

October 22, 2004

**IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, NOVA SCOTIA, NEW
BRUNSWICK, PRINCE EDWARD ISLAND, NEWFOUNDLAND AND LABRADOR,
YUKON TERRITORY, NORTHWEST TERRITORIES AND NUNAVUT (THE
JURISDICTIONS)**

AND

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

AND

**IN THE MATTER OF
TD ASSET MANAGEMENT INC. (THE FILER)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application (the Application) from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for relief for the publicly offered mutual funds that are managed from time to time by the Filer or any of its affiliates or associates (the Funds) and broker dealers or mutual fund dealers (Distributors) who distribute securities of the Funds from the requirements in the Legislation:

- to deliver the latest prospectus and any amendment to the prospectus, and
- to be bound by an agreement of purchase and sale

(together, the "Delivery Requirement")

in respect of a purchase and sale of securities of the Funds pursuant to a pre-authorized investment plan, including employee purchase plans, capital accumulation plans, pre-authorized purchase plans or any other contract or arrangement for the purchase of a specified amount of securities on a regularly scheduled basis (an Investment Plan).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the Ontario Securities Commission is the principal regulator for this Application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 - Definitions have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a wholly-owned subsidiary of The Toronto-Dominion Bank (TD Bank) and is registered under the Securities Act (Ontario) as an adviser in the categories of investment counsel and portfolio manager and as a limited market dealer, and under the Commodity Futures Act (Ontario) in the category of commodity trading manager.
2. The Filer acts as manager of the groups of mutual funds that currently consist of the Funds set out in Schedule A.
3. The Funds are, or will be, reporting issuers in one or more of the Jurisdictions. Securities of the Funds are, or will be, offered for sale on a continuous basis pursuant to a simplified prospectus.
4. Securities of each of the Funds are or will be distributed through Distributors which may or may not be affiliated with the Filer.
5. Each of the Funds may offer investors the opportunity to invest in the Fund on a regular or periodic basis pursuant to an Investment Plan.
6. Under the terms of an Investment Plan, an investor instructs a Distributor to accept additional contributions on a pre-determined frequency and/or periodic basis and to apply such contributions on each scheduled investment date to additional investments in specified Funds (which instructions may be amended from time to time). The investor authorizes a Distributor to debit a specified account or otherwise makes funds available in the amount of the additional contributions. An investor may terminate the instructions, at any time.
7. An investor who establishes an Investment Plan (a Participant) receives a copy of the current simplified prospectus relating to the applicable Funds at the time an Investment Plan is established, unless already provided. A Participant who switches an investment decision under the Investment Plan to Fund(s) not included when the Investment Plan was established or under a previous amendment to the Investment Plan will receive the current simplified prospectus relating to the applicable Fund(s) at the time of the amendment to the Investment Plan, unless already provided.
8. Pursuant to the Legislation, a Distributor not acting as agent of the purchaser, who receives an order or subscription for a security of a Fund offered in a distribution to which the Delivery

Requirement applies (assuming that this applies in the circumstances), must, unless it has previously done so, send by prepaid mail or deliver to the purchaser the latest prospectus and any amendment to the prospectus filed either before entering into an agreement of purchase and sale resulting from the order or subscription or not later than midnight on the second day, exclusive of Saturdays, Sundays and holidays, after entering into such agreement.

9. Pursuant to the Legislation, an agreement referred to in paragraph (8) is not binding on the purchaser if a Distributor receives notice of the intention of the purchaser not to be bound by the agreement of purchase and sale within a specified time period.

10. The terms of an Investment Plan are such that a Participant can terminate the instructions to the Distributor at any time prior to a scheduled investment date. Therefore, there is no agreement of purchase and sale until a scheduled investment date arrives and the instructions have not been terminated. At this point the securities are purchased.

11. A Distributor not acting as agent for the applicable investor is required pursuant to the Legislation to mail or deliver to a Participant who purchases securities of Funds pursuant to an Investment Plan, the current simplified prospectus of the applicable Funds at the time the investor enters into the Investment Plan, unless otherwise provided, and thereafter, any new prospectus or amendment thereto (a Renewal Prospectus) filed pursuant to the Legislation, unless otherwise provided.

12. There is significant cost involved in the annual printing and mailing or delivery of the Renewal Prospectus to Participants. The annual cost of production of a Renewal Prospectus is borne by the applicable Fund. In addition, mailing costs are incurred.

13. Securityholders of the Funds who are currently Participants will be sent a notice (the Notice) advising them:

(a) of the terms of the relief and that Participants will not receive any Renewal Prospectus of the applicable Funds, unless they request it;

(b) that they may request the Renewal Prospectus by calling a toll-free phone number or by email and the Filer will send the Renewal Prospectus to any Participant that requests it. Participants will receive with the Notice a request form (the "Request Form") under which the Participant may request, at no cost to the Participant, to receive the Renewal Prospectus;

(c) that the Renewal Prospectus and any amendments thereto may be found either on the SEDAR website or on the Filer's website;

(d) that they can subsequently request the current Renewal Prospectus and any amendments thereto by contacting the applicable Distributor or the Filer and the Filer will provide a toll-free telephone number for contacting it for this purpose;

(e) that they will not have a right to withdraw (a Withdrawal Right) from an agreement of purchase and sale in respect of or purchase pursuant to an Investment Plan, but that they will have a right (a Misrepresentation Right) of action for damage or rescission in the event the Renewal Prospectus contains a misrepresentation, whether or not they request the Renewal Prospectus; and

(f) that they will continue to have the right to terminate the Investment Plan at any time before a scheduled investment date.

14. Future investors who choose to become Participants and invest in any Funds in respect of which the relief hereby sought applies will be advised:

(a) in the documents they receive in respect of their participation in the Investment Plan or in the simplified prospectus of the applicable Funds (in the section of the prospectus that describes the Investment Plan) of the terms of the relief and that Participants will not receive a Renewal Prospectus unless they request it at the time they decide to enrol in the Investment Plan or subsequently request it from the applicable Distributor or the Filer;

(b) that a Renewal Prospectus and any amendments thereto may be found either on the SEDAR website or on the Filer's website;

(c) that they will not have a Withdrawal Right in respect of purchases pursuant to an Investment Plan, other than in respect of the initial purchase and sale, but they will have a Misrepresentation Right, whether or not they request the Renewal Prospectus; and

(d) that they will have the right to terminate the Investment Plan at any time before a scheduled investment date.

15. Participants will also be advised annually in writing (in an account statement sent by the Distributor or otherwise) how they can request the current Renewal Prospectus and any amendments thereto and that they have a Misrepresentation Right.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met.

The decision of the Decision Makers under the Legislation is that:

1. the Funds and the Distributors are not required to comply with the Delivery Requirement provided that in respect of purchases and sales of securities of the Funds to Participants who purchase the securities pursuant to an Investment Plan which is in existence on the date of this decision:

(a) Participants who are current securityholders of the Funds are sent the Notice described in paragraph 13 above containing the information described in paragraph 13 above, together with the Request Form referred to in paragraph 13 above;

(b) under the terms of the Investment Plan, a Participant can terminate participation in the Investment Plan at any time prior to a scheduled investment date;

(c) Participants are advised annually in writing (in an account statement sent by the Distributor or otherwise) how they can request the current Renewal Prospectus and any amendments thereto and that they have a Misrepresentation Right; and

(d) the Misrepresentation Right in the Legislation of a Jurisdiction is maintained in respect of a Participant whether or not a Renewal Prospectus is requested or received;

2. the Funds and the Distributors are not required, after the date of the applicable next Renewal Prospectus, to comply with the Delivery Requirement in respect of purchases and sales of securities of the Funds to Participants who purchase the securities pursuant to an Investment Plan which is established after the date of this decision, provided that:

(a) Participants are advised, in the simplified prospectus of the applicable Funds or in the documents they receive in respect of their participation in the Investment Plan, of the information described in paragraph 14 above;

(b) Under the terms of the Investment Plan, a Participant can terminate participation in the Investment Plan at any time prior to a scheduled investment date;

(c) Participants are advised annually in writing (in an account statement sent by the Distributor or otherwise) how they can request the current Renewal Prospectus and any amendments thereto and that they have a Misrepresentation Right; and

(d) The Misrepresentation Right in the Legislation of a Jurisdiction is maintained in respect of a Participant whether or not a Renewal Prospectus is requested or received; and

3. this Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule dealing with the Delivery Requirement.

"Paul Moore" "H. Lorne Morphy"

SCHEDULE A

LIST OF FUNDS

TD MUTUAL FUNDS

TD Canadian T-Bill Fund
TD Canadian Money Market Fund
TD Premium Money Market Fund
TD U.S. Money Market Fund
TD Short Term Bond Fund
TD Mortgage Fund
TD Canadian Bond Fund
TD Real Return Bond Fund
TD Global RSP Bond Fund
TD High Yield Income Fund
TD Monthly Income Fund
TD Balanced Fund
TD Balanced Income Fund
TD Balanced Growth Fund
TD Global Asset Allocation Fund
TD Income Advantage Portfolio
TD Dividend Income Fund
TD Dividend Growth Fund
TD Canadian Blue Chip Equity Fund
TD Canadian Equity Fund
TD Canadian Value Fund
TD Canadian Small-Cap Equity Fund
TD U.S. Blue Chip Equity Fund
TD U.S. Blue Chip Equity RSP Fund
TD U.S. Equity Fund
TD AmeriGrowth RSP Fund
TD U.S. Large Cap Value Fund
TD U.S. Mid-Cap Growth Fund
TD U.S. Small-Cap Equity Fund
TD U.S. Equity Advantage Portfolio
TD Global Select Fund
TD Global Select RSP Fund
TD International Equity Fund
TD International Growth Fund
TD European Growth Fund
TD European Growth RSP Fund
TD Japanese Growth Fund
TD Asian Growth Fund
TD AsiaGrowth RSP Fund
TD Emerging Markets Fund
TD Emerging Markets RSP Fund
TD Latin American Growth Fund

TD Resource Fund
TD Energy Fund
TD Precious Metals Fund
TD Entertainment & Communications Fund
TD Entertainment & Communications RSP Fund
TD Science & Technology Fund
TD Science & Technology RSP Fund
TD Health Sciences Fund
TD Health Sciences RSP Fund
TD Canadian Government Bond Index Fund
TD Canadian Bond Index Fund
TD Balanced Index Fund
TD Canadian Index Fund
TD Dow Jones Industrial Average Index Fund
TD U.S. Index Fund
TD U.S. RSP Index Fund
TD Nasdaq RSP Index Fund
TD International Index Fund
TD International RSP Index Fund
TD European Index Fund
TD Japanese Index Fund

TD MANAGED ASSETS PROGRAM PORTFOLIOS

TD Managed Income Portfolio
TD Managed Income & Moderate Growth Portfolio
TD Managed Balanced Growth Portfolio
TD Managed Aggressive Growth Portfolio
TD Managed Maximum Equity Growth Portfolio
TD Managed Income RSP Portfolio
TD Managed Income & Moderate Growth RSP Portfolio
TD Managed Balanced Growth RSP Portfolio
TD Managed Aggressive Growth RSP Portfolio
TD Managed Maximum Equity Growth RSP Portfolio
TD FundSmart Managed Income Portfolio
TD FundSmart Managed Income & Moderate Growth Portfolio
TD FundSmart Managed Balanced Growth Portfolio
TD FundSmart Managed Aggressive Growth Portfolio
TD FundSmart Managed Maximum Equity Growth Portfolio
TD FundSmart Managed Income RSP Portfolio
TD FundSmart Managed Income & Moderate Growth RSP Portfolio
TD FundSmart Managed Balanced Growth RSP Portfolio
TD FundSmart Managed Aggressive Growth RSP Portfolio
TD FundSmart Managed Maximum Equity Growth RSP Portfolio
TD Managed Index Income Portfolio
TD Managed Index Income & Moderate Growth Portfolio

TD Managed Index Balanced Growth Portfolio
TD Managed Index Aggressive Growth Portfolio
TD Managed Index Maximum Equity Growth Portfolio
TD Managed Index Income RSP Portfolio
TD Managed Index Income & Moderate Growth RSP Portfolio
TD Managed Index Balanced Growth RSP Portfolio
TD Managed Index Aggressive Growth RSP Portfolio
TD Managed Index Maximum Equity Growth RSP Portfolio

EMERALD FUNDS

Emerald Canadian Short Term Investment Fund
Emerald Canadian Bond Index Fund
Emerald Global Government Bond Index Fund
Emerald Balanced Fund
Emerald Canadian Equity Index Fund
Emerald U.S. Market Index Fund
Emerald International Equity Index Fund