Independent auditor's report

To the Shareholders of TDb Split Corp. (the Company)

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's financial statements comprise:

- the statements of financial position as at November 30, 2021 and 2020;
- the statements of comprehensive income/(loss) for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable Class A shares for the years then ended;
- the statements of cash flow for the years then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information of the Company. The other information comprises the Annual Management Report of Fund Performance and the information, other than the financial statements and our auditor's report thereon, included in the annual report.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Joseph Pinizzotto.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
February 16, 2022

TDb Split Corp.
Statements of Financial Position
As at November 30, 2021 and November 30, 2020

	November 30, 2021 ($)	November 30, 2020 ($)
ASSETS		
Current Assets		
Investments	85,084,472	47,152,661
Cash	1,977,744	13,369,719
Interest, dividends and other receivables	941	863
	87,063,157	**60,523,243**
LIABILITIES		
Current Liabilities		
Written options	63,000	268,100
Fees and other accounts payable	118,189	69,677
Distributions payable	557,040	216,771
Priority Equity shares (notes 1 and 6)	59,417,600	49,547,600
Class B shares	1,000	1,000
	60,156,829	**50,103,148**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE CLASS A SHARES (note 1)	**26,906,328**	**10,420,095**
Number of units (1 Priority Equity share and 1 Class A share) outstanding	5,941,760	4,954,760
Net assets per unit	$14.53	$12.10
Net assets per Priority Equity share	$10.00	$10.00
Net assets per Class A share	$4.53	$2.10

Approved on behalf of the Board of Directors

Peter Cruickshank

Wayne Finch
Director

Peter Cruickshank
Director

The accompanying notes are an integral part of these financial statements.

TDb Split Corp.
Statements of Comprehensive Income / (Loss)
For years ended November 30

	2021 ($)	2020 ($)
INCOME		
Net gain (loss) on investments and derivatives (note 5)		
Net realized gain (loss)	(684,652)	(1,953,914)
Net change in unrealized appreciation/depreciation	17,002,076	(13,232,999)
Dividends	2,683,267	1,626,026
Interest for distribution purposes	-	31,666
Net gain (loss) on investments and derivatives	**19,000,691**	**(13,529,221)**
EXPENSES (note 7)		
Management fees	506,836	399,113
Service fee	106,837	14,494
Audit fees	24,846	30,021
Director's fees	23,583	23,583
Independent Review Committee fees	4,268	4,268
Custodial fees	26,941	21,305
Legal fees	20,708	38,391
Shareholder reporting costs	16,358	15,014
Other operating expenses	49,980	44,140
Harmonized sales tax	106,433	78,366
Transaction costs	20,217	49,854
	907,007	**718,549**
Increase (decrease) in net assets attributable to holders of redeemable Class A shares before distributions and other income (charges) related to Priority Equity shares	**18,093,684**	**(14,247,770)**
Distributions on Priority Equity shares	(2,946,699)	(2,601,249)
Issuance costs on Priority Equity shares	(356,357)	(887,347)
Increase (decrease) in net assets attributable to holders of redeemable Class A shares	**14,790,628**	**(17,736,366)**
Increase (decrease) in net assets attributable to holders of redeemable Class A shares per share (note 8)	**2.64**	**(3.63)**

The accompanying notes are an integral part of these financial statements.

TDb Split Corp.
Statements of Changes in Net Assets Attributable to Holders of Redeemable Class A Shares
For the years ended November 30

	2021 ($)	2020 ($)
Net Assets attributable to holders of redeemable Class A shares - Beginning of year	**10,420,095**	**19,778,650**
Increase (decrease) in net assets attributable to holders of redeemable Class A shares	14,790,628	(17,736,366)
Gross proceeds on issuance of Class A shares	5,132,400	9,643,815
Agents' fees and issue costs on issuance of Class A shares	(316,877)	(522,790)
Net proceeds on issuance of Class A shares	4,815,523	9,121,025
Distributions on Class A shares		
Canadian dividends	(3,119,918)	(743,214)
Change in net assets attributable to holders of redeemable Class A shares	**16,486,233**	**(9,358,555)**
Net Assets attributable to holders of redeemable Class A shares - End of year	**26,906,328**	**10,420,095**

TDB SPLIT CORP.
STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED NOVEMBER 30

	2021 ($)	2020 ($)
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable Class A shares	14,790,628	(17,736,366)
Adjustment for:		
Distributions on Priority Equity shares	2,946,699	2,601,249
Issuance costs on Priority Equity shares	356,357	887,347
Net realized (gain) loss on investments and derivatives	684,652	1,953,914
Net change in unrealized appreciation/depreciation of investments and derivatives	(17,002,076)	13,232,999
Purchase of investments, net of option premiums	(23,836,193)	(55,513,469)
Proceeds from sale of investments	2,016,706	42,297,222
(Increase) decrease in interest, dividends and other receivables	(78)	898
Increase (decrease) in fees and other accounts payable	48,512	(17,886)
Net cash flows from (used in) operating activities	(19,994,793)	(12,294,092)
Cash flows from (used in) financing activities		
Gross proceeds on issuance of Class A and Priority Equity shares	15,002,400	35,643,935
Agents' fees and issue costs on issuance of Class A and Priority Equity shares	(673,234)	(1,410,137)
Amounts Paid on redemption of Priority Equity shares	-	(10,319,120)
Distributions on Class A shares	(2,822,830)	(912,547)
Distributions on Priority Equity shares	(2,903,518)	(2,532,644)
Net cash flows from (used in) financing activities	8,602,818	20,469,487
Net increase (decrease) in cash	(11,391,975)	8,175,395
Cash at beginning of the year	13,369,719	5,194,324
Cash at end of the year	**1,977,744**	**13,369,719**
Dividends received*	2,683,267	1,626,924
Interest received*	-	31,666

* Included as part of Cash Flows from Operating Activities.

The accompanying notes are an integral part of these financial statements.

TDB SPLIT CORP.
SCHEDULE OF PORTFOLIO INVESTMENTS

AS AT NOVEMBER 30, 2021

No. of shares (contracts)	Description	Average Cost ($) (Premiums received)	Fair Value ($)
	Core Holding		
	Canadian Common Equities		
943,810	Toronto-Dominion Bank	64,239,515	85,084,472
	Total Canadian Common Equities in Core Holding (100.1%)	**64,239,515**	**85,084,472**
	Call options written (100 shares per contract)		
	Canadian call options written		
(400)	Toronto-Dominion Bank @ $98 January 2022	(32,400)	(14,600)
(400)	Toronto-Dominion Bank @ $93 December 2021	(31,800)	(48,400)
	Total Canadian call options written (-0.1%)	**(64,200)**	**(63,000)**
		64,175,315	**85,021,472**
	less adjustment for transaction costs	(22,977)	
	Total Investments (100.0%)	**64,152,338**	**85,021,472**

The accompanying notes are an integral part of these financial statements.

1. Incorporation

TDb Split Corp. (the “Company”) is a mutual fund corporation established under the laws of the Province of Ontario on May 24, 2007 that began investment operations on August 7, 2007. The manager and the investment manager of the Company is Quadravest Capital Management Inc. (“Quadravest” or “Manager”). The termination date of the Company is December 1, 2024 and may be extended thereafter at the Company’s discretion for additional terms of five years each. The Company’s principal office is located at 200 Front Street West, Suite 2510, Toronto, Ontario M5V 3K2. The Company invests in the common shares of Toronto-Dominion Bank (“TD Bank”). The Company employs an active covered call writing program to generate additional income in addition to the dividends received.

A significant decline in the share price of TD Bank resulted in the need to implement the Company’s Priority Equity Portfolio Protection Plan in March 2020. This plan is intended to ensure that the Priority Equity share repayment amount ($10.00 per share) will be paid in full to holders of the Priority Equity shares on the termination date of December 1, 2024 and requires that the Company liquidate a portion of the shares held of TD Bank to hold cash or acquire permitted debt securities. Under the plan, the amount of the Company’s net assets, if any, required to be allocated to cash or permitted securities (the “Permitted Repayment Securities”) 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 Priority Equity 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 Priority Equity Portfolio Protection Plan was unwound in February 2021.

2. Basis of presentation

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss (“FVTPL”).

These financial statements were approved by the Board of Directors of the Company on February 16, 2022.

3. Summary of significant accounting policies

The following is a summary of the significant accounting policies followed by the Company.

Investments and financial instruments

The Company classifies its investments, including derivatives, based on both the Company’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value in other comprehensive income (“FVOCI”). Consequently, all investments, including derivatives are measured at fair value through profit or loss.

The Company’s obligations for net assets attributable to holders of redeemable Class A shares are presented at the annual redemption amount, which approximates their fair value. All other financial assets and liabilities are recognized initially at fair value and subsequently measured at amortized cost, which approximates fair value.

The Company recognizes regular purchases and sales of financial instruments on the trade date, which is the date on which it commits to purchase or sell the instrument. Transaction costs, such as brokerage commissions, related to financial assets and financial liabilities at FVTPL are expensed as incurred and transaction costs related to financial instruments not at FVTPL are included in the carrying amounts thereof. A financial asset is derecognized when the rights to receive cash flows from the investment have expired or have been transferred and when the Company has transferred substantially all the risks and rewards of ownership of the asset. Dividends are recognized as income on the ex-dividend date. Realized gains and losses and unrealized appreciation and depreciation are determined on an average cost basis. The cost of investments is determined using the average cost method.

Written option premiums received by the Company are, so long as the options are outstanding, reflected as a liability, in the Statements of Financial Position and are valued at an amount equal to the current market value of an option that would have the effect of closing the position. Gains or losses realized upon expiration or exercise of the option are included in net realized gain (loss) on investments and derivatives in the Statements of Comprehensive Income/(Loss).

The Priority Equity shares rank prior to the Class A and Class B shares and are thus not subordinate to all other classes of puttable instruments and therefore, the shares have been classified as financial liabilities. These shares are carried at amortized cost. Amortization of premiums or discounts on the issuance of Priority Equity shares is included in the Statements of Comprehensive Income/(Loss).

The Class B shares are subordinate to the Priority Equity shares but rank prior to the Class A shares and are thus not subordinate to all other classes of puttable instruments and therefore, the shares have been classified as financial liabilities. These shares are carried at amortized cost.

The Class A shares may be retracted monthly, annually, or on the termination date of the Company. As a result, the shares contain multiple contractual obligations, and therefore, have been presented as financial liabilities.

The net asset value of the Company is determined in accordance with requirements of law, including National Instrument 81-106, Investment Fund Continuous Disclosure, and is used to process shareholder transactions. For financial reporting purposes, net assets of the Company is determined as the difference between the aggregate amount of the Company's assets and the aggregate amount of its liabilities, excluding Priority Equity shares and net assets attributable to holders of redeemable Class A shares ("Net Assets of the Company").

Valuation of investments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded shares and options) are based on the last traded prices at the close of trading on the reporting date. The Company uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Company's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and others commonly used by market participants and which make the maximum use of observable inputs. Refer to note 5 for further information about the Company's fair value measurements.

Cash

Cash is comprised of demand deposits with a financial institution.

Translation of foreign currencies

The Company's functional and presentation currency is Canadian dollars. The fair value of investments and other assets and liabilities in foreign currencies are translated into the Company's functional currency at the rates of exchange prevailing at each measurement date. Purchases and sales of investments, income and expenses are translated at the rates of exchange prevailing on the respective dates of such transactions.

Management fees and administration fees

Management fees and administration fees are accrued by the Company over time, as services are rendered by Quadravest. Refer to note 7 for further information about the calculation of management and administration fees of the Company.

Increase (decrease) in net assets attributable to holders per redeemable Class A share

Increase (decrease) in net assets attributable to holders per redeemable Class A share is based on the increase or decrease in net assets attributable to holders of redeemable Class A shares divided by the weighted average number of such shares outstanding during the year. Refer to note 8 for the calculation.

Taxation

The Company qualifies as a mutual fund corporation under the Income Tax Act (Canada) (the "Tax Act") and it is subject to income tax in each taxation year on the amount of its net income for the taxation year, including net realized taxable capital gains, if any, at the rate applicable to mutual fund corporations. The general income tax rules associated with a public corporation also apply to a mutual fund corporation with the exception that taxes payable on net realized capital gains are refundable on a formula basis when its shares are redeemed or when it pays capital gains dividends out of its capital gains dividend account to its shareholders.

Interest and foreign income are taxed at normal corporate rates applicable to mutual fund corporations and can be reduced by permitted deductions for tax purposes.

All of the Company's expenses including management fees, administration fees and operating expenses will be taken into account in determining its overall tax liability.

As a mutual fund corporation, taxable dividends received from taxable Canadian corporations are subject to a Part IV tax of 38 1/3%. Such taxes are fully refundable upon payment of taxable dividends to its shareholders on a basis of $1.15 for every $3 of dividends paid. Any such tax paid is reported as an amount receivable until recovered through the payment to shareholders of dividends out of net investment income. All tax on net taxable realized capital gains is refundable when the gains are distributed to shareholders as capital gains dividends or through redemption of shares at the request of shareholders, while the Company qualifies as a mutual fund corporation. As a result of the capital gains refund mechanism and Part IV tax refunds, the Company recovers any Canadian income taxes paid in respect of its capital gains and taxable Canadian dividends. As a result, the Company has determined that it is in substance not taxable. Consequently, the tax benefit of capital and non-capital losses and other temporary differences have not been reflected in the Statements of Financial Position as deferred income tax assets or liabilities.

The Company has estimated accumulated non capital losses for tax purposes as at November 30, 2021 of $5,658,772 (November 30, 2020-$4,355,307) that are available to lower taxable income in future years if required and expire after the scheduled termination date of the Company on December 1, 2024. The Company also has estimated accumulated capital losses for tax purposes of $5,474,745 (November 30, 2020-$5,121,506) which may be used to lower future capital gains if required and which do not expire.

4. Critical Accounting Estimates and Judgments

The preparation of these financial statements include estimates and assumptions by management based on past experiences, present conditions and expectations of future events. Where estimates were made, the reported amounts for assets, liabilities, income and expenses may differ from the amounts that would otherwise be reflected if the ultimate outcome of all uncertainties and future events were known at the time these financial statements were prepared. The Company's most significant estimates involve the measurement of investments and derivatives at fair value as described in note 5.

5. Management of Risk of Financial Instruments

The Company classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs. The three levels of the fair value hierarchy are:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can assess at the measurement date;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs that are unobservable for the asset or liability.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at November 30, 2021 and November 30, 2020:

	Financial assets and liabilities at fair value as at November 30, 2021			
	Level 1	Level 2	Level 3	Total
Equities	$85,084,472	-	-	$85,084,472
Options	($63,000)	-	-	($63,000)
	$85,021,472	**-**	**-**	**$85,021,472**

Financial assets and liabilities at fair value as at November 30, 2020

	Level 1	Level 2	Level 3	Total
Equities	$47,152,661	-	-	$47,152,661
Options	($268,100)	-	-	($268,100)
	$46,884,561	**-**	**-**	**$46,884,561**

All fair value measurements above are recurring and fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. There were no transfers or reclassifications between levels for the years ended November 30, 2021 and 2020.

The Company's investment activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk and currency risk), credit risk and liquidity risk.

Any sensitivity analysis presented below may differ from actual results and the difference could be material.

Market Price Risk

All securities investments present a risk of loss of capital.

The market price risk is affected by three main components: price risk, interest rate risk and foreign currency movements.

Price risk

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).

Financial markets and equity markets in particular have experienced significant volatility in response to the Covid-19 pandemic. The investment portfolio of the Company has been subject to these market fluctuations and may continue to experience significant volatility as the situation evolves.

The Company is exposed to other price risk from its investment in equity securities and written options. As at November 30, 2021, had the prices on the respective stock exchanges for these equity securities increased by 10%, with all other variables held constant, Net Assets of the Company would have increased by approximately $8,278,000 (November 30, 2020–$4,315,000). Similarly, had the prices on the respective stock exchanges for these equity securities decreased by 10%, with all other variables held constant, Net Assets of the Company would have decreased by approximately $8,474,000 (November 30, 2020–$4,491,000).

Interest rate risk

Interest rate risk is the risk that the fair value of interest bearing financial instruments will fluctuate due to changes in market interest rates. The majority of the Company's financial assets and liabilities are non interest bearing and as such are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates (consistent with previous year). The Priority Equity share Portfolio Protection Plan, which was implemented in March 2020 and unwound in February 2021, provides that if the net asset value of the Company declines below a specified level, Quadravest will liquidate a portion of TD Bank common shares held by the Company and hold cash or acquire permitted debt securities. If debt securities were held, the Company would be subject to interest rate risk. During the time the plan was implemented, only cash was held. The intent of this strategy is to help preserve capital and provide the Priority Equity shares with full repayment of $10.00 per Priority Equity share.

Currency risk

Currency risk is the risk that financial instruments that are denominated in a currency other than the Canadian dollar, which is the Company's reporting currency, will fluctuate due to changes in exchange rates. The portfolio holdings and other net assets of the Company are denominated in Canadian dollars and therefore there is no currency risk (consistent with previous year).

Other risks

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. All of the Company's transactions are in listed securities and options and are settled and paid for using approved brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on purchase once the securities have been received by the broker. Credit risk of cash is considered low as it is held at a AA-rated Canadian bank (consistent with prior year).

Liquidity risk

Liquidity risk is the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price. The Company is exposed to liquidity risk primarily through its monthly and annual retractions of Class A shares and Priority Equity shares. The Company receives adequate notice for all retraction requests. The Company's portfolio is invested in TD Bank which is a highly liquid large capitalization stock that trades on the Toronto Stock Exchange ("TSX") (consistent with previous year). All Class A shares and Priority Equity shares outstanding are redeemable on a monthly and annual basis but are scheduled to be redeemed upon termination of the Company. All other financial liabilities are payable within three months from the end of the year.

Concentration risk

The Company's only equity holding is concentrated in the common shares of TD Bank and as such will be exposed to the specific factors that affect this stock (consistent with previous year).

The Company's investment portfolio is concentrated in the following segments as at:

	November 30, 2021	November 30, 2020
TD Bank common shares	98.6%	78.6%
Call options written	-0.1%	-0.4%
Other assets less liabilities (excluding Priority Equity shares)	1.5%	21.8%
	100%	100%

6. Redeemable Units

Priority Equity shares

The Company is authorized to issue an unlimited number of Priority Equity shares.

Priority Equity share transactions	November 30, 2021	November 30, 2020
Beginning of year	4,954,760	3,386,660
Issued during the year	987,000	2,600,012
Redeemed during the year	-	(1,031,912)
End of year	5,941,760	4,954,760

Priority Equity shares are entitled to cumulative monthly cash dividends of $0.04375 per Priority Equity share. All Priority Equity shares outstanding on the termination date will be redeemed by the Company on that date. The Priority Equity shares have been presented as liabilities in the financial statements.

Priority Equity shares trade under the symbol "XTD.PR.A" on the TSX. The trading price of Priority Equity shares on the TSX was $10.50 as at November 30, 2021 (November 30, 2020-$10.03). Priority Equity shares may be surrendered at any time for retraction at specified retraction amounts, but will be retracted only on the last day of each month. Shareholders who concurrently retract a Priority Equity share and a Class A share (together, a "unit") in the month of December in each year will be entitled to receive an amount equal to the net asset value per unit calculated on the last day of December. Priority Equity shares retracted in any other month will receive a retraction price based on a discounted specified retraction formula. Under the terms of a recirculation agreement, the Company may, but is not obligated to, require the recirculation agent to use its best efforts to find purchasers for any Priority Equity shares or Class A shares tendered for retraction.

The Priority Equity shares rank in priority to the Class A shares and Class B shares with respect to the payment of dividends. Priority Equity shares rank in priority to the Class A shares upon termination of the Company.

The Company issued 987,000 Priority Equity shares at $10.00 per share for gross proceeds of $9,870,000 pursuant to a secondary offering that was completed on April 7, 2021. Agents' fees and issuance costs were $356,357 in connection with this offering.

The Company issued 2,600,012 Priority Equity shares at $10.00 per share for gross proceeds of $26,000,120 pursuant to a secondary offering that was completed on December 23, 2019. Agents' fees and issuance costs were $887,347 in connection with this offering.

Class A shares and Class B shares

Authorized
An unlimited number of Class A shares
1,000 Class B shares

Class A share transactions	November 30, 2021	November 30, 2020
Beginning of year	4,954,760	3,386,660
Issued during the year	987,000	1,568,100
End of year	5,941,760	4,954,760

Class A shares were originally issued at $10.00 per share. Class A share distributions are targeted at $0.05 per month per share, when the net asset value per unit exceeds $12.50. All Class A shares outstanding on the termination date will be redeemed by the Company on that date. Class A shares trade under the symbol "XTD" on the TSX. The trading price of Class A shares on the TSX was $5.01 as at November 30, 2021 (November 30, 2020-$3.00). Class A shares may be surrendered at any time for retraction at specified retraction amounts, but will be retracted only on the last day of each month. Shareholders who concurrently retract a Class A share and a Priority Equity share in the month of December in each year will be entitled to receive an amount equal to the net asset value per unit calculated on the last day of December. Class A shares retracted in any other month will receive a retraction price based on a discounted specified retraction formula. Under the terms of a recirculation agreement, the Company may, but is not obligated to, require the recirculation agent to use its best efforts to find purchasers for any Priority Equity shares or Class A shares tendered for retraction. Gains or losses from the redemption of shares, if any, are recorded in gain (loss) on redemptions on the Statements of Comprehensive Income/(Loss).

The Priority Equity shares rank in priority to the Class A shares with respect to the payment of dividends. Upon the termination of the Company, Class A shareholders will receive an amount equal to the net asset value per unit less $10.00 (the repayment value of the Priority Equity shares).

The Company issued 987,000 Class A shares at $5.20 per share for gross proceeds of $5,132,400 pursuant to a secondary offering that was completed on April 7, 2021. Agents' fees and issuance costs were $316,877 in connection with this offering.

The Company issued 1,568,100 Class A shares at $6.15 per share for gross proceeds of $9,643,815 pursuant to a secondary offering that was completed on December 23, 2019. Agents' fees and issuance costs were $522,790 in connection with this offering.

The holders of Class B shares are not entitled to receive dividends. The Class B shares are retractable at a price of $1.00 per share. Class B shareholders are entitled to one vote per share. On May 29, 2007, the Company issued 1,000 Class B shares to TDb Split Corp. Holding Trust, for cash consideration of $1,000.

7. Expenses

The Company is responsible for all expenses incurred in connection with the operation and administration of the Company, including, but not limited to, accounting and administration fees, custodian fees, transfer agent fees, legal and audit expenses, fees payable to the independent directors of the Company and the Company's independent review committee, regulatory filing and stock exchange fees, costs of reporting to shareholders and costs and expenses arising as a result of complying with all applicable laws, regulations and policies.

Pursuant to the management agreement, Quadravest is entitled to an administration fee payable monthly in arrears at an annual rate of 0.10% of the net asset value of the Company, which includes the outstanding Priority Equity shares, calculated as at each month-end valuation date and an amount equal to the service fee payable to dealers on the Class A shares at a rate of 0.50% of the net asset value attributable to Class A shares per annum. No service fee will be paid in any calendar quarter if regular dividends are not paid to holders of Class A shares in respect of each month in such calendar quarter.

Pursuant to the terms of the investment management agreement, Quadravest is entitled to a base management fee payable in arrears at an annual rate equal to 0.55% of the net asset value of the Company, which includes the outstanding Priority Equity shares, calculated as at each month-end valuation date.

The monthly discount to net asset value of 2% applicable to the redemption of Priority Equity shares and Class A shares is payable to Quadravest. Redemption fees paid for the year ended November 30, 2021 were $NIL (November 30, 2020-$NIL).

Total management fees of $506,836 (November 30, 2020-$399,113) incurred during the year include the administration fee and base management fee. As at November 30, 2021, $47,222 (November 30, 2020-$31,770) was payable to the Manager with respect to management and administrative fees.

The brokerage commissions paid during the year by the Company for its portfolio transactions were $20,217 (November 30, 2020-$49,854).

8. Increase (decrease) in net assets attributable to holders per redeemable Class A share

The increase (decrease) in net assets attributable to holders per redeemable Class A share for the years ended November 30, 2021 and 2020 is calculated as follows:

	2021	2020
Increase (decrease) in net assets attributable to holders of redeemable Class A shares	$14,790,628	($17,736,366)
Weighted average Class A shares outstanding	5,612,760	4,889,423
Increase (decrease) in net assets attributable to holders of redeemable Class A shares per share	$2.64	($3.63)

9. Distributions

Distributions per share were as follows:

	November 30, 2021	November 30, 2020
Priority Equity shares	$0.525	$0.525
Class A shares	$0.55	$0.15

10. Capital Management

The Company considers its capital to consist of Class A, Class B and Priority Equity shares.

The Company's objectives in managing its capital are:

i) to provide holders of Priority Equity shares with fixed cumulative preferential monthly cash dividends in an amount of $0.04375 per Priority Equity share to yield 5.25% per annum on the Priority Equity Share Repayment Amount and to return the Priority Equity Share Repayment Amount on the termination date; and

ii) to provide holders of Class A shares with regular monthly cash distribution targeted to be $0.05 per Class A share when the net asset value per unit exceeds $12.50 and to permit such holders to participate in all growth in the net asset value of the Company above $10.00 per unit.

In order to manage its capital structure, the Company may adjust the amount of dividends paid to shareholders or return capital to shareholders.

11. Reconciliation of net asset value per Class A share to net assets attributable to holders per redeemable Class A share

As at November 30, 2021 and November 30, 2020, there were no differences between net asset value per Class A share used for transactional purposes and net assets attributable to holders per redeemable Class A share for financial reporting purposes.

12. Subsequent event

On December 2, 2021, the Company announced the commencement of an at-the-market equity program (the "ATM Program") which allows the Company to issue shares to the public from time to time, at the Company's discretion. Any Class A shares or Priority Equity shares sold in the ATM Program will be sold through the TSX or any other marketplace in Canada on which the Class A Shares and Priority Equity shares are listed, quoted or otherwise traded at the prevailing market price at the time of sale.