



TD Global Technology Leaders CAD Hedged Index ETF

# Product Overview

## At a glance

**TECX** invests in the **high growth potential of the Technology Sector** with current exposure to over 200 leading technology related companies across the globe

### Protection from Currency

**Swings:** Currency hedging can help protect against the risks of currency fluctuations on investment performance

### Currency Hedging with No Additional Management Fees:

Take advantage of a hedged version of a popular TD ETF at the same management fee but with the benefit of currency hedging

## Investment Objectives

**TD Global Technology Leaders CAD Hedged Index ETF (TECX)** seeks to track, before the deduction of fees and expenses, the performance of a global equity index which measures the investment return of global mid and large-capitalization issuers related to technology, hedged to the Canadian dollar.

## Why Invest:

- **TECX provides exposure** to leading technology and technology related companies, including disruptive technologies across the globe
- **Diversify your portfolio** across new and emerging technology themes while mitigating potential currency exposure risk
- **Contribute to the growth component** of a diversified portfolio through investments in quality mid and large-cap companies



While **TECX** holds established technology companies, it adds value by including emerging technologies such as cybersecurity, automobile innovation and blockchain while also mitigating the risks of global currency fluctuations on investment performance.

# Global Currency Hedging made Easy



**Broad Diversification  
Benefits and Protection  
from Currency Fluctuations**



## **Exposure to Leading Technology Companies**

Gain exposure to over 200 established global technology companies as well as companies in new and emerging technology themes and companies that relate to disruptive technologies

## Fast Facts

### **TD Global Technology Leaders CAD Hedged Index ETF (Ticker: TECX)**

<b>Benchmark</b>	Solactive Global Technology Leaders Hedged to CAD Index (CA NTR)
<b>Unhedged Version</b>	TD Global Technology Leaders Index ETF (Ticker: TEC)
<b>Asset Class</b>	Sector Equity
<b>Suitability</b>	Designed for long-term investors who want exposure to the technology sector, hedged to the Canadian dollar, while contributing to the growth component of a diversified portfolio
<b>Portfolio Managers</b>	Vitali Mossounov, Adnann Syed and Jonathan Lau
<b>Management Fees</b>	0.35%
<b>Currency</b>	CAD
<b>Hedged to CAD</b>	Yes
<b>Risk Rating</b>	Medium to High
<b>Management Style</b>	Passive (Index)
<b>Distributions</b>	Quarterly
<b>Listing Date</b>	April 27, 2023

# Building on the Capabilities of TD Global Technology Leaders Index ETF

The TD Global Technology Leaders CAD Hedged Index ETF (TECX) is focused on leading technology and technology related companies across the globe. This includes investments in Technology, Telecommunications, Financial and Consumer services, Consumer Goods and Healthcare. From a geographic perspective, TECX invests in companies in the U.S., European Union, Japan and Canada, to name a few.

Investing in international assets can open up a world of investment opportunities not available domestically and can provide significant diversification benefits. The challenging part is that investing beyond our borders also means investing in a foreign currency. In addition

to the asset, investors also buy into the currency in which the international security is denominated, and currency fluctuations can dramatically impact the performance of these investments.

The portfolio advisor seeks to achieve the fundamental investment objective of TECX by investing substantially all of its assets in units of TEC on an ongoing basis. It strives to minimize its foreign currency risk by using foreign exchange derivative instruments that typically move in the opposite direction of a particular currency move. This is intended to create a 'currency hedge', so that the main factor in TECX's return is the performance of the underlying securities.

## Key Features of TECX

TECX offers investors:

### Access Leading Technology Companies

TECX offers investors exposure to over 200 established global technology companies as well as companies in new and emerging technology themes and companies that relate to disruptive technologies.

### Diversification and Growth Opportunities

Diversify your portfolio across new and emerging technology themes through investments in the same underlying assets as TEC, a TD ETF made available on the Toronto Stock Exchange since 2019.

### Helping you Manage Currency Risk

Currency hedging can help protect against the risks of currency fluctuations on investment performance.

### Currency Hedging Without Additional Management Fees

Enjoy all the benefits of global currency hedging that TECX has to offer without additional management fees.

# Technology

# Currency Risk and Hedging

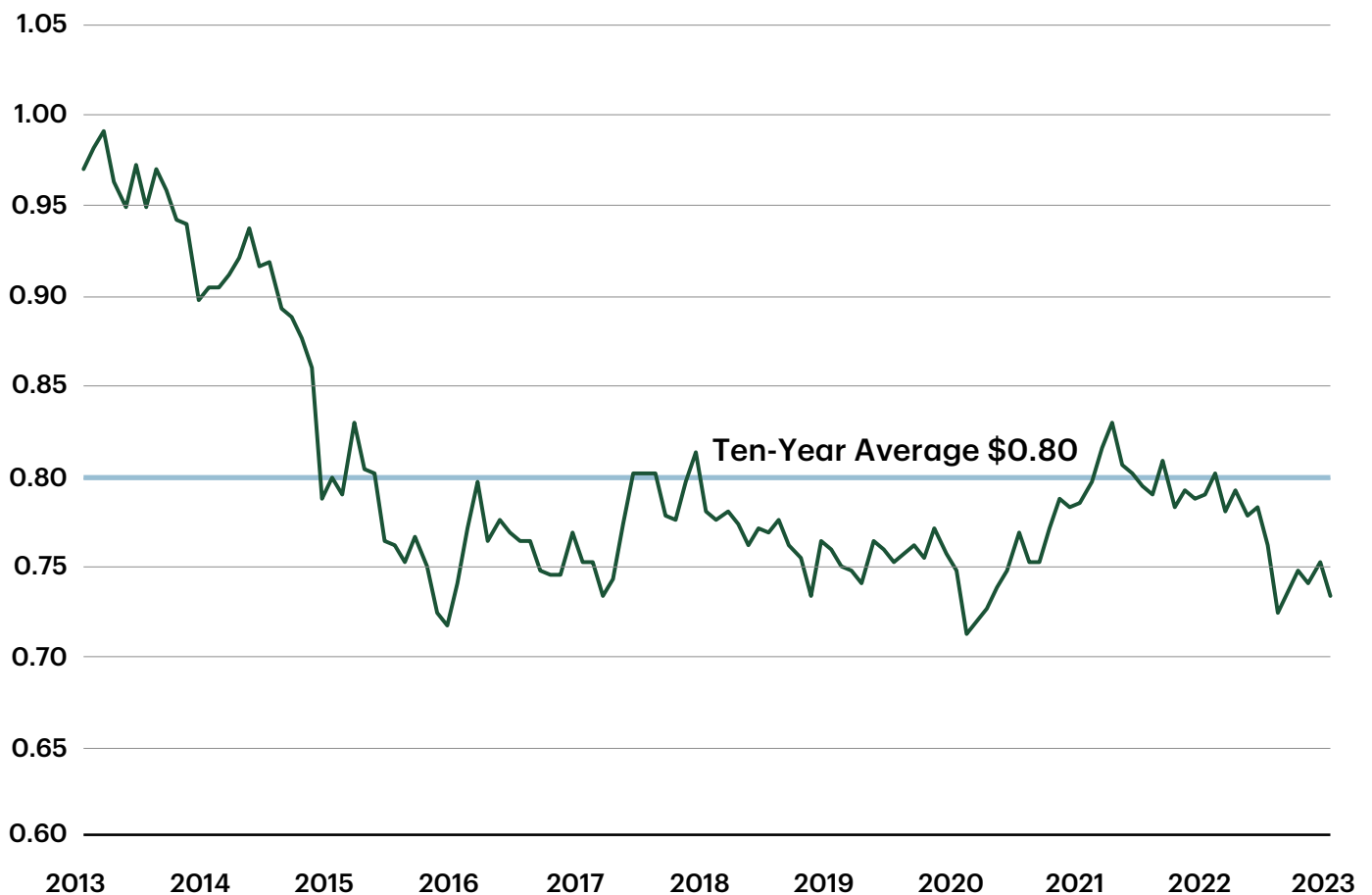
The exchange rate between currencies change based on the supply and demand for each currency. There are many reasons why one currency may find itself more in demand relative to another, including a country's economic prospects, outlook on inflation, interest rate environment, and capital flows, among other factors. What matters is the perceived value in owning one currency over the other, either to pay for a good or service, or as an investment.

**The chart below** shows the Canadian dollar (CAD) to U.S. dollar (USD) exchange rate over the past ten years, highlighting potential currency exposure risk

as currencies fluctuate over time. Foreign currency exposure can either add to or diminish a fund's return depending on the changes in the exchange rate.

At TD Asset Management Inc. (TDAM), we believe it is important to have control over and mitigate currency fluctuations in an evolving investment landscape. That's why we created TECX, an ETF that provides investors with additional investments alternatives that build on the high growth potential of the Global Technology Sector and reduces risks associated with currency movements.

## Ten-Year Historical CAD/USD Exchange Rate



Source: TD Asset Management Inc. as at February 28, 2023. For illustrative purposes only.

# Portfolio Managers

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## **Vitali Moussonov, CFA, CPA, CA**

### **Vice President & Director, Co-Head of Research, Fundamental Equities, TDAM**

- Co-Head of Research, Fundamental Equities
- Responsible for setting the strategic direction of the TDAM's research agenda to support the firm's objective of investment excellence
- As a member of the Equity Team, he is responsible for providing investment recommendations on the Technology sector
- He previously provided coverage of the Canadian Energy Infrastructure and Telecommunication industries
- He also has experience covering the Precious Metals sector as a Research Associate at a leading Canadian financial services firm



## **Adnann Syed, CFA**

### **Managing Director, Synthetic/Derivatives Portfolio Management Team Lead, TDAM**

- Adnann leads the Synthetic/Derivatives Portfolio Management Team, overseeing overlay mandates that extensively employ equity, interest rates and foreign exchange (FX) derivatives
- He is also responsible for research and development of innovative derivatives-based investment strategies
- Adnann has headed the Derivatives desk since 2015 and was previously a Global Macro Rates and FX Strategist at TD Securities Inc. where he developed investment strategies based on proprietary analysis of market risk premium and economic conditions in developed economies
- Adnann also worked as Fixed Income Portfolio Manager at a large Canadian pension fund



## **Jonathan Lau, CFA**

### **Vice President & Director, TDAM**

- Jonathan oversees portfolio management activities for equity, bond, currency and option overlay mandates
- He gained industry experience as an Associate Portfolio Manager at a large Canadian pension fund managing futures and foreign exchange portfolios



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