MARKET PARTICIPATION OPTION FUNDS

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

December 31, 2010

Wawanesa Life

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I. FINANCIAL STATEMENTS

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February 22, 2011

Independent Auditors' Report

To the Unitholders of
The Wawanesa Life Insurance Company Segregated Funds
(collectively the Funds)

We have audited the accompanying financial statements of each of the Funds, which compromise the statements of net assets and statement of investment portfolios as at December 31, 2010 and 2009 and the statements of operations and changes in net assets for the years then ended, and the related notes including a summary of significant accounting policies.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements of each of the Funds in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements of each of the Funds based on each of our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Funds' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in each of our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements of each of the Funds present fairly, in all material respects, the financial position of each of the Funds as at December 31, 2010 and 2009 and the results of each of their operations and the changes in each of their net assets for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP
Chartered Accountants

"PricewaterhouseCoopers" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership, or, as the context requires, the PricewaterhouseCoopers global network or other member firms of the network, each of which is a separate and independent legal entity.

THE WAWANESA LIFE INSURANCE SEGREGATED FUNDS
STATEMENTS OF NET ASSETS
As at December 31

	2010				2009			
	Canadian Equity Index Fund	U.S. Equity Index Fund	International Equity Index Fund	Canadian Bond Index Fund	Canadian Equity Index Fund	U.S. Equity Index Fund	International Equity Index Fund	Canadian Bond Index Fund
Investments - at fair value (see Statements of Investment Portfolio)	$118,035,519	$ 21,763,716	$ 11,746,192	$ 16,296,738	$ 97,914,690	$ 19,369,005	$ 10,094,859	$ 12,793,051
Less								
Management fees payable	–	–	–	–	30,674	6,408	3,138	4,054
Due to (from) the investment manager	(122,581)	(730)	4,254	(5,688)	160,360	(14,504)	31,849	53,867
Due to (from) The Wawanesa Life Insurance Company	123,374	531	(4,254)	5,692	(143)	193	(138)	(29)
	793	(199)	–	4	190,891	(7,903)	34,849	57,892
Net assets representing unitholders' equity	$118,034,726	$ 21,763,915	$ 11,746,192	$ 16,296,734	$ 97,723,799	$ 19,376,908	$ 10,060,010	$ 12,735,159

Approved by
The Wawanesa Life Insurance Company

per Ken E. McCrea
President and Chief Executive Officer

per Delmore C. Crewson
Chairman, Audit Committee

The accompanying notes constitute an integral part of the financial statements.

THE WAWANESA LIFE INSURANCE SEGREGATED FUNDS

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31

	2010				2009			
	Canadian Equity Index Fund	**U.S. Equity Index Fund**	**International Equity Index Fund**	**Canadian Bond Index Fund**	**Canadian Equity Index Fund**	**U.S. Equity Index Fund**	**International Equity Index Fund**	**Canadian Bond Index Fund**
Net assets - Beginning of year	$ 97,723,799	$ 19,376,908	$ 10,060,010	$ 12,735,159	$ 68,582,372	$ 17,415,721	$ 7,859,525	$ 9,552,320
Increase in net assets resulting from operations	15,865,177	1,399,016	116,849	679,618	23,820,469	1,035,837	1,007,833	322,028
Unit transactions								
Proceeds from sale of units								
Class A	2,104,191	373,583	339,877	1,464,296	1,480,542	268,551	156,004	1,478,946
Class B	5,151,099	1,105,004	318,355	864,819	5,258,381	1,185,472	365,943	965,235
Class C	7,278,884	1,643,902	1,859,703	2,041,356	6,177,290	1,479,170	1,650,295	1,805,215
	14,534,174	3,122,489	2,517,935	4,370,471	12,916,213	2,933,193	2,172,242	4,249,396
Payments on redemption of units								
Class A	2,240,672	383,554	238,606	667,647	1,564,413	521,872	259,516	712,482
Class B	5,419,360	1,234,227	229,963	112,791	4,556,185	1,011,957	286,128	281,139
Class C	2,428,392	516,717	480,033	708,076	1,474,657	474,014	433,946	394,964
	10,088,424	2,134,498	948,602	1,488,514	7,595,255	2,007,843	979,590	1,388,585
	4,445,750	987,991	1,569,333	2,881,957	5,320,958	925,350	1,192,652	2,860,811
Net assets - End of year	$118,034,726	$ 21,763,915	$ 11,746,192	$ 16,296,734	$ 97,723,799	$ 19,376,908	$ 10,060,010	$ 12,735,159

The accompanying notes constitute an integral part of the financial statements.

THE WAWANESA LIFE INSURANCE SEGREGATED FUNDS
STATEMENTS OF CHANGES IN NET ASSETS
...continued

	2010				2009			
	Canadian Equity Index Fund	U.S. Equity Index Fund	International Equity Index Fund	Canadian Bond Index Fund	Canadian Equity Index Fund	U.S. Equity Index Fund	International Equity Index Fund	Canadian Bond Index Fund
Number of units outstanding - End of period								
Class A	696,471	288,802	162,635	340,206	702,093	289,340	151,328	281,737
Class B	2,999,083	1,318,104	291,546	242,113	3,009,981	1,332,870	283,204	188,591
Class C	2,030,884	1,100,047	737,720	542,703	1,743,184	924,440	591,849	451,282
Net asset value per unit - End of year								
Class A	$ 20.5749	$ 8.3649	$ 9.3450	$ 14.0006	$ 17.8741	$ 7.8610	$ 9.3408	$ 13.4047
Class B	21.7558	8.9707	10.0152	14.3763	18.8301	8.4005	9.9740	13.7163
Class C	18.9173	6.8326	9.8988	14.8287	16.3295	6.3811	9.8315	14.1105
Net asset value per unit - At last valuation date	December 30, 2010				December 23, 2009			
Class A	$ 20.5859	$ 8.4331	$ 9.3789	$ 13.9841	$ 17.6813	$ 7.9758	$ 9.2880	$ 13.3918
Class B	21.7659	9.0432	10.0508	14.3584	18.6245	8.5220	9.9163	13.7012
Class C	18.9250	6.8875	9.9335	14.8095	16.1495	6.4727	9.7735	14.0936

The accompanying notes constitute an integral part of the financial statements.

THE WAWANESA LIFE INSURANCE SEGREGATED FUNDS

STATEMENTS OF OPERATIONS

For the years ended December 31

	2010				2009			
	Canadian Equity Index Fund	U.S. Equity Index Fund	International Equity Index Fund	Canadian Bond Index Fund	Canadian Equity Index Fund	U.S. Equity Index Fund	International Equity Index Fund	Canadian Bond Index Fund
Investment income								
Dividends								
Canadian	$ 2,273,677	$ –	$ –	$ –	$ 1,829,309	$ –	$ –	$ –
Foreign	2,827	344,918	322,542	–	6,808	359,735	225,059	–
Interest	455,414	–	–	614,286	554,473	–	–	489,387
Capital gains (losses)	697,959	(213,085)	(54,616)	9,836	176,031	(317,879)	(84,656)	5,958
	3,429,877	131,833	267,926	624,122	2,566,621	41,856	140,403	495,345
Expenses								
Management fees (Note 4)	1,747,642	345,973	176,093	246,950	1,353,142	295,927	142,347	175,384
Net investment income (loss)	1,682,235	(214,140)	91,833	377,172	1,213,479	(254,071)	(1,944)	319,961
Unrealized appreciation (depreciation) of investments								
Fair value of investments	118,035,519	21,763,716	11,746,192	16,296,738	97,914,690	19,369,005	10,094,859	12,793,051
Cost of investments	87,604,825	27,427,332	13,287,164	15,888,803	81,666,938	26,645,777	11,660,847	12,687,562
	30,430,694	(5,663,616)	(1,540,972)	407,935	16,247,752	(7,276,772)	(1,565,988)	105,489
Less: Prior years unrealized appreciation (depreciation) of investments	16,247,752	(7,276,772)	(1,565,988)	105,489	(6,359,238)	(8,566,680)	(2,575,765)	103,422
	14,182,942	1,613,156	25,016	302,446	22,606,990	1,289,908	1,009,777	2,067
Increase in net assets from operations	$ 15,865,177	$ 1,399,016	$ 116,849	$ 679,618	$ 23,820,469	$ 1,035,837	$ 1,007,833	$ 322,028

The accompanying notes constitute an integral part of the financial statements.

THE WAWANESA LIFE INSURANCE SEGREGATED FUNDS
STATEMENTS OF INVESTMENT PORTFOLIOS
For the years ended December 31

	2010			2009		
	Number of Units	Average Cost	Fair Value	Number of Units	Average Cost	Fair Value
Canadian Equity Index Fund						
Underlying fund - TD Emerald Canadian Equity Index Fund #1560	3,205,057	$ 87,604,825	$118,035,519	3,052,489	$ 81,666,938	$97,914,690
U.S. Equity Index Fund						
Underlying fund - TD Emerald U.S. Market Index Fund #1571	2,368,247	$ 27,427,332	$ 21,763,716	2,254,858	$ 26,645,777	$19,369,005
International Equity Index Fund						
Underlying fund - TD Emerald International Equity Index Fund #1550	1,052,347	$ 13,287,164	$ 11,746,192	899,095	$ 11,660,847	$10,094,859
Canadian Bond Index Fund						
Underlying fund - TD Emerald Canadian Bond Index Fund #1510	1,311,841	$ 15,888,803	$ 16,296,738	1,052,848	$ 12,687,562	$12,793,051

The accompanying notes constitute an integral part of the financial statements.

THE WAWANESA LIFE INSURANCE COMPANY
SEGREGATED FUNDS

NOTES TO FINANCIAL STATEMENTS
For December 31, 2010

1. The Funds

The Funds consist of four segregated funds maintained by The Wawanesa Life Insurance Company (Wawanesa Life) in respect of variable deferred annuity contracts, in which the benefit amount is directly linked to the fair value of the investments held in the particular segregated fund. Although the underlying assets are registered in the name of Wawanesa Life, the annuity policyholder has no direct access to the specific assets. The assets of each Fund are segregated from the other assets of Wawanesa Life. The Funds are not separate legal entities. The contractual arrangements are such that the annuity policyholder bears the risk and rewards of the Funds' investment performance. The annuity policyholders have minimum maturity value and death benefit guarantees from Wawanesa Life.

Each of the Funds will invest in securities consistent with the investment objectives described in The Wawanesa Life Insurance Company Individual Savings and Investment Plans Information Folder. Investments are primarily in units of institutional pooled funds offered by the Funds' investment manager, TD Asset Management Inc. (TDAM). Unitholder contributions, withdrawals and transfers between funds are used to acquire or redeem units in the Funds. The Funds are open ended with the value of the assets held in each Fund described for reporting purposes by reference to units of the Fund. Such units represent a simple means of measuring the liability of Wawanesa Life to the unitholder in respect of the Funds. Transactions with unitholders occur at the net asset value per unit (NAVPU) for each class within the Funds.

2. Summary of accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results may differ from such estimates. Changes in estimates are recorded in the accounting period in which they are determined. The fair value of investments is a financial statement component subject to management judgment and estimates. Management did not adjust the quoted price for the Funds' investments (note 6). The significant accounting policies of the Funds are as follows:

a) The fair value for investments is valued at the underlying institutional pooled funds' transactional NAVPU at the end of each valuation day. Bid prices are not available for the underlying funds. The carrying value of these investments is equal to their fair value. The difference between this amount and the average cost is shown as unrealized appreciation (depreciation) of investments.

b) The accrual basis of accounting is used to record investment expenses incurred by the Funds.

c) Dividends, interest and capital gains (losses) distributions from pooled funds are recognized when received. The earnings of each Fund are reinvested in the Fund.

d) The Company uses trade date accounting for purchases and sales of these investments. Realized gains (losses) on investments are recorded on disposal. Gains (losses) are calculated as the net proceeds from disposal less the average cost of the investment. Unrealized gains (losses) are calculated by the change in fair value compared to the change in average cost.

e) The fair values of foreign investments and other assets and liabilities are translated into Canadian dollars at exchange rates prevailing at the close of business on the date of each valuation.

f) Purchases and sales of foreign investments and the related income are translated into Canadian dollars at rates of exchange prevailing on the respective dates of such transactions.

3. Description of units

Each Fund is subdivided into three classes of units (Class A, Class B, and Class C units) and these units are attributed to individual annuity contracts for the purpose of determining the value of the benefits under those contracts. A contract holder acquires no direct claim on the units or assets of a Fund by purchasing a contract but only the benefits which are provided under the contract. Units are attributed to and withdrawn from a contract when required by the terms of the contract.

Class A, Class B and Class C units differ with respect to management fees charged to each (see note 4). A separate net asset value per unit is determined for each class of each Fund. The number of units outstanding in each Fund as at December 31, 2010 and 2009 and the number of units attributed to and withdrawn from contracts during the periods were as follows:

	2010			2009		
	Outstanding	**Attributed**	**Withdrawn**	**Outstanding**	**Attributed**	**Withdrawn**
Canadian Equity Index Fund						
Class A	696,471	115,696	121,318	702,093	99,165	100,868
Class B	2,999,083	266,482	277,380	3,009,981	336,653	282,332
Class C	2,030,884	432,639	144,939	1,743,184	447,409	101,697
U.S. Equity Index Fund						
Class A	288,802	48,125	48,663	289,340	37,435	73,558
Class B	1,318,104	131,240	146,006	1,332,870	156,655	130,097
Class C	1,100,047	256,185	80,578	924,440	255,760	81,082
International Equity Index Fund						
Class A	162,635	38,290	26,983	151,328	18,936	29,606
Class B	291,546	33,235	24,893	283,204	41,813	31,498
Class C	737,720	197,720	51,849	591,849	189,660	47,440
Canadian Bond Index Fund						
Class A	340,206	106,537	48,068	281,737	110,863	54,511
Class B	242,113	61,510	7,988	188,591	71,186	20,767
Class C	542,703	140,374	48,953	451,282	129,812	28,708

4. Related party transactions

Wawanesa Life provides investment management and administrative services to the Funds. In respect of these services, the Funds are charged a management fee (note 8) calculated on a weekly basis. The management fee is calculated at a set rate applied against the net asset value of the Funds' units attributable to each class.

Each Fund is also responsible for all applicable taxes, including GST and HST, and all brokerage commissions incurred by that Fund in buying and selling investments on behalf of that Fund.

The amounts shown as "Management fees payable" and "Due to (from) The Wawanesa Life Insurance Company" represent outstanding management fees, un-cleared deposits/withdrawals and investment activity from the last valuation date.

5. Taxation of the Funds

Each Fund is treated as a separate trust under the Income Tax Act (Canada) and its income and realized capital gains and losses, as applicable, are allocated to unitholders and their beneficiaries. Accordingly, subject to any foreign withholding taxes which may be payable, under current tax legislation there are no income taxes payable by the Funds.

6. Fair value hierarchy

Assets and liabilities recorded at fair value in the balance sheet are measured and classified in a hierarchy consisting of three levels for disclosure purposes; the three levels are based on the priority of the inputs to the respective valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation. The input levels are defined as follows:

- *Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.*

  The Funds define active markets based on the frequency of valuation and any restrictions or illiquidity on disposition for institutional pooled funds. Assets measured at fair value and classified as Level 1 are the Funds' investments in institutional pooled fund units. Fair value is based on market price data obtained from the investment manager. The Funds do not adjust the quoted price for such instruments.

- *Level 2: Quoted prices in markets that are not active or inputs that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).*

  Level 2 inputs include quoted prices for assets in markets that are considered less active. Fair value is based on market price data obtained from the investment manager. The Funds do not adjust the quoted price for such instruments. The Funds did not hold any investments classified within Level 2 during the years ended December 31, 2010 and 2009.

- *Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the estimated fair value of the assets or liabilities.*

  Level 3 assets and liabilities would include financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of estimated fair value requires significant management judgment or estimation. The Funds did not hold any investments classified within Level 3 during the years ended December 31, 2010 and 2009.

No financial assets were transferred between Level 1, Level 2 or Level 3 during the year.

7. Financial risk management

These Funds invest primarily in underlying institutional pooled funds. There are several types of financial risks to which a segregated fund may be subject. A segregated fund which invests in the units of an underlying fund will be subject to the same investment risks as the underlying fund. To understand those risks and how they are managed, unitholders should consult the financial statements of those underlying funds identified in the Statements of Investment Portfolio. Significant risks that are relevant to the Funds are discussed below.

Credit risk

Credit risk is the possibility of financial loss, despite realization of collateral security or property, resulting from the failure of a debtor to honour its obligation to the Funds. Of the Funds offered by Wawanesa Life, the Canadian Bond Index Fund is the only Fund with exposure to credit risk. While the Fund has no direct exposure to credit risk, it may be exposed to indirect credit risk through its investments in the underlying fund. This risk is mitigated by investing primarily in a pooled investment fund which invests in almost all of the bonds included in the DEX Universe Bond Index.

The Funds are exposed to counterparty credit risk through their investment in institutional pooled funds managed by TDAM. This risk is considered in determining the fair value of the Funds, however for the years ended December 31, 2010 and 2009, it had no impact on the fair value presented in the financial statements.

Liquidity risk

Liquidity risk is defined as the risk that the Funds will not be able to settle or meet their obligations as they come due. All Funds are exposed to potential weekly cash redemptions of redeemable units. Redeemable units are redeemed on demand at the holder's option based on the Funds' NAVPU on the date of redemption.

The Funds maintain sufficient liquidity by investing the majority of their assets in underlying funds that can be readily disposed.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk, currency risk and other price risk.

Interest rate risk is the potential for financial loss arising from changes in interest rates. The Canadian Bond Index Fund is the only Fund which is exposed to the risk that the value of interest-bearing financial instruments in the underlying fund will fluctuate due to changes in the prevailing levels of market interest rates.

Currency risk represents the risk that the Funds incur losses due to exposure to foreign currency fluctuations. The investments in the U.S. Equity Index Fund and the International Equity Index Fund are denominated in Canadian dollars, however the underlying funds are exposed to currency risk as their investments are denominated or traded in a foreign currency.

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All Funds present a risk of loss of capital. The Funds are exposed indirectly to these risks through their investment in underlying funds. However, the underlying funds are managed to track the performance of the indices they are designed to represent.

8. Management Expense Ratios

The management expense ratios have been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average net asset value of the Funds.

The ratios per annum were as follows:

Canadian Equity Index Fund	**2010 %**	**2009 %**	**2008 %**	**2007 %**	**2006 %**
Class A	2.09	2.05	2.05	2.07	2.08
Class B	1.71	1.68	1.68	1.70	1.70
Class C	1.45	1.42	1.42	1.43	1.44

U.S. Equity Index Fund	**2010 %**	**2009 %**	**2008 %**	**2007 %**	**2006 %**
Class A	2.14	2.15	2.16	2.18	2.19
Class B	1.78	1.78	1.79	1.81	1.82
Class C	1.51	1.52	1.53	1.54	1.55

International Equity Index Fund	**2010 %**	**2009 %**	**2008 %**	**2007 %**	**2006 %**
Class A	2.15	2.15	2.24	2.26	2.27
Class B	1.78	1.78	1.87	1.89	1.90
Class C	1.52	1.52	1.61	1.62	1.63

Canadian Bond Index Fund	**2010 %**	**2009 %**	**2008 %**	**2007 %**	**2006 %**
Class A	2.07	2.05	2.05	2.07	2.08
Class B	1.72	1.68	1.68	1.70	1.70
Class C	1.46	1.42	1.42	1.43	1.44

9. Future change in accounting policies

In 2008, the Canadian Accounting Standards Board confirmed that Canadian publicly accountable enterprises will be required to adopt International Financial Reporting Standards (IFRS) by 2011 to replace Canadian GAAP. The Canadian Accounting Standards Board recently approved a two year deferral of IFRS for segregated funds of life insurance enterprises. The Funds meet the definition of a publicly accountable enterprise. The Funds are currently assessing this deferral provision and may not be adopting IFRS until the fiscal year beginning January 1, 2013.

TOP HOLDINGS of Underlying Funds
As at December 31, 2010 (Unaudited)

CANADIAN EQUITY INDEX FUND
TD EMERALD CANADIAN EQUITY INDEX FUND #1560

Security Description	% of Total
Royal Bank of Canada	4.91%
Toronto-Dominion Bank (The)	4.30%
Suncor Energy Inc.	3.94%
Bank of Nova Scotia (The)	3.92%
Barrick Gold Corporation	3.49%
Canadian Natural Resources Limited	3.18%
Potash Corporation of Saskatchewan Inc.	2.92%
Goldcorp Inc.	2.40%
Bank of Montreal	2.16%
Canadian Imperial Bank of Commerce	2.04%
Canadian National Railway Company	2.02%
Manulife Financial Corporation	2.01%
Teck Resources Limited, Class "B" SV	1.97%
Research in Motion Limited	1.78%
BCE Inc.	1.76%
TransCanada Corporation	1.75%
Cenovus Energy Inc.	1.65%
Talisman Energy Inc.	1.49%
Enbridge Inc.	1.43%
EnCana Corporation	1.43%
Kinross Gold Corporation	1.41%
Sun Life Financial Inc.	1.15%
Brookfield Asset Management Inc., Class "A" LV	1.07%
Cameco Corporation	1.06%
Rogers Communications Inc., Class "B" NV	1.04%

TOP HOLDINGS of Underlying Funds
As at December 31, 2010 (Unaudited)

U.S. EQUITY INDEX FUND
TD EMERALD U.S. MARKET INDEX FUND #1571

Security Description	% of Total
Exxon Mobil Corporation	3.26%
Apple Inc.	2.62%
Microsoft Corporation	1.86%
General Electric Company	1.72%
Chevron Corporation	1.63%
International Business Machines Corporation	1.61%
Procter & Gamble Company (The)	1.59%
AT&T Inc.	1.54%
Johnson & Johnson	1.50%
JPMorgan Chase & Co.	1.47%
Wells Fargo & Company	1.44%
Coca-Cola Company (The)	1.35%
Google Inc., Class "A"	1.31%
Pfizer Inc.	1.24%
Berkshire Hathaway Inc., Class "B"	1.23%
Citigroup Inc.	1.22%
Bank of America Corporation	1.19%
Oracle Corporation	1.07%
Intel Corporation	1.04%
Schlumberger Limited	1.01%
Cisco Systems Inc.	0.99%
Merck & Co., Inc.	0.98%
Philip Morris International Inc.	0.94%
Wal-Mart Stores Inc.	0.93%
PepsiCo Inc.	0.92%

TOP HOLDINGS of Underlying Funds
As at December 31, 2010 (Unaudited)

INTERNATIONAL EQUITY INDEX FUND
TD EMERALD INTERNATIONAL EQUITY INDEX FUND #1550

Security Description	% of Total
Nestle SA	1.86%
HSBC Holdings PLC	1.64%
BHP Billiton Limited	1.43%
BP PLC	1.25%
Vodafone Group PLC	1.25%
Novartis AG	1.14%
Royal Dutch Shell PLC, Class "A"	1.09%
TOTAL SA	1.03%
Toyota Motor Corporation	1.00%
Roche Holding AG	0.94%
Siemens AG	0.94%
Rio Tinto PLC	0.93%
GlaxoSmithKline PLC	0.92%
Telefonica SA	0.86%
Royal Dutch Shell PLC, Class "B"	0.82%
BHP Billiton PLC	0.81%
Banco Santander SA	0.80%
iShares MSCI EAFE Index Fund	0.75%
Commonwealth Bank of Australia	0.74%
British American Tobacco PLC	0.70%
BASF SE	0.68%
Westpac Banking Corporation	0.65%
Mitsubishi UFJ Financial Group Inc.	0.64%
Anglo American PLC	0.64%
BG Group PLC	0.63%

TOP HOLDINGS of Underlying Funds
As at December 31, 2010 (Unaudited)

CANADIAN BOND INDEX FUND
TD EMERALD CANADIAN BOND INDEX FUND #1510

Security Description	% of Total
2012/12/15 Canada Housing Trust No. 1 4.550%	1.99%
2012/09/01 Government of Canada 2.00%	1.93%
2013/06/01 Government of Canada 3.500%	1.91%
2015/12/01 Government of Canada 3.000%	1.72%
2019/06/01 Government of Canada 3.750%	1.64%
2014/06/01 Government of Canada 3.000%	1.52%
2037/06/01 Government of Canada 5.000%	1.50%
2029/06/01 Government of Canada 5.750%	1.50%
2041/06/01 Government of Canada 4.000%	1.40%
2014/12/01 Government of Canada 2.000%	1.38%
2012/12/01 Government of Canada 1.500%	1.31%
2033/06/01 Government of Canada 5.750%	1.30%
2013/06/15 Canada Housing Trust No. 1 3.950%	1.19%
2018/06/01 Government of Canada 4.250%	1.12%
2013/03/01 Government of Canada 1.750%	1.11%
2012/06/15 Canada Housing Trust No. 1 4.000%	1.09%
2012/06/01 Government of Canada 1.500%	1.02%
2013/09/01 Government of Canada 2.500%	1.00%
2012/06/15 Canada Housing Trust No. 1 4.800%	0.98%
2013/06/15 Canada Housing Trust No. 1 3.600%	0.90%
2015/06/01 Government of Canada 4.500%	0.88%
2020/06/01 Government of Canada 3.500%	0.87%
2013/12/15 Canada Housing Trust No. 1 2.700%	0.86%
2014/06/15 Canada Housing Trust No. 1 3.150%	0.82%
2013/09/15 Canada Housing Trust No. 1 3.550%	0.81%

II. FINANCIAL HIGHLIGHTS (Unaudited)

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

Canadian Equity Index Fund

The Fund's Net Asset Value per Unit

		2006	2007	2008	2009	2010
Net asset value at December 31 of the year shown	Class A	$19.09	$20.55	$13.51	$17.87	$20.57
	Class B	$19.89	$21.49	$14.19	$18.83	$21.76
	Class C	$17.11	$18.54	$12.27	$16.33	$18.92

Ratios and Supplemental Data

		2006	2007	2008	2009	2010
Net assets (000's) [1]		$90,313	$101,022	$68,582	$97,724	$118,035
Number of units outstanding [1]	Class A	709,637	708,062	703,796	702,093	696,471
	Class B	2,972,054	2,975,692	2,955,660	3,009,981	2,999,083
	Class C	1,032,769	1,216,669	1,397,472	1,743,184	2,030,884
Management expense ratio [2]	Class A	2.08%	2.07%	2.05%	2.05%	2.09%
	Class B	1.70%	1.70%	1.68%	1.68%	1.71%
	Class C	1.44%	1.43%	1.42%	1.42%	1.45%
Portfolio turnover rate [3]		4.44%	4.90%	4.08%	2.82%	3.35%

(1) This information is provided as at December 31 of the year shown.

(2) The management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during that period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

U.S. Equity Index Fund

The Fund's Net Asset Value per Unit

		2006	2007	2008	2009	2010
Net asset value at December 31 of the year shown	Class A	$11.18	$ 9.76	$ 7.50	$ 7.86	$ 8.36
	Class B	$11.81	$10.35	$ 7.99	$ 8.40	$ 8.97
	Class C	$ 8.90	$ 7.82	$ 6.05	$ 6.38	$ 6.83

Ratios and Supplemental Data

		2006	2007	2008	2009	2010
Net assets (000's) [1]		$24,256	$21,913	$17,416	$19,377	$21,764
Number of units outstanding [1]	Class A	316,745	324,231	325,463	289,340	288,802
	Class B	1,344,821	1,311,689	1,306,312	1,332,870	1,318,104
	Class C	542,875	663,432	749,762	924,440	1,100,047
Management expense ratio [2]	Class A	2.19%	2.18%	2.16%	2.15%	2.14%
	Class B	1.82%	1.81%	1.79%	1.78%	1.78%
	Class C	1.55%	1.54%	1.53%	1.52%	1.51%
Portfolio turnover rate [3]		4.74%	5.74%	5.71%	3.73%	3.04%

(1) This information is provided as at December 31 of the year shown.

(2) The management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during that period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

International Equity Index Fund

The Fund's Net Asset Value per Unit

		2006	2007	2008	2009	2010
Net asset value at December 31 of the year shown	Class A	$13.29	$12.25	$ 8.52	$ 9.34	$ 9.35
	Class B	$14.04	$12.98	$ 9.06	$ 9.97	$10.02
	Class C	$13.73	$12.73	$ 8.91	$ 9.83	$ 9.90

Ratios and Supplemental Data

		2006	2007	2008	2009	2010
Net assets (000's) [1]		$7,710	$9,593	$7,860	$10,060	$11,746
Number of units outstanding [1]	Class A	109,838	157,838	161,998	151,328	162,635
	Class B	195,703	251,110	272,889	283,204	291,546
	Class C	255,173	345,734	449,629	591,849	737,720
Management expense ratio [2]	Class A	2.27%	2.26%	2.24%	2.15%	2.15%
	Class B	1.90%	1.89%	1.87%	1.78%	1.78%
	Class C	1.63%	1.62%	1.61%	1.52%	1.52%
Portfolio turnover rate [3]		3.16%	10.68%	6.07%	4.65%	2.22%

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(2) The management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during that period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Canadian Bond Index Fund

The Fund's Net Asset Value per Unit

		2006	2007	2008	2009	2010
Net asset value at December 31 of the year shown	Class A	$12.32	$12.51	$13.04	$13.40	$14.00
	Class B	$12.46	$12.70	$13.29	$13.72	$14.38
	Class C	$12.72	$13.00	$13.64	$14.11	$14.83

Ratios and Supplemental Data

		2006	2007	2008	2009	2010
Net assets (000's) [1]		$6,825	$7,793	$9,552	$12,735	$16,297
Number of units outstanding [1]	Class A	179,551	205,432	225,385	281,737	340,206
	Class B	118,102	112,389	138,172	188,591	242,113
	Class C	247,004	292,193	350,178	451,282	542,703
Management expense ratio [2]	Class A	2.08%	2.07%	2.05%	2.05%	2.07%
	Class B	1.70%	1.70%	1.68%	1.68%	1.72%
	Class C	1.44%	1.43%	1.42%	1.42%	1.46%
Portfolio turnover rate [3]		10.02%	20.55%	7.63%	6.66%	2.54%

(1) This information is provided as at December 31 of the year shown.

(2) The management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during that period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

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