

IN THE MATTER OF THE SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC,  
NEW BRUNSWICK, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR,  
NORTHWEST TERRITORIES, NUNAVUT TERRITORY, AND YUKON TERRITORY

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE  
RELIEF APPLICATIONS

AND

IN THE MATTER OF

TD Canadian T-Bill Fund  
TD Premium Money Market Fund  
TD Canadian Money Market Fund  
TD U.S. Money Market Fund  
TD Short Term Monthly Income Fund (to be renamed  
TD Short Term Bond Fund on October 7, 2002)  
TD Canadian Bond Fund  
TD Balanced Income Fund  
TD Canadian Equity Fund  
TD Canadian Government Bond Index Fund  
TD U.S. RSP Index Fund  
TD International RSP Index Fund  
(collectively the "Funds")

MRRS DECISION

**WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces and territories of Canada, except Prince Edward Island (the "Jurisdictions"), has received an application (the "Application") from TD Asset Management Inc. ("TDAM"), the manager and trustee of the Funds, for a decision (the "Decision") pursuant to the securities legislation of the Jurisdictions (the "Legislation") that each of the Funds be exempted from delivering to its unitholders such Fund's annual financial statements for the fiscal year ended December 31, 2001, to be re-audited by Deloitte & Touche LLP ("Deloitte"), at the time such statements are filed, as would otherwise be required pursuant to applicable legislation;

**AND WHEREAS** under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for the Application;

**AND WHEREAS** unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Qu<sub>1</sub> Commission Notice 14-101;

**AND WHEREAS** the TDAM has represented to the Decision Makers that:

1. TDAM, a corporation incorporated under the laws of the Province of Ontario, is the manager and trustee of the Funds. TDAM is a wholly-owned subsidiary of The Toronto-Dominion Bank.
2. The Funds are open-ended mutual fund trusts established under the laws of the Province of Ontario.
3. Investor Series, e-Series and/or Institutional Series (collectively, the "No-Load Series") units, as the case may be, of the Funds are currently being distributed pursuant to a simplified prospectus and annual information form, each dated October 19, 2001. In addition, Advisor Series and/or F-Series units (collectively, the "Load Series"), as the case may be, of TD Canadian Money Market Fund, TD Canadian Bond Fund, TD Canadian Equity Fund, TD Canadian Government Bond Index Fund, TD U.S. RSP Index Fund and TD International RSP Index Fund are currently being distributed pursuant to a simplified prospectus and annual information form, each dated November 2, 2001.
4. Each of the Funds is a reporting issuer in the Jurisdictions and is not in default of any requirement of the Legislation.
5. The financial year end for each of the Funds is December 31.
6. Arthur Andersen LLP ("Arthur Andersen") audited the annual financial statements of the Funds for the year ended December 31, 2001, which comprise separate financial statements for the No-Load Series and the Load Series and issued its auditors' reports thereon, without reservation, each dated February 15, 2002 (these financial statements and the auditors' reports thereon, together are referred to as the "Arthur Andersen Statements"). The Arthur Andersen Statements were filed, pursuant to the Legislation, via SEDAR on May 17, 2002 and mailed to unitholders of the Funds.
7. On June 3, 2002, Arthur Andersen ceased practicing public accounting in Canada and Deloitte announced the completion of "the transaction that will enable over 1,000 Arthur Andersen partners and staff to join Deloitte & Touche LLP" and the integration of Arthur Andersen people and clients into Deloitte (the "Transaction"). Accordingly, the responsibility for audit of each of the Funds has been transitioned to Deloitte.
8. In connection with the Transaction, and in contemplation of the renewal of each Simplified Prospectus, each of the Funds has requested Deloitte to re-audit the annual financial statements of the Fund for the year ended December 31, 2001 and to provide its auditors' reports thereon (these financial statements and the auditors' reports thereon, together are referred to as the "Deloitte Statements").
9. The Funds are to file the Deloitte Statements, together with the auditors' reports thereon, as "Audited Annual Financial Statements – English/French" under existing SEDAR projects used by the Funds to file their continuous disclosure documents, including the Arthur Andersen Statements. Concurrently with the filing of the Deloitte Statements, the Funds propose to file on

SEDAR a letter indicating that the Arthur Andersen Statements are superseded by the Deloitte Statements.

**AND WHEREAS** under the System, this MRRS Decision Document evidences the decision of each Decision Maker;

**AND WHEREAS** each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;

**THE DECISION** of the Decision Makers pursuant to the Legislation is that each of the Funds be exempted from delivering to unitholders annual financial statements for the year ended December 31, 2001 to be re-audited by Deloitte at the time such statements are filed, provided that

- i) the Deloitte Statements are substantially the same as the Arthur Andersen Statements in all material respects.
- ii) the auditors' reports of the Deloitte Statements do not contain any reservation and the reports refer to the December 31, 2000 comparative statements as having been audited by other auditors.

October 4, 2002

Paul M. Moore

Robert L. Shirriff

Headnote

Mutual Reliance Review System for Exemptive Relief Application - relief granted to a group of mutual fund trusts from requirement to deliver re-audited annual financial statements

Applicable Ontario Statutory Provisions

*Securities Act*, R.S.O.1990, c.S.5, as am. s.80(b)(iii)