

PRESS RELEASE



TSX SYMBOLS: XTD, XTD.PR.A

TDb Split Corp. – Portfolio Update

Toronto, March 16, 2020 (GNW) TDb Split Corp. (the “Company”) was created to provide exposure to the common shares of Toronto Dominion Bank (“TD Bank”) through two classes of securities, the Priority Equity Shares and the Class A Shares (a “Unit”). As stated in the prospectus and latest Annual Information Form (“AIF”), holders of the Priority Equity Shares are to be provided with a stable yield and downside protection on the return of their initial investment. Class A Shares are to be provided with leveraged exposure to TD Bank common shares including both increases and decreases in the value of the common shares of TD Bank and the benefit of any increases in the dividends paid by TD Bank on its common shares.

TD Bank closed at \$75.77 on February 21, 2020 and closed on March 12, 2020 at a low of \$51.84, a rapid significant decline of approximately 32%. This very sharp and accelerated decline in TD Bank has resulted in the Company’s net asset value being reduced significantly and has required the Company to implement the Priority Equity Portfolio Protection Plan in accordance with the prospectus and AIF.

The Priority Equity Portfolio Protection Plan provides that if the net asset value of the Company declines below a specified level, the Manager will liquidate a portion of the common shares of TD Bank held by the Company and use the net proceeds to acquire (i) qualifying debt securities or (ii) certain securities and enter into a forward agreement (collectively, the “Permitted Repayment Securities”) in order to cover the Preferred Share Repayment Amount in the event of further declines in the net asset value of the Company. Under the Priority Equity Portfolio Protection Plan, the amount of the Company’s net assets, if any, required to be allocated to Permitted Repayment Securities (the “Required Amount”) will be determined such that (i) the net asset value of the Company, less the value of the Permitted Repayment Securities held by the Company, is at least 125% of (ii) the Preferred Share Repayment Amount, less the amount anticipated to be received by the Company in respect of its Permitted Repayment Securities on the Termination Date.

The Company’s net asset value as at March 13, 2020 was \$11.64 per unit which includes \$4.55 per unit in shares of TD Bank and \$7.09 in net cash (Permitted Repayment Securities) per unit. This leaves the Priority Equity Shareholder exposed to \$2.91 per share (\$10.00 par value - \$ 7.09 in net cash) in TD Bank holdings.

The portfolio is continually rebalanced and adjusted based on market conditions to provide both security for Priority Equity shareholders and upside potential for Class A shareholders. The Company may buy or sell additional shares of TD Bank, the Permitted Repayment Securities, and/or option positions based on market conditions and provided that the Company remains in compliance with the Priority Equity Portfolio Protection Plan.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Investors should read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Please read the Company’s publicly filed documents which are available at www.sedar.com.

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