximately 50% in Canadian assets and 50% in non-Canadian assets, specifically in the U.S. and U.K., and with more deals being sought in other countries. This can help reduce country specific risks resulting from geopolitical factors or differences in economic cycles.

All foreign cash flows are systematically hedged back to Canadian dollars over the term of the underlying investment at the time of purchase. As a result, Canadian investors are not exposed to foreign interest rate and currency fluctuations.

Global Opportunities



Source: TDAM. Information presented for TD Emerald Private Debt Pooled Fund Trust and TD Emerald Long Private Debt Pooled Fund Trust as of September 30, 2019.

Higher yield doesn't mean lower quality

- TD Private Debt Funds only invest in securities deemed by us to be of investment grade credit quality
- With one of the largest and most experienced credit research teams in Canada, TDAM has a dedicated group of individuals tasked solely with sourcing and assessing private debt
- Many private debt securities also have a payment stream that is a mix of both interest and principal repayment, resulting in less repayment risk than traditional publicly traded fixed income investments
- Loss assumptions for private debt have been shown to be lower than public bonds¹

Our unique investment style and process

We are active managers seeking to deliver the highest returns for a given level of risk. Our active fundamental fixed income philosophy is built on an established set of guiding principles. These principles stress extensive independent credit research, stringent security selection, sound yield and credit curve analysis and

disciplined portfolio construction. We work hard to deliver value through a highly structured process. This is what has guided us over the decades and has allowed us to successfully navigate multiple market cycles. We believe this is the best way to generate competitive, risk-adjusted returns for our clients.

TD Private Debt Funds: A Detailed Process to Managing Risk



¹Source: Report on the Canadian Institute of Actuaries Survey of C-1 Provisions of Life and Health Insurance Organizations in Canada – Fiscal Year-End 2016. Uses Term-to-Maturity Equal to or Greater Than Ten Years, Larger (Over \$500 million), Median.

Did you know?

Environmental, social and corporate governance (ESG) factors are important considerations when it comes to the decision-making process at TDAM. Potential ESG impacts are specifically addressed and reviewed by an independent credit committee to ensure alignment with TDAM policies prior to the closing of a transaction.

We aim to select the best investments

TDAM has a strong risk management culture. We don't take risks that we don't understand. Our selection process is critical to ensuring that we don't sacrifice quality to achieve our yield enhancement objectives.

We are patient and methodical in our process – approximately 1 in 10 deals make it to the finish line. This helps ensure that only the best investments make it into the portfolios.

We look for securities with:

- Investment grade credit quality only
 - Adequate compensation for risk
 - Desirable sector exposure
 - Appropriate deal size
 - Acceptable duration



Achieving our fund objectives is essential for investment consideration.

Expect more with TD Private Debt Funds

TD Private Debt Funds seek to offer institutional investors an opportunity to benefit from enhanced yields in this low interest rate environment. Key benefits include:

- A consistent track record of yield enhancement over benchmarks
- A diversified strategy across private debt types, sectors and geography
- A portfolio of investment grade quality private debt that offers opportunities for additional returns

TDAM is one of Canada's largest investment management firms, offering a broad suite of investment management solutions for corporations, pension funds, endowments, foundations and high net worth individuals. We can work together to help you seek a better outcome.

Contact us today at:



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tdaminstitutional.com

Portfolio Management



Louis Bélanger
CFA, FRM,
Vice President
& Director

Louis Bélanger joined TD Asset Management Inc. (TDAM) in February 2016, bringing over 18 years of experience in private debt management. In his current role as lead Portfolio Manager of TDAM's Private Debt initiative, he is responsible for managing private debt portfolios and raising capital on behalf of TDAM's institutional clients. Prior to joining TDAM, Louis served as Managing Director for a Canadian financial services company, where he established the firm's asset management division in 2011 with the creation of the first two private infrastructure debt funds in Canada. In his prior roles at major Canadian life insurance firms, he was involved in managing private debt transactions in a variety of sectors and fixed income portfolios matching insurance liabilities. Louis holds a Bachelor of Economics with Honours from Bishop's University and a Masters of Science in Finance from Université de Sherbrooke. Louis is a CFA charterholder and a certified Financial Risk Manager.

Private Debt Research and Origination



Bruce MacKinnon
Managing Director

Bruce MacKinnon joined TD Asset Management Inc. (TDAM) in July 2015. He leads a team responsible for TDAM's global investments in private debt. His primary focus is on structured and project finance debt transactions in selected infrastructure, energy and corporate sectors. Prior to TDAM, Bruce was President and CEO of the Canadian division of a global financing corporation, where he created the Canadian financing platform and grew the private infrastructure and energy debt portfolio to over \$1 billion. Bruce also worked for a major insurance company in the project finance group and in corporate banking for several Canadian banks in Toronto and Calgary. He holds a BA from the University of Victoria and a MBA from McMaster University.

Client Portfolio Management



Scott Henshaw
CFA,
Vice President
& Director

Scott Henshaw joined TD Asset Management Inc. (TDAM) in 2018 and is a Client Portfolio Manager. He serves as a subject matter expert for sales strategy and execution for a group of strategies, including private debt, risk-managed equities, and other derivatives-based strategies. Prior to joining TDAM, Scott worked as an Asset Manager at several firms, in various capacities, from investment banking and private equity, to structured finance and derivatives trading. He currently sits on the Institutional Asset Management Committee of the Toronto CFA Society. Scott holds a Bachelor of Arts (Honours) in Economics from Queens University, a Master of Arts in Economics from the University of Victoria, and a Masters of Business Administration from the Rotman School of Management at the University of Toronto. He is a CFA charterholder.

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