

# TD Asset Management

## TD Global Technology Leaders Index ETF (TEC/TEC.U)

535750  
(03/24)

### TD Exchange-Traded Funds Annual Financial Statements

for the period ended December 31, 2023



## Management's Responsibility for Financial Reporting

The accompanying audited financial statements have been prepared by TD Asset Management Inc. ("TDAM"), as manager of the Funds. The manager is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with *International Financial Reporting Standards as issued by the International Accounting Standards Board* ("IFRS"). The manager is also responsible for the development of internal controls over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced, and the safeguarding of all assets of the Funds.

The board of directors of TDAM is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

On behalf of TDAM, manager of the Funds.



Bruce Cooper  
Director and  
Chief Executive Officer  
March 14, 2024



Len Kroes  
Chief Financial Officer

March 14, 2024

## Independent Auditor's Report

### To the Unitholders and Trustee of:

TD Canadian Aggregate Bond Index ETF  
TD Canadian Bank Dividend Index ETF  
TD Canadian Equity Index ETF  
TD Global Carbon Credit Index ETF  
TD Global Healthcare Leaders Index ETF  
TD Global Technology Innovators Index ETF  
TD Global Technology Leaders CAD Hedged Index ETF  
TD Global Technology Leaders Index ETF  
TD International Equity CAD Hedged Index ETF  
TD International Equity Index ETF  
TD Morningstar ESG Canada Corporate Bond Index ETF  
TD Morningstar ESG Canada Equity Index ETF  
TD Morningstar ESG International Equity Index ETF  
TD Morningstar ESG U.S. Corporate Bond Index ETF  
TD Morningstar ESG U.S. Equity Index ETF  
TD U.S. Equity CAD Hedged Index ETF  
TD U.S. Equity Index ETF  
TD Active Global Enhanced Dividend ETF  
TD Active Global Equity Growth ETF  
TD Active Global Income ETF  
TD Active Global Infrastructure Equity ETF  
TD Active Global Real Estate Equity ETF  
TD Active Preferred Share ETF  
TD Active U.S. Enhanced Dividend CAD Hedged ETF  
TD Active U.S. Enhanced Dividend ETF  
TD Active U.S. High Yield Bond ETF  
TD Canadian Long Term Federal Bond ETF  
TD Cash Management ETF  
TD Income Builder ETF  
TD Q Canadian Dividend ETF  
TD Q Canadian Low Volatility ETF  
TD Q Global Dividend ETF  
TD Q Global Multifactor ETF  
TD Q International Low Volatility ETF  
TD Q U.S. Low Volatility ETF  
TD Q U.S. Small-Mid-Cap Equity ETF  
TD Select Short Term Corporate Bond Ladder ETF  
TD Select U.S. Short Term Corporate Bond Ladder ETF  
TD U.S. Long Term Treasury Bond ETF  
TD Balanced ETF Portfolio  
(formerly TD One-Click Moderate ETF Portfolio)  
TD Conservative ETF Portfolio  
(formerly TD One-Click Conservative ETF Portfolio)  
TD Growth ETF Portfolio  
(formerly TD One-Click Aggressive ETF Portfolio)  
(collectively, the "Funds")

### Opinion

We have audited the financial statements of the Funds, which comprise the statements of financial position as at December 31, 2023 and 2022 (as applicable), and the statements of comprehensive income, statements of changes in net assets attributable to holders of redeemable units and statements of cash flows for the periods then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2023 and 2022 (as applicable), and their financial performance and their cash flows for the periods then ended in accordance with International Financial Reporting Standards (IFRSs).

### 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 are independent of the Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance of the Funds. 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, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance of the Funds prior to the date of this auditor's report. 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 in this auditor's report. 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 IFRSs, 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 Funds' 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 Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' 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 Funds' 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 Funds' 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 Funds 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 Fraser T. Whale.

*Ernst + Young LLP*

Chartered Professional Accountants

Licensed Public Accountants

Toronto, Canada

March 14, 2024

# TD Global Technology Leaders Index ETF

## Statements of Financial Position (in 000s except per unit amounts)

as at December 31, 2023 and 2022

	2023	2022
<b>Assets</b>		
<b>Current Assets</b>		
Investments	\$ 2,048,246	\$ 1,161,241
Derivative Assets (Note 3)	0	0
Cash	2,397	2,775
Interest and Dividends Receivables	323	227
Subscriptions Receivable	6,313	0
Receivable for Investments Sold	6,458	4
Tax Reclaims Receivable	28	36
	<u>2,063,765</u>	<u>1,164,283</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accrued Liabilities	42	13
Distributions Payable	452	1,930
Payable for Investments Purchased	12,520	4
	<u>13,014</u>	<u>1,947</u>
<b>Net Assets Attributable to Holders of Redeemable Units</b>	<u>\$ 2,050,751</u>	<u>\$ 1,162,336</u>
<b>Net Assets Attributable to Holders of Redeemable Units – Per Class (Note 5)</b>		
TEC	\$ 2,044,468	\$ 1,160,269
TEC.U	\$ 6,283	\$ 2,067
	<u>\$ 2,050,751</u>	<u>\$ 1,162,336</u>
<b>Net Assets Attributable to Holders of Redeemable Units – Per Class Unit</b>		
TEC	\$ 31.41	\$ 20.67
TEC.U	\$ 31.41	\$ 20.67
TEC.U*	\$ 23.82	\$ 15.25

\* Expressed in United States dollars

## Statements of Comprehensive Income (in 000s except per unit amounts)

for the periods ended December 31, 2023 and 2022

	2023	2022
<b>Income</b>		
<b>Net Gain (Loss) on Investments and Derivatives</b>		
Dividend Income	\$ 10,936	\$ 9,890
Interest for Distribution Purposes	40	0
Net Realized Gain (Loss)	(6,452)	6,593
Net Change in Unrealized Appreciation (Depreciation)	595,251	(594,228)
<b>Net Gain (Loss) on Investments and Derivatives</b>	<u>599,775</u>	<u>(577,745)</u>
Foreign Exchange Gain (Loss) on Cash and Other Net Assets	(136)	(70)
Securities Lending Income	65	129
Other Income	260	286
<b>Total Income (Loss)</b>	<u>599,964</u>	<u>(577,400)</u>
<b>Expenses (Note 6)</b>		
Management Fees	6,017	5,282
Independent Review Committee Fees	2	1
Interest Charges	1	1
Transaction Costs	154	148
<b>Total Expenses before Waivers</b>	<u>6,174</u>	<u>5,432</u>
Less: Waived Expenses	(1)	(1)
<b>Total Net Expenses</b>	<u>6,173</u>	<u>5,431</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units before Tax</b>	<u>593,791</u>	<u>(582,831)</u>
<b>Tax Reclaims (Withholding Taxes)</b>	<u>(1,562)</u>	<u>(1,422)</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	<u>\$ 592,229</u>	<u>\$ (584,253)</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units – Per Class</b>		
TEC	\$ 590,931	\$ (583,545)
TEC.U	\$ 1,298	\$ (708)
	<u>\$ 592,229</u>	<u>\$ (584,253)</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units – Per Class Unit</b>		
TEC	\$ 10.49	\$ (10.38)
TEC.U	\$ 10.64	\$ (7.08)
TEC.U*	\$ 7.89	\$ (5.39)

\* Expressed in United States dollars

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

## TD Global Technology Leaders Index ETF

### Statements of Changes in Net Assets Attributable to Holders of Redeemable Units *(in 000s)*

for the periods ended December 31, 2023 and 2022

	TEC		TEC.U		TOTAL	
	2023	2022	2023	2022	2023	2022
<b>Net Assets Attributable to Holders of Redeemable Units at Beginning of the Period</b>	\$ 1,160,269	\$ 2,116,116	\$ 2,067	\$ N/A	\$ 1,162,336	\$ 2,116,116
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	590,931	(583,545)	1,298	(708)	592,229	(584,253)
<b>Distributions to Holders of Redeemable Units</b>						
From Net Investment Income	(3,699)	(3,544)	(7)	(5)	(3,706)	(3,549)
From Net Realized Gains	0	(29,245)	0	(38)	0	(29,283)
Return of Capital	(1)	(56)	0	(14)	(1)	(70)
	(3,700)	(32,845)	(7)	(57)	(3,707)	(32,902)
<b>Redeemable Unit Transactions</b>						
Proceeds from Redeemable Units Issued	582,082	292,827	2,925	2,780	585,007	295,607
Reinvestments of Distributions	0	29,297	0	52	0	29,349
Redemption of Redeemable Units	(285,114)	(661,581)	0	0	(285,114)	(661,581)
<b>Net Increase (Decrease) from Redeemable Unit Transactions</b>	296,968	(339,457)	2,925	2,832	299,893	(336,625)
<b>Net Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	884,199	(955,847)	4,216	2,067	888,415	(953,780)
<b>Net Assets Attributable to Holders of Redeemable Units at End of the Period</b>	\$ 2,044,468	\$ 1,160,269	\$ 6,283	\$ 2,067	\$ 2,050,751	\$ 1,162,336
<b>Redeemable Unit Transactions</b>						
Redeemable Units Outstanding, Beginning of the Period	56,140	69,340	100	N/A		
Redeemable Units Issued	20,500	11,900	100	100		
Redeemable Units Issued on Reinvestments	0	1,417	0	3		
Redeemable Units Consolidated*	0	(1,417)	0	(3)		
Redeemable Units Redeemed	(11,560)	(25,100)	0	0		
<b>Redeemable Units Outstanding, End of the Period</b>	65,080	56,140	200	100		
<b>Weighted Average Units Outstanding</b>	56,318	56,215	122	100		

\* Redeemable units issued on reinvestments immediately consolidated with the units held prior to distribution.

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

## TD Global Technology Leaders Index ETF

### Statements of Cash Flows (in 000s)

for the periods ended December 31, 2023 and 2022

	2023	2022
<b>Cash Flows from (used in) Operating Activities</b>		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$ 592,229	\$ (584,253)
Adjustment For:		
Unrealized Foreign Exchange (Gain) Loss on Cash	0	(1)
Net Realized (Gain) Loss	6,452	(6,593)
Net Change in Unrealized (Appreciation) Depreciation	(595,251)	594,228
Purchase of Investments and Derivatives	(622,067)	(334,239)
Proceeds from Sale, Paydown and Maturity of Investments and Derivatives	329,923	700,946
(Increase) Decrease in Interest and Dividends Receivables	(96)	12
(Increase) Decrease in Tax Reclaims Receivable	8	0
Increase (Decrease) in Accrued Liabilities	29	13
<b>Net Cash from (used in) Operating Activities</b>	<b>(288,773)</b>	<b>370,113</b>
<b>Cash Flows from (used in) Financing Activities</b>		
Distributions Paid to Holders of Redeemable Units, Net of Reinvested Distributions	(5,185)	(4,275)
Proceeds from Issuance of Redeemable Units	578,694	295,607
Amounts Paid on Redemption of Redeemable Units	(285,114)	(661,581)
<b>Net Cash from (used in) Financing Activities</b>	<b>288,395</b>	<b>(370,249)</b>
Unrealized Foreign Exchange Gain (Loss) on Cash	0	1
Net Increase (Decrease) in Cash	(378)	(136)
Cash (Bank Overdraft) at Beginning of the Period	2,775	2,910
<b>Cash (Bank Overdraft) at End of the Period</b>	<b>\$ 2,397</b>	<b>\$ 2,775</b>
Interest for Distribution Purposes Received*, Net of Withholding Taxes	\$ 40	\$ 0
Dividends Received*, Net of Withholding Taxes	\$ 9,288	\$ 8,497

\* Included as part of Cash Flows from (used in) Operating Activities.

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

# TD Global Technology Leaders Index ETF

**Schedule of Investment Portfolio** (in 000s except number of Shares or Units/Par Value) as at December 31, 2023

No. of Shares or Units/Par Value	Description	Cost	Fair Value
<b>Aerospace &amp; Defense – 0.2%</b>			
23,634	CAE Inc.	\$ 737	\$ 676
1,829	Elbit Systems Limited	427	514
13,992	L3Harris Technologies Inc.	3,575	3,886
		4,739	5,076
<b>Automobile Components – 0.2%</b>			
20,944	Aptiv PLC	2,892	2,478
6,541	Mobileye Global Inc., Class A	351	373
54,600	Sumitomo Electric Industries Limited	811	917
		4,054	3,768
<b>Automobiles – 3.3%</b>			
61,737	Lucid Group Inc.	1,376	343
49,814	Rivian Automotive Inc., Class A	2,080	1,541
204,066	Tesla Inc.	63,055	66,861
		66,511	68,745
<b>Broadline Retail – 7.4%</b>			
34,891	Allegro.eu SA	500	390
668,430	Amazon.com Inc.	127,782	133,919
81,030	Coupage Inc.	2,471	1,730
39,643	eBay Inc.	2,768	2,280
5,026	Global-e Online Limited	225	263
3,311	MercadoLibre Inc.	6,072	6,861
8,113	Mercari Inc.	381	198
8,871	Next PLC	1,115	1,210
110,818	Prosus NV	5,638	4,356
104,700	Rakuten Group Inc.	897	615
		147,849	151,822
<b>Capital Markets – 1.2%</b>			
21,927	Allfunds Group PLC	364	205
11,565	Coinbase Global Inc., Class A	2,845	2,652
26,663	London Stock Exchange Group PLC	3,326	4,157
5,766	MSCI Inc., Class A	3,459	4,301
23,799	S&P Global Inc.	11,218	13,824
		21,212	25,139
<b>Commercial Services &amp; Supplies – 0.0%</b>			
13,492	RB Global Inc.	1,224	1,196
<b>Communications Equipment – 1.7%</b>			
17,554	Arista Networks Inc.	2,619	5,451
55,492	BYD Electronic International Company Limited	330	343
302,681	Cisco Systems Inc.	19,208	20,164
12,414	Motorola Solutions Inc.	3,550	5,125
392,112	Nokia Oyj	2,208	1,743
216,026	Telefonaktiebolaget LM Ericsson, Class B	2,725	1,784
		30,640	34,610
<b>Consumer Staples Distribution &amp; Retail – 0.0%</b>			
371,665	Alibaba Health Information Technology Limited	795	266

No. of Shares or Units/Par Value	Description	Cost	Fair Value
<b>Electronic Equipment, Instruments &amp; Components – 2.0%</b>			
43,855	Amphenol Corporation, Class A	\$ 4,085	\$ 5,732
9,995	CDW Corporation	2,199	2,996
28,125	Halma PLC	1,031	1,080
10,383	Hamamatsu Photonics KK	721	563
143,030	Hexagon AB, Class B	2,198	2,264
2,203	Hirose Electric Company Limited	388	329
9,200	IBIDEN Company Limited	574	673
13,600	Keyence Corporation	8,337	7,902
13,215	Keysight Technologies Inc.	2,466	2,772
99,280	Kyocera Corporation	1,893	1,911
137,472	Murata Manufacturing Company Limited	4,287	3,848
13,900	OMRON Corporation	1,434	856
9,100	Taiyo Yuden Company Limited	454	318
28,099	TDK Corporation	1,533	1,765
23,363	TE Connectivity Limited	3,848	4,328
18,362	Trimble Inc.	1,502	1,288
20,000	Venture Corporation Limited	340	272
3,802	Zebra Technologies Corporation, Class C	1,919	1,370
		39,209	40,267
<b>Entertainment – 2.0%</b>			
12,500	Capcom Company Limited	524	533
5,362	CD Projekt SA	374	207
20,079	Electronic Arts Inc.	3,497	3,622
60,000	Embracer Group AB	572	215
8,680	Koei Tecmo Holdings Company Limited	170	130
7,100	Konami Holdings Corporation	517	490
32,227	Netflix Inc.	19,659	20,690
32,900	NEXON Company Limited	1,072	791
85,410	Nintendo Company Limited	5,773	5,879
34,486	Roblox Corporation, Class A	2,272	2,079
27,053	Sea Limited, ADR	3,739	1,445
10,007	Spotify Technology SA	2,789	2,479
6,511	Square Enix Holdings Company Limited	442	308
12,445	Take-Two Interactive Software Inc.	2,496	2,641
		43,896	41,509
<b>Financial Services – 5.3%</b>			
2,232	Adyen NV	5,497	3,793
40,591	Block Inc., Class A	7,164	4,140
43,886	Fidelity National Information Services Inc.	6,038	3,476
44,968	Fiserv Inc.	6,589	7,877
5,317	FleetCor Technologies Inc.	1,750	1,981
19,334	Global Payments Inc.	4,012	3,238
3,329	GMO Payment Gateway Inc.	429	305
62,262	Mastercard Inc., Class A	29,138	35,016
35,875	Nexi SpA	646	387
81,462	PayPal Holdings Inc.	18,319	6,596
120,147	Visa Inc., Class A	34,278	41,246
		113,860	108,055



No. of Shares or Units/ Par Value	Description	Cost	Fair Value
<b>Health Care Equipment &amp; Supplies – 0.6%</b>			
26,494	Elekta AB, Class B	\$ 340	\$ 285
25,864	Intuitive Surgical Inc.	9,173	11,506
		9,513	11,791
<b>Health Care Technology – 0.2%</b>			
30,200	M3 Inc.	2,041	659
3,604	Pro Medicus Limited	251	311
10,771	Veeva Systems Inc., Class A	3,390	2,734
		5,682	3,704
<b>Hotels, Restaurants &amp; Leisure – 1.1%</b>			
33,380	Amadeus IT Group SA	2,882	3,155
2,632	Booking Holdings Inc.	8,105	12,311
14,752	Delivery Hero SE	1,548	537
19,566	DoorDash Inc., Class A	2,695	2,551
13,258	Evolution AB	2,049	2,086
10,527	Expedia Group Inc.	1,839	2,107
		19,118	22,747
<b>Household Durables – 0.8%</b>			
11,269	Garmin Limited	1,692	1,910
24,000	Nikon Corporation	309	314
165,000	Panasonic Holdings Corporation	2,047	2,155
20,400	Sharp Corporation	296	192
91,506	Sony Group Corporation	11,475	11,477
		15,819	16,048
<b>Interactive Media &amp; Services – 11.6%</b>			
14,517	Adevinta ASA, Class B	212	212
441,276	Alphabet Inc., Class A	63,751	81,281
383,265	Alphabet Inc., Class C	55,744	71,222
67,685	Auto Trader Group PLC	710	821
24,873	CAR Group Limited	488	697
195,100	LY Corporation	1,163	912
20,684	Match Group Inc.	2,687	995
163,555	Meta Platforms Inc., Class A	57,466	76,336
42,992	Pinterest Inc., Class A	2,786	2,100
3,774	REA Group Limited	508	615
60,048	Rightmove PLC	620	581
25,276	SEEK Limited	624	608
75,279	Snap Inc., Class A	3,460	1,681
		190,219	238,061
<b>IT Services – 4.3%</b>			
49,313	Accenture PLC, Class A	18,173	22,818
11,030	Akamai Technologies Inc.	1,471	1,721
8,806	Amdocs Limited	905	1,020
11,751	Capgemini SE	2,679	3,231
15,377	CGI Inc., Class A	1,714	2,183
21,054	Cloudflare Inc., Class A	1,943	2,311
37,618	Cognizant Technology Solutions Corporation, Class A	3,529	3,746
4,167	EPAM Systems Inc.	1,999	1,634
14,151	Fujitsu Limited	2,623	2,816
5,682	Gartner Inc.	1,832	3,380

No. of Shares or Units/ Par Value	Description	Cost	Fair Value
67,296	International Business Machines Corporation	\$ 11,491	\$ 14,513
5,052	MongoDB Inc.	2,843	2,724
18,854	NEC Corporation	1,280	1,472
28,671	Nomura Research Institute Limited	1,111	1,100
46,500	NTT Data Group Corporation, ADR	890	869
4,818	OBIC Company Limited	1,062	1,095
11,198	Okta Inc., Class A	2,500	1,337
8,264	Otsuka Corporation	471	449
10,822	SCSK Corporation	248	283
85,768	Shopify Inc., Class A	10,063	8,848
20,324	Snowflake Inc., Class A	5,246	5,333
17,616	TIS Inc.	545	512
12,878	Twilio Inc., Class A	3,615	1,288
6,719	VeriSign Inc.	1,796	1,825
4,051	Wix.com Limited	1,021	657
		81,050	87,165
<b>Leisure Products – 0.0%</b>			
12,200	Sega Sammy Holdings Inc.	261	225
<b>Life Sciences Tools &amp; Services – 0.2%</b>			
11,713	illumina Inc.	4,852	2,151
4,372	Waters Corporation	1,725	1,898
		6,577	4,049
<b>Machinery – 0.3%</b>			
54,419	AutoStore Holdings Limited	158	141
69,800	FANUC Corporation	3,682	2,707
26,219	Fortive Corporation	2,368	2,546
		6,208	5,394
<b>Media – 0.0%</b>			
30,580	CyberAgent Inc.	510	253
<b>Professional Services – 1.8%</b>			
30,683	Automatic Data Processing Inc.	7,873	9,426
9,500	BayCurrent Consulting Inc.	454	440
8,697	Broadridge Financial Solutions Inc.	1,749	2,359
23,898	Paychex Inc.	3,211	3,753
3,814	Paycom Software Inc.	1,724	1,040
107,000	Recruit Holdings Company Limited	4,725	5,968
140,240	RELX PLC	5,129	7,331
16,116	SS&C Technologies Holdings Inc.	1,340	1,299
10,488	Thomson Reuters Corporation	1,355	2,032
18,452	Wolters Kluwer NV	2,411	3,459
		29,971	37,107
<b>Real Estate Management &amp; Development – 0.2%</b>			
30,090	CoStar Group Inc.	3,239	3,467

No. of Shares or Units/ Par Value	Description	Cost	Fair Value
<b>Semiconductors &amp; Semiconductor Equipment – 17.9%</b>			
118,750	Advanced Micro Devices Inc.	\$ 14,516	\$ 23,082
54,412	Advantest Corporation	1,656	2,441
37,445	Analog Devices Inc.	7,795	9,804
62,224	Applied Materials Inc.	9,557	13,298
3,411	ASM International NV	1,968	2,335
29,311	ASML Holding NV	22,751	29,105
29,979	Broadcom Inc.	23,242	44,126
1,945	Camtek Limited	146	181
6,688	Disco Corporation	1,074	2,188
5,604	GLOBALFOUNDRIES Inc.	402	448
96,738	Infineon Technologies AG	4,703	5,326
309,714	Intel Corporation	19,305	20,522
10,175	KLA Corporation	4,714	7,799
9,945	Lam Research Corporation	7,226	10,271
5,800	Lasertec Corporation	1,185	2,016
63,616	Marvell Technology Inc.	4,442	5,059
39,703	Microchip Technology Inc.	3,869	4,721
80,907	Micron Technology Inc.	7,775	9,104
12,169	Nordic Semiconductor ASA	303	199
2,120	Nova Limited	267	390
176,160	NVIDIA Corporation	56,587	115,032
19,270	NXP Semiconductors NV	4,619	5,836
31,938	ON Semiconductor Corporation	2,974	3,518
82,637	Qualcomm Inc.	14,299	15,760
89,700	Renesas Electronics Corporation	1,497	2,139
26,444	Rohm Company Limited	768	668
6,866	SCREEN Holdings Company Limited	405	766
4,800	Shinko Electric Industries Company Limited	234	246
11,784	Skyworks Solutions Inc.	2,223	1,747
48,323	STMicroelectronics NV	2,547	3,185
25,300	Sumco Corporation	592	500
11,477	Teradyne Inc.	1,697	1,642
67,121	Texas Instruments Inc.	14,818	15,087
33,527	Tokyo Electron Limited	5,798	7,919
8,119	Tower Semiconductor Limited	423	329
		246,377	366,789
<b>Software – 23.1%</b>			
33,781	Adobe Inc.	21,503	26,575
6,425	ANSYS Inc.	2,773	3,074
11,249	Atlassian Corporation, Class A	2,940	3,528
15,859	Autodesk Inc.	5,157	5,092
20,051	Cadence Design Systems Inc.	4,390	7,201
6,790	Check Point Software Technologies Limited	1,084	1,368
1,481	Constellation Software Inc.	3,091	4,866
1,348	Constellation Software Inc., Warrants Aug 22, 2028	9	0
16,180	Crowdstrike Holdings Inc., Class A	3,900	5,447
2,977	CyberArk Software Limited	579	860
50,413	Dassault Systemes SE	2,821	3,248
21,255	Datadog Inc., Class A	2,834	3,402
50,186	Fortinet Inc.	3,079	3,873
46,046	Gen Digital Inc.	1,288	1,386
3,502	HubSpot Inc.	2,159	2,681
20,228	Intuit Inc.	11,501	16,671
544,548	Microsoft Corporation	193,966	270,012
1,976	Monday.com Limited	370	489
4,708	Nice Limited	1,410	1,257

No. of Shares or Units/ Par Value	Description	Cost	Fair Value
2,200	OBIC Business Consultants Company Limited	\$ 106	\$ 133
19,842	Open Text Corporation	1,111	1,105
115,431	Oracle Corporation	12,392	16,047
2,505	Oracle Corporation Japan	266	255
135,302	Palantir Technologies Inc., Class A	2,971	3,063
22,353	Palo Alto Networks Inc.	4,728	8,692
6,800	Rakus Company Limited	171	166
7,877	Roper Technologies Inc.	4,459	5,662
69,849	Salesforce Inc.	20,051	24,236
76,028	SAP SE	13,068	15,446
15,100	ServiceNow Inc.	10,676	14,067
11,298	Splunk Inc.	2,076	2,270
11,236	Synopsys Inc.	4,750	7,629
75,601	The Sage Group PLC	950	1,490
9,753	Trend Micro Inc.	663	689
18,402	Unity Software Inc.	1,395	992
12,635	WiseTech Global Limited	550	857
15,176	Workday Inc., Class A	4,520	5,524
9,481	Xero Limited	1,026	958
18,848	Zoom Video Communications Inc., Class A	5,019	1,787
6,474	Zscaler Inc.	1,534	1,891
		357,336	473,989
<b>Specialty Retail – 0.0%</b>			
8,700	Zozo Inc.	293	258
<b>Technology Hardware, Storage &amp; Peripherals – 14.5%</b>			
1,100,038	Apple Inc.	211,706	279,267
18,600	Brother Industries Limited	446	391
74,148	Canon Inc.	2,214	2,511
18,282	Dell Technologies Inc., Class C	1,602	1,844
22,633	FUJIFILM Holdings Corporation	1,731	1,794
95,574	Hewlett Packard Enterprise Company	1,814	2,140
73,058	HP Inc.	2,708	2,899
15,694	NetApp Inc.	1,418	1,824
42,100	Ricoh Company Limited	466	426
14,319	Seagate Technology Holdings PLC	1,278	1,612
20,200	Seiko Epson Corporation	411	399
23,737	Western Digital Corporation	1,608	1,639
		227,402	296,746
	Transaction Costs	(290)	
TOTAL INVESTMENT			
PORTFOLIO – 99.9%		\$ 1,673,274	\$ 2,048,246
<b>TOTAL PORTFOLIO</b>			<b>\$ 2,048,246</b>

Note: Percentages shown relate investments at fair value to Net Assets as at the period end.

# TD Global Technology Leaders Index ETF

## Fund-Specific Notes to the Financial Statements

### The Fund

(I) The Fund was inception on February 26, 2019 and its operations commenced on May 7, 2019. The Canadian dollar denominated units (TSX ticker symbol: TEC) commenced operations on May 7, 2019 and were available for purchase on the Toronto Stock Exchange ("TSX") effective May 9, 2019. The U.S. dollar denominated units (TSX ticker symbol: TEC.U) commenced operations on March 29, 2022 and were available for purchase on the TSX effective April 5, 2022.

(II) TDAM is the trustee, manager, portfolio adviser and promoter of the Fund.

(III) The presentation and functional currency of the Fund is the Canadian dollar.

(IV) The investment objective of the Fund is to seek to track, to the extent reasonably possible and before the deduction of fees and expenses, the performance of a global equity index which measures the investment return of global issuers related to technology. In seeking to achieve this objective, the Fund currently invests in and holds a proportionate share of securities included in the Solactive Global Technology Leaders Index. The Fund may also invest in other securities including exchange-traded funds, mutual funds or other public investment funds, American Depositary Receipts or derivative instruments, to obtain exposure to such securities in a manner that is consistent with the investment objective of the Fund.

(V) As at December 31, 2023, TDAM, affiliates of TDAM, and funds managed by TDAM held 70.0% (December 31, 2022: 65.8%) of the net assets of the Fund.

(VI) The closing price for TEC and the closing price for TEC.U as at December 31, 2023 were \$31.54 (CAD) and \$24.01 (USD) respectively.

### Management Fees (%) (Note 6)

for the periods ended December 31, 2023 and 2022 (exclusive of GST and HST)  
The annual management fee rate for TEC and TEC.U is 0.35%.

### Brokerage Commissions and Soft Dollars (in 000s) (Notes 3 and 6)

for the periods ended December 31, 2023 and 2022

	2023		2022	
Total Brokerage Commissions	\$	154	\$	148
Commissions Paid to Related Parties		10		1
Soft Dollars		0		0

### Tax Loss Carry Forwards (in 000s) (Note 7)

as at December 31, 2023

None for the Fund.

## Securities Lent (Note 3)

### (I) SECURITIES LENDING INCOME

A reconciliation of the gross amount generated from the securities lending transactions to the securities lending income to the Fund for the periods ended December 31, 2023 and 2022 is as follows:

	Amount (in 000s)		Percentage of Total Amount (%)	
	2023	2022	2023	2022
Gross Securities Lending Income	\$ 84	\$ 162	100.0	100.0
Agent Fees – The Bank of New York Mellon	(19)	(33)	(22.4)	(20.6)
Securities Lending Income to the Fund before Tax Reclaims (Withholding Taxes)	65	129	77.6	79.4
Tax Reclaims (Withholding Taxes)	(2)	(17)	(2.4)	(10.3)
Net Securities Lending Income	\$ 63	\$ 112	75.2	69.1

### (II) SECURITIES LENT AND COLLATERAL HELD (in 000s)

The table below summarizes the aggregate securities lent and related collateral held by the Fund as at December 31, 2023 and 2022.

	2023	2022
Fair Value of Securities Lent	\$ 27,328	\$ 34,842
Fair Value of Collateral Held	28,746	36,664

Collateral held is in the form of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments or corporations and is not included in the Statements of Financial Position.

**Financial Risk Management** (Notes 3, 4 and 8)

as at December 31, 2023 and 2022

**(I) INTEREST RATE RISK**

Not significant to the Fund.

**(II) CURRENCY RISK**

The following tables indicate the currencies (other than the Fund's functional currency) to which the Fund had exposure to as at December 31, 2023 and 2022, including the underlying principal amount of foreign exchange forward contracts, as applicable. The tables also illustrate the potential impact to the Fund's net assets if the Fund's functional currency had strengthened or weakened by 5 percent in relation to all exposure to other currencies, with all other variables held constant. In practice, the actual trading results may differ from these approximate sensitivity amounts and the differences could be material.

Currency (in 000s)	Financial Instruments*	Foreign Exchange Forward Contracts*	Total Exposure	Impact on Net Assets
Dec 31, 2023				
Australian Dollar	\$ 4,059	\$ 0	\$ 4,059	\$ 203
British Pound	16,687	0	16,687	834
Danish Krone	0	0	0	0
Euro	79,544	0	79,544	3,977
Hong Kong Dollar	613	0	613	31
Israeli Shekel	2,684	0	2,684	134
Japanese Yen	88,516	0	88,516	4,426
Norwegian Krone	555	0	555	28
Polish Zloty	598	0	598	30
Singapore Dollar	277	0	277	14
Swedish Krona	6,634	0	6,634	332
Swiss Franc	5	0	5	0
United States Dollar	1,828,066	0	1,828,066	91,403
<b>Total</b>	<b>\$ 2,028,238</b>	<b>\$ 0</b>	<b>\$ 2,028,238</b>	<b>\$ 101,412</b>
As a Percentage of Net Assets (%)				4.9

Currency (in 000s)	Financial Instruments*	Foreign Exchange Forward Contracts*	Total Exposure	Impact on Net Assets
Dec 31, 2022				
Australian Dollar	\$ 3,249	\$ 0	\$ 3,249	\$ 163
British Pound	10,778	0	10,778	539
Danish Krone	0	0	0	0
Euro	54,720	0	54,720	2,736
Hong Kong Dollar	478	0	478	24
Israeli Shekel	2,065	0	2,065	103
Japanese Yen	57,823	0	57,823	2,891
Norwegian Krone	600	0	600	30
Polish Zloty	387	0	387	19
Singapore Dollar	290	0	290	15
Swedish Krona	5,206	0	5,206	260
Swiss Franc	164	0	164	8
United States Dollar	1,016,641	0	1,016,641	50,832
<b>Total</b>	<b>\$ 1,152,401</b>	<b>\$ 0</b>	<b>\$ 1,152,401</b>	<b>\$ 57,620</b>
As a Percentage of Net Assets (%)				5.0

\* Includes both monetary and non-monetary instruments, where applicable.

**(III) OTHER PRICE RISK**

The table below summarizes the impact of other price risk to the Fund. As at December 31, 2023 and 2022, had the benchmark of the Fund increased or decreased by 5 percent, with all other variables held constant, the net assets of the Fund would have increased or decreased by approximately:

Benchmark	2023	2022
	Weight (%)	
Solactive Global Technology Leaders Index (CA NTR)	100.00	100.00
Impact on Net Assets (in 000s)	\$ 102,412	\$ 58,062
Impact on Net Assets (%)	5.0	5.0

In practice, the actual trading results may differ from the above estimated amounts and the differences could be material.

**(IV) CREDIT RISK**

Not significant to the Fund.

**(V) FINANCIAL INSTRUMENTS BY THE LEVEL IN THE FAIR VALUE HIERARCHY** (in 000s)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at December 31, 2023 and 2022.

	Level 1	Level 2	Level 3	Total
Dec 31, 2023				
Equities	\$ 2,048,246	\$ 0	\$ 0	\$ 2,048,246
Warrants	0	0	0	0
<b>Total</b>	<b>\$ 2,048,246</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,048,246</b>

During the period, transfers between Level 1 and Level 2 were not significant.

	Level 1	Level 2	Level 3	Total
Dec 31, 2022				
Equities	\$ 1,161,241	\$ 0	\$ 0	\$ 1,161,241

During the period, transfers between Level 1 and Level 2 were not significant.

**(VI) RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS** (in 000s)

The table below reconciles the Fund's Level 3 fair value measurements from January 1, 2023 to December 31, 2023.

	Warrants
Balance at Jan 1, 2023	\$ 0
Purchases and Accretion of Interest	9
Sales, Paydowns and Maturity	0
Net Transfers In (Out)	0
Gains (Losses)	
Net Realized Gain (Loss) on Sale of Investments and Derivatives	0
Net Change in Unrealized Appreciation (Depreciation) of Investments and Derivatives	(9)
<b>Balance at Dec 31, 2023</b>	<b>\$ 0</b>
Total Change in Unrealized Appreciation (Depreciation) for Assets Held at Dec 31, 2023	\$ (9)

for the period ended December 31, 2022

Not significant or applicable to the Fund.

As at December 31, 2023, if the value of the Level 3 investments were to increase or decrease by 10%, the value of the Fund would increase or decrease by \$0 (December 31, 2022: N/A).

**Investment Portfolio Concentration (%) (Note 8)**

The following tables summarize the Fund's investment portfolio concentration as at December 31, 2023 and 2022:

	<b>2023</b>
Software	23.1
Semiconductors & Semiconductor Equipment	17.9
Technology Hardware, Storage & Peripherals	14.5
Interactive Media & Services	11.6
Broadline Retail	7.4
Financial Services	5.3
IT Services	4.3
Automobiles	3.3
Entertainment	2.0
Electronic Equipment, Instruments & Components	2.0
Professional Services	1.8
Communications Equipment	1.7
Capital Markets	1.2
Hotels, Restaurants & Leisure	1.1
Household Durables	0.8
Health Care Equipment & Supplies	0.6
Machinery	0.3
Aerospace & Defense	0.2
Life Sciences Tools & Services	0.2
Automobile Components	0.2
Health Care Technology	0.2
Real Estate Management & Development	0.2
Cash (Bank Overdraft)	0.1
Commercial Services & Supplies	0.0
Consumer Staples Distribution & Retail	0.0
Specialty Retail	0.0
Media	0.0
Leisure Products	0.0
Other Net Assets (Liabilities)	0.0
	<b>100.0</b>
	<b>2022</b>
Software	22.7
Technology Hardware, Storage & Peripherals	16.2
Semiconductors & Semiconductor Equipment	14.4
IT Services	13.1
Interactive Media & Services	9.9
Internet & Direct Marketing Retail	6.9
Entertainment	2.5
Electronic Equipment, Instruments & Components	2.5
Automobiles	2.4
Communications Equipment	2.2
Capital Markets	1.4
Hotels, Restaurants & Leisure	1.1
Household Durables	1.0
Professional Services	1.0
Health Care Equipment & Supplies	0.7
Machinery	0.4
Life Sciences Tools & Services	0.4
Aerospace & Defense	0.4
Health Care Technology	0.2
Auto Components	0.2
Cash (Bank Overdraft)	0.2
Leisure Products	0.1
Media	0.1
Multiline Retail	0.1
Other Net Assets (Liabilities)	(0.1)
	<b>100.0</b>

**Interest in Unconsolidated Structured Entities (Note 3)**

as at December 31, 2023 and 2022

Not significant or applicable to the Fund.

**Offsetting of Financial Assets and Liabilities (in 000s) (Note 3)**

as at December 31, 2023 and 2022

Not significant or applicable to the Fund.

The Fund is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Solactive Global Technology Leaders Index (CA NTR) (the "Index") and/or any trade mark(s) associated with the Index or the price of the Index at any time or in any other respect. The Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards TDAM, Solactive AG has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the Fund. Neither publication of the Index by Solactive AG nor the licensing of the Index or any trade mark(s) associated with the Index for the purpose of use in connection with the Fund constitutes a recommendation by Solactive AG to invest capital in said Fund nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in the Fund.

## Notes to the Financial Statements

### 1. The Funds

TD Exchange-Traded Funds are open-ended mutual funds (each, a “Fund” and collectively, the “Funds”) established as trust under the laws of the Province of Ontario and governed by the Declaration of Trust, as amended from time to time. The Funds are authorized to issue an unlimited number of redeemable, transferrable units of an unlimited number of classes of units. The value of each unit of a class represents an interest in the net assets of a Fund.

The following funds are index mutual funds that seek to track, to the extent possible and before the deduction of fees and expenses, the performance of an index:

TD Canadian Aggregate Bond Index ETF  
TD Canadian Bank Dividend Index ETF  
TD Canadian Equity Index ETF  
TD Global Carbon Credit Index ETF  
TD Global Healthcare Leaders Index ETF  
TD Global Technology Innovators Index ETF  
TD Global Technology Leaders CAD Hedged Index ETF  
TD Global Technology Leaders Index ETF  
TD International Equity CAD Hedged Index ETF  
TD International Equity Index ETF  
TD Morningstar ESG Canada Corporate Bond Index ETF  
TD Morningstar ESG Canada Equity Index ETF  
TD Morningstar ESG International Equity Index ETF  
TD Morningstar ESG U.S. Corporate Bond Index ETF  
TD Morningstar ESG U.S. Equity Index ETF  
TD U.S. Equity CAD Hedged Index ETF  
TD U.S. Equity Index ETF

(collectively, the “TD Index ETFs”)

The following funds are not index mutual funds and are managed at the discretion of TD Asset Management Inc. (“TDAM”) in accordance with their respective investment objectives:

TD Active Global Enhanced Dividend ETF  
TD Active Global Equity Growth ETF  
TD Active Global Income ETF  
TD Active Global Infrastructure Equity ETF  
TD Active Global Real Estate Equity ETF  
TD Active Preferred Share ETF  
TD Active U.S. Enhanced Dividend CAD Hedged ETF  
TD Active U.S. Enhanced Dividend ETF  
TD Active U.S. High Yield Bond ETF  
TD Canadian Long Term Federal Bond ETF  
TD Cash Management ETF  
TD Income Builder ETF  
TD Q Canadian Dividend ETF  
TD Q Canadian Low Volatility ETF

TD Q Global Dividend ETF  
TD Q Global Multifactor ETF  
TD Q International Low Volatility ETF  
TD Q U.S. Low Volatility ETF  
TD Q U.S. Small-Mid-Cap Equity ETF  
TD Select Short Term Corporate Bond Ladder ETF  
TD Select U.S. Short Term Corporate Bond Ladder ETF  
TD U.S. Long Term Treasury Bond ETF

(collectively, the “TD Non-Index ETFs”)

TD Balanced ETF Portfolio  
TD Conservative ETF Portfolio  
TD Growth ETF Portfolio  
(collectively, the “TD Portfolio Solutions ETFs”)

TDAM is the trustee, manager, portfolio adviser and promoter of the Funds. TDAM has entered into an agreement with TD Securities Inc. (“TDSI”) to act as a designated broker and dealer to perform certain duties for the Funds. TDAM, TDSI, TD Waterhouse Canada Inc. (“TDWCI”) and Epoch Investment Partners, Inc. are wholly-owned subsidiaries of The Toronto-Dominion Bank. The registered address of the Funds is P.O. Box 100, 66 Wellington Street West, TD Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1G8.

The financial year-end for the Funds is December 31. The Statements of Financial Position are presented as at December 31, 2023 and 2022, as applicable. The Statements of Comprehensive Income, Statements of Changes in Net Assets Attributable to Holders of Redeemable Units and Statements of Cash Flows are presented for the twelve-month periods ended December 31, 2023 and 2022, as applicable. Where a Fund or class of a Fund was established during either period, the information for that Fund or class is provided from the inception date, as disclosed in the Fund-Specific Notes to the Financial Statements (“Fund-Specific Notes”), to the applicable period end date and a comparative statement has only been presented for any period for which that Fund was in existence as at the reporting date.

These financial statements were authorized for issue by TDAM on March 14, 2024.

### 2. Basis of Presentation

These financial statements have been prepared in accordance with *International Financial Reporting Standards* as issued by the *International Accounting Standards Board* (“IFRS”). These financial statements have been prepared on a going concern basis using 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”).



### 3. Summary of Material Accounting Policy Information

#### Financial Instruments

Financial instruments include financial assets and financial liabilities, such as investments, derivatives, cash, and other receivables and payables. Derivatives that are reflected in the Statements of Financial Position as Derivative Assets (Liabilities) include rights, warrants, forwards, options, futures and swap contracts, where applicable, and are financial contracts between two or more parties, and whose value is derived from the performance of an underlying asset or group of assets. Underlying assets include stocks, bonds, currencies, commodities, interest rates and market indices. The Funds classify and measure financial instruments in accordance with IFRS 9, "*Financial Instruments*". Upon initial recognition, financial instruments are measured at FVTPL. All financial assets and liabilities are recognized in the Statements of Financial Position when a Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or a Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date.

The Funds' financial assets and financial liabilities, other than receivables and payables, are subsequently measured at FVTPL with changes in fair value recognized in the Statements of Comprehensive Income. Other receivables and payables are subsequently measured at amortized cost.

The Funds have determined that they meet the definition of an 'investment entity' within IFRS 10, "*Consolidated Financial Statements*" and as a result, the Funds measure subsidiaries, if any, at FVTPL. An investment entity is an entity that: obtains funds from one or more investors for the purpose of providing them with investment management services; commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measures and evaluates the performance of substantially all of its investments on a fair value basis. The Funds' investments may also include associates and joint ventures which are measured at FVTPL.

The Funds' outstanding redeemable units may be redeemed for cash at a redemption discount to the closing price on the Toronto Stock Exchange ("TSX"). Such reduced redemption price causes cash flows on redemption not to be substantially based on net asset value ("NAV"). Consequently, the Net Assets Attributable to Holders of Redeemable Units of the Funds are classified as financial liabilities in accordance with the requirements of IAS 32, "*Financial Instruments: Presentation*".

The accounting policies for measuring the fair value of the Funds' investments and derivatives are substantially similar to those used in measuring the Funds' net asset value ("NAV") for transactions with unitholders. The NAV is the value of the total assets of a fund less the value of its total liabilities determined, on each valuation date, in accordance with Part 14 of National Instrument 81-106, "*Investment Fund Continuous Disclosure*", for the purpose of processing unitholder transactions. Net Assets Attributable to Holders of Redeemable Units, also referred to as Net Assets, refers to net assets calculated in accordance with IFRS. As at all dates presented, there were no differences between the Funds' NAV per class unit and Net Assets per class unit.

#### Fair Value Measurement

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 derivatives and marketable securities) is based on quoted market prices at the close of trading on the reporting date. The Funds use 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, TDAM determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of financial assets and liabilities not traded in an active market, including over-the-counter derivatives, is determined using valuation techniques. The Funds use a variety of methods and make 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 other techniques commonly used by market participants and which attempt to make the maximum use of observable inputs.

The valuation methodology for specific types of investments held by the Funds is summarized below.

- (a) Securities not listed on any recognized public securities exchange are valued based on available quotations from recognized dealers in such securities, where readily available. If securities have no available broker-dealer bid/ask quotes, TDAM uses different valuation techniques and models as described above with inputs that TDAM believes are relevant in the circumstances to price the securities. Debt instruments are valued based on mid prices, where readily available.
- (b) Short-term debt instruments are valued based on quotations received from recognized investment dealers.
- (c) Investments in underlying mutual funds and TDAM managed exchange-traded funds are generally valued at the NAV per series unit or per class unit of the investment funds as reported by the investment funds' managers.
- (d) The Funds may use foreign exchange forward contracts to hedge against or profit from fluctuations in foreign exchange rates. These contracts are valued on each valuation day based on the difference between the contract rates and the current forward rates at the measurement date applied to the contracts' notional amount. The net change in unrealized appreciation or depreciation and the net realized gain or loss from closing out contracts are reflected in the Statements of Comprehensive Income as part of Net Gain (Loss) on Investments and Derivatives.

## Notes to the Financial Statements

- (e) Options contracts that are traded in exchange markets are valued at their mid prices on each valuation day. The premium received or paid on options written or purchased is included in the cost of the options. Any difference between the current value of the contract and the value of the contract originated is recognized as Net Change in Unrealized Appreciation (Depreciation). When options are closed or exercised, the difference between the premium and the amount paid or received, or the full amount of the premium if the option expires worthless, is reflected in the Statements of Comprehensive Income as Net Realized Gain (Loss). The cost of a security purchased will be reduced by the premium received on options when a written put option is exercised or increased by the amount paid on options when a purchased call option is exercised.
- (f) Certain Funds may enter into total return swap (“TRS”) agreements with one or more counterparties to gain exposure to the swap reference assets. Under each swap, the Funds pay the counterparties a floating amount based on the prevailing short-term market interest rates computed upon an agreed notional amount. Additionally, the Funds also pay an amount based upon a decline in value, if any, of a notional investment in a notional number of units, the value of which will equal the value of the swap reference assets. In return, the counterparties pay the Funds an amount based upon any increase in value of the swap reference assets.

Floating amounts paid to the counterparties are accrued daily and recorded as Derivative Income (Loss) in the Statements of Comprehensive Income. Changes in the fair value of the TRS agreements outstanding at the reporting date are disclosed in the Statements of Comprehensive Income as Net Change in Unrealized Appreciation (Depreciation). TRS agreements are valued at the amount that the Funds would receive or pay to terminate the agreements. When TRS agreements mature or are closed out, the net realized gain or loss is reflected in the Statements of Comprehensive Income as Net Realized Gain (Loss).

### Fair Value Hierarchy

The Funds classify their investments into fair value measurements within a hierarchy that prioritizes the inputs to fair value measurement. The fair value hierarchy has the following three levels:

- Level 1 Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 Inputs that are not based on observable market data (that is, unobservable inputs).

All fair value measurements are recurring. The carrying values of Cash, Margin Deposit on Derivatives, Subscriptions Receivable, Interest and Dividends Receivables, Receivable for Investments Sold, Bank Overdraft, Margin Payable on Derivatives, Payable for Investments Purchased, Redemptions Payable, Distributions Payable and Accrued Liabilities approximate their fair values due to their short-term nature.

Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of their fair value requires the use of significant unobservable inputs, in which case they are classified as Level 3. The Funds’ policy is to recognize transfers into and out of the fair value hierarchy levels at the end of the reporting period.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes ‘observable’ requires significant judgment. Observable data is considered to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

TDAM has a Valuation Committee which oversees the performance of the fair value measurements included in the financial statements of the Funds, including any Level 3 measurements. TDAM utilizes a variety of methods (as listed in the Fair Value Measurement section) in determining the fair value of securities classified as Level 3. The committee also meets quarterly to perform reviews of the valuations of investments held by the Funds.

The classification of the Funds’ financial instruments within the fair value hierarchy as at December 31, 2023 and 2022, and any transfers between levels during the reporting periods as a result of changes in the lowest level input that is significant to the fair value measurement are disclosed in the Fund-Specific Notes, where applicable.

### Interest in Unconsolidated Structured Entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. TDAM has determined that all of the underlying investment funds (“Underlying Funds”) in which the Funds invest are unconsolidated structured entities. Underlying Funds include mutual funds and exchange-traded funds (“ETFs”). In making this determination, TDAM evaluated the fact that decision making about Underlying Funds’ activities is generally not governed by voting or similar rights held by the Funds and other investors in any Underlying Funds.



## Notes to the Financial Statements

The Funds may invest in Underlying Funds whose investment objectives range from seeking to achieve short- to long-term income and/or capital growth potential. The Funds' interests in these securities as at December 31, 2023 and 2022 are included at their fair value in the Statements of Financial Position, which represent the Funds' exposure in these Underlying Funds. The Funds do not provide and have not committed to provide any additional significant financial or other support to the Underlying Funds. The change in fair value of each of the Underlying Funds during the reporting periods is included in Net Change in Unrealized Appreciation (Depreciation) in the Statements of Comprehensive Income as part of Net Gain (Loss) on Investments and Derivatives. Additional information on the Funds' interest in Underlying Funds, where applicable, is provided in the Schedule of Investment Portfolio and Fund-Specific Notes.

The Funds may also invest in mortgage-related and/or other asset-backed securities that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property. Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. The debt and equity securities issued by these issuers may include tranches with varying levels of subordination. The Funds may invest in senior notes that have a first lien on assets and have minimum exposure to junior or subordinate tranches. These securities may provide a monthly payment which consists of both interest and principal payments. Other asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans, and student loans.

As at December 31, 2023 and 2022, the fair value of mortgage-related and other asset-backed securities of the Funds, where applicable, is disclosed as Investments in the Statements of Financial Position. The fair value represents the maximum exposure to losses at those dates. The change in fair value of mortgage-related and other asset-backed securities during the reporting periods is included in Net Change in Unrealized Appreciation (Depreciation) in the Statements of Comprehensive Income as part of Net Gain (Loss) on Investments and Derivatives.

### Translation of Foreign Currencies

A Fund's functional currency, as disclosed in the Fund-Specific Notes, represents the currency that TDAM views to most faithfully represent the economic effects of the Fund's underlying transactions, events and conditions taking into consideration how units are issued or redeemed and how returns are measured. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates that transactions occur. Assets and liabilities denominated in a foreign currency are translated into the functional currency using the exchange rate prevailing at the measurement date.

Realized foreign exchange gains and losses on the sale of investments and derivatives are included in Net Realized Gain (Loss). Unrealized foreign exchange gains and losses on investments and derivatives are included in Net Change in Unrealized Appreciation (Depreciation). Realized and unrealized foreign exchange gains and losses relating to income, cash, other assets and liabilities are presented as Foreign Exchange Gain (Loss) on Cash and Other Net Assets in the Statements of Comprehensive Income.

### Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position where the Funds have a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In the normal course of business, the Funds may enter into various master netting agreements or other similar arrangements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be set-off in certain circumstances, such as bankruptcy or the termination of the contracts. Offsetting information, where applicable, is presented in the Fund-Specific Notes.

### Cash/Bank Overdraft

Cash is comprised of deposits with financial institutions. Bank overdrafts are included under Current Liabilities in the Statements of Financial Position.

### Margin Deposit (Payable) on Derivatives

Margin accounts represent margin deposits or payable in respect of derivatives entered into by the Funds.

### Receivable for Investments Sold/Payable for Investments Purchased

Receivable for Investments Sold and Payable for Investments Purchased represent trades that have been contracted for but not yet settled or delivered on the Statements of Financial Position dates.

### Valuation of Class Units

TDAM generally calculates the NAV for each class of the Funds as at 4 p.m. Eastern Time on each day that the Toronto Stock Exchange is open for trading.

The NAV per class is calculated by taking the class's proportionate share of the individual Fund's common assets, less the class's proportionate share of the Fund's common liabilities, and deducting from this amount all liabilities that relate solely to that class.

The Net Assets Attributable to Holders of Redeemable Units – Per Class Unit is determined by dividing the Net Assets Attributable to Holders of Redeemable Units of each class of the Funds by the total number of units outstanding of that class as at the reporting date.

## Notes to the Financial Statements

### Income Recognition

Interest for Distribution Purposes as shown in the Statements of Comprehensive Income consists of interest income from cash and the coupon interest on debt instruments accounted for on an accrual basis. Interest receivable is included in Interest and Dividends Receivables in the Statements of Financial Position based on the debt instruments' stated rates of interest. The Funds do not amortize premiums paid or discounts received on the purchase of debt securities except for zero coupon bonds which are amortized.

Dividend income from equities and ETFs is recognized on ex-dividend dates and distributions from underlying mutual funds are recognized on ex-distribution dates. Dividends received from ETFs are allocated to interest income, dividend income, capital gains and return of capital based on the nature of the underlying components. The allocations are calculated based on the best information available and actual allocations could be different.

The Funds may engage in securities lending pursuant to the terms of an agreement which includes restrictions as set out in Canadian securities legislation. The income earned from securities lending, where applicable, is included in the Statements of Comprehensive Income as it is received. The fair value of the securities loaned and fair value of the collateral held are determined daily. The details of securities lending income, aggregate values of securities on loan and related collateral held are provided in the Fund-Specific Notes, where applicable.

### Investment Transactions and Transaction Costs

For the purposes of calculating realized and unrealized gains and losses from investment transactions, the cost of each investment security is determined on an average cost basis, excluding transaction costs.

Transaction costs, such as brokerage commissions, incurred by the Funds in the purchase and sale of investments at fair value are recognized in the Statements of Comprehensive Income in the period incurred. No transaction costs are incurred when the Funds invest in underlying mutual funds; however, the underlying mutual funds' investments may be subject to transaction costs.

### Allocation of Income and Expenses, Realized and Unrealized Gains (Losses)

Expenses (excluding interest charges and portfolio transaction costs) are accrued daily, separately for each class. Interest charges and portfolio transaction costs along with income, gains and losses, are allocated to each class based on their respective Net Assets Attributable to Holders of Redeemable Units of the Fund.

### Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units – Per Class Unit

The Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units – Per Class Unit is calculated by dividing the Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units of each class by the weighted average units outstanding of that class for the reporting period, except when a class was established during the reporting period, in which case the Weighted Average Units Outstanding is calculated from the date of its commencement of operation of that class.

## 4. Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements:

### Fair Value Measurement of Derivatives and Securities Not Quoted in an Active Market

The Funds may hold financial instruments that are not quoted in active markets, including derivatives. As described in Note 3, the use of valuation techniques for financial instruments and derivatives that are not quoted in an active market requires TDAM to make assumptions that are based on market conditions existing as at the reporting date of the financial statements. Changes in assumptions about these factors could affect the reported fair values of financial instruments. Refer to the Fund-Specific Notes for further information about the fair value measurement of the Funds' financial instruments, where applicable.

### Classification and Measurement of Investments

In classifying and measuring financial instruments held by the Funds, TDAM has assessed the Funds' business model for managing their respective portfolios of investments and evaluating the performance on a fair value basis, and concluded that these financial assets and liabilities should be measured at FVTPL in accordance with IFRS 9.

### Investment Entity

In determining whether a Fund meets the definition of an investment entity, TDAM may be required to make significant judgments about whether a Fund has the typical characteristics of an investment entity. Each Fund may hold only one investment, an underlying fund (or have only one investor or have investors that are its related parties); however, consistent with the investment entity definition, each Fund primarily obtains funds from one or more investors for the purpose of providing investment management services, commits to its investors that the business purpose is to invest the funds solely for returns from capital appreciation, investment income or both, and measures and evaluates the performance of its investments on a fair value basis.

## 5. Redeemable Units

Units of the Funds are listed on the TSX and investors may buy and sell units on the TSX, or any other exchange on which such units are traded, through registered brokers and authorized dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying and selling units.

Units of the Funds are redeemable at the option of the unitholder in accordance with the provisions of the Declaration of Trust. Units are being issued and sold on a continuous basis and there is no maximum number of units that may be issued.

## Notes to the Financial Statements

On any trading day, unitholders may also redeem units of a Fund through TDAM for cash at a redemption price per unit equal to the lower of: (i) 95% of the closing price for the units on the TSX on the effective day of the redemption; and (ii) the NAV per class unit of the Fund on such trading day. In order for a cash redemption to be effective on a trading day, a cash redemption request in the form prescribed by TDAM from time to time must be received by the applicable Fund at its registered office at or before the applicable cut-off time or at such other time as TDAM may determine from time to time. If a cash redemption request is not received by the delivery deadline in respect of a particular trading day, the cash redemption request will be effective only on the next trading day. Payment of the redemption price will be made by no later than the second trading day after the effective day of the redemption, or such shorter period as may be required by Canadian securities regulatory authorities or at the discretion of TDAM.

TDAM reserves the right to cause the Funds to redeem the units held by a unitholder at a price equal to the NAV per class unit on the effective date of such redemption if TDAM believes it is in the best interest of the Funds to do so.

On any trading day, unitholders may exchange the prescribed number of units (or an integral multiple thereof) for baskets of securities and cash, or with respect to TD International Equity Index ETF, TD Global Healthcare Leaders Index ETF, TD Global Technology Leaders Index ETF, TD Global Carbon Credit Index ETF, TD Q International Low Volatility ETF, TD Active Global Enhanced Dividend ETF, TD Active Global Equity Growth ETF, TD Active Global Infrastructure Equity ETF, TD Global Technology Innovators Index ETF, TD Morningstar ESG International Equity Index ETF, TD Active Global Income ETF, TD Q Global Dividend ETF, TD Q Global Multifactor ETF and TD Active Global Real Estate Equity ETF, cash only.

The closing price or mid price of a Fund's redeemable units listed on the TSX as at December 31, 2023, where applicable, is disclosed in the Fund-Specific Notes.

### 6. Related Party Transactions

#### Capital

TDAM, affiliates of TDAM, and/or other investment funds managed by TDAM may invest in units of the Funds from time to time. The investment made by related parties is disclosed in the Fund-Specific Notes if significant.

#### Custodian

The Toronto-Dominion Bank is the sub-custodian of the Funds which holds a portion of cash of the Funds. The Toronto-Dominion Bank may earn fees and spreads in connections with banking (including deposit taking) services provided to the Funds.

#### Management Fees

In consideration for the services provided by the manager to the Funds, each class of the Funds pay TDAM an annual management fee based on its average daily NAV. The management fee is calculated and accrued daily and paid monthly to TDAM.

Where the Funds invest in Underlying Funds, there are fees and expenses payable by the Underlying Funds in addition to those paid by the Funds. However, no management fees are payable by Funds that invest in Underlying Funds that, to a reasonable person, would duplicate a fee payable by the Underlying Funds for the same services.

Detailed information on the management fees of the Funds is provided in the Fund-Specific Notes.

#### Operating Expenses

##### Fund's Independent Review Committee ("IRC")

TDAM is responsible for management of the Funds' investment portfolios. TDAM has established an IRC in respect of the Funds and the Underlying Funds managed by TDAM. The IRC acts as an impartial and independent committee to review and provide recommendations or, if appropriate, approvals respecting any conflict of interest matters referred to it by TDAM. The IRC prepares, at least annually, a report of its activities for unitholders of the Funds.

Investments in securities of The Toronto-Dominion Bank, interests in Underlying Funds managed by TDAM, or investments in any affiliates that were held by the Funds as at the end of the reporting period, where significant, are disclosed in the Schedule of Investment Portfolio and/or the Fund-Specific Notes. The Funds' cash held with The Toronto-Dominion Bank, which acts as a sub-custodian for the Funds at the end of the reporting period, where significant, is also disclosed in the Fund-Specific Notes.

The compensation and relevant expenses of IRC members are allocated among the investment funds managed by TDAM and disclosed in the Statements of Comprehensive Income as Independent Review Committee Fees.

TDAM pays all of the operating expenses (including services provided by TDAM or affiliates of TDAM), other than costs and expenses associated with: the IRC; compliance with any new governmental or regulatory requirements; extraordinary expenses; withholding taxes and all other applicable taxes for such costs, fees and expenses.

TDAM is responsible for all other costs and expenses of the Funds, including the fees payable to the custodian, valuation agent, registrar and transfer agent and fees payable to other service providers retained by TDAM. TDAM is also responsible for all applicable taxes for such costs and expenses.

#### Taxes on Expenses

The Funds also pay applicable goods and services tax and harmonized sales tax at a blended rate to TDAM, on management fees and certain operating expenses based on the province or territory of residence of the investors in each class of the Funds, which are included with the respective expense in the Statements of Comprehensive Income.

## Notes to the Financial Statements

### Waived Expenses

TDAM, at its discretion, may waive or absorb a portion of the expenses otherwise payable by the Funds. These waivers or absorptions may be terminated at any time without notice to unitholders. The amount of expenses waived or absorbed is disclosed in the Statements of Comprehensive Income as Waived Expenses, where applicable.

The Accrued Liabilities in the Statements of Financial Position represents the amount of management fees and operating expenses (including applicable taxes) payable to TDAM by the Funds as at the reporting period end.

### Brokerage Commissions and Soft Dollars

Brokerage commissions (including other transaction costs) paid on securities transactions and amounts paid to related parties of The Toronto-Dominion Bank for brokerage services provided to the Funds for the reporting periods ended December 31, 2023 and 2022, where applicable, are disclosed in the Fund-Specific Notes.

Client brokerage commissions are used as payment for order execution services and/or research services. The portfolio advisers or TDAM may select brokers including its affiliates, who charge a commission in excess of that charged by other brokers ("soft dollars") if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized.

For debt instruments traded in the over-the-counter markets where client brokerage commissions are not charged, soft dollars or client brokerage commissions are not generated. For equities or other securities where client brokerage commissions are charged, the soft dollar portion of the amount paid or payable for goods and services other than order execution for the Funds is not generally ascertainable. Any ascertainable soft dollar value received under the soft dollar arrangement entered into by the portfolio advisers or TDAM, where applicable, is disclosed in the Fund-Specific Notes.

### 7. Taxation

The Funds qualify or intend to qualify as mutual fund trusts under the *Income Tax Act* (Canada) ("Tax Act"), unless otherwise disclosed in the Fund-Specific Notes. All or substantially all of the net investment income and sufficient amounts of net capital gains realized in any taxation year are distributed to unitholders such that no income tax is payable by the Funds, except that in certain circumstances, a Fund that is not a mutual fund trust may become liable to pay alternative minimum tax under the Tax Act. As a result of the distributions, the Funds have determined that they are in substance not taxable under Part I of the Tax Act and therefore do not record income taxes in the Statements of Comprehensive Income nor do they recognize any deferred tax assets or liabilities in the Statements of Financial Position. The Funds' capital and/or non-capital losses carry forward, where applicable, are provided in the Fund-Specific Notes. Capital losses have no expiry. Non-Capital losses can be carried forward for up to twenty years.

In determining the amount of distributions payable to unitholders at the end of the year, net realized capital gains may be allocated to redeeming unitholders. This is disclosed in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units in the annual financial statements as net realized gains on investments with an offsetting notional reinvestment of the distribution.

Notional distributions are reinvested in additional units and these units will be immediately consolidated such that the number of outstanding units following the distribution will equal the number of outstanding units prior to the distribution. Such distributions increase the adjusted cost base of the unitholder.

The Funds may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are reported as Tax Reclaims (Withholding Taxes) in the Statements of Comprehensive Income.

## 8. Financial Risk Management

### Financial Risk Factors

Each Fund is exposed to a variety of financial risks: these may include market risk (including interest rate risk, currency risk and other price risk), credit risk, liquidity risk, concentration risk and leverage risk. All investments present a risk of loss of capital.

The war between Ukraine and the Russian Federation has resulted in significant volatility and uncertainty in global financial markets. The market disruption can adversely affect the investment values and the relevant financial instrument risks associated with each of the Funds.

The TD Index ETFs seek to track, to the extent possible and before the deduction of fees and expenses, the performance of an index. For TD Non-Index ETFs and TD Portfolio Solutions ETFs, TDAM seeks to reduce financial risks by employing and overseeing professional and experienced portfolio advisers that regularly monitor these funds' positions and market events and diversify investment portfolios within the constraints of each Fund's investment objectives, investment strategies and applicable TDAM policies and procedures (collectively referred to as "Investment Restrictions").

#### (a) Market Risk

##### (i) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect the future cash flows or the fair values of interest-bearing investments.

A Fund's exposure to interest rate risk is concentrated in its investments in debt instruments (such as bonds and debentures) and interest rate derivative instruments, if any. Short-term investments, currencies and other assets and liabilities are short-term in nature and/or non-interest bearing and not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

If a Fund invests in Underlying Funds, it is exposed to indirect interest rate risk to the extent of the interest-bearing financial instruments held by the Underlying Funds. A Fund's direct exposure to interest rate risk, where significant, is disclosed in the Fund-Specific Notes.

## Notes to the Financial Statements

### (ii) Currency Risk

A Fund may hold financial instruments denominated in currencies other than its functional currency. It is therefore exposed to currency risk, as the value of the financial instruments denominated in other currencies will fluctuate due to changes in the foreign exchange rates of those currencies in relation to the Fund's functional currency.

Where a Fund invests in any Underlying Funds, it is exposed to indirect currency risk in the event that the Underlying Funds invest in financial instruments that are denominated in a currency other than the Underlying Funds' functional currency.

A Fund and/or its Underlying Funds may enter into foreign exchange forward contracts for hedging purposes to reduce its foreign currency exposure or to establish exposure to foreign currencies.

A Fund's direct exposure to currency risk (including monetary and non-monetary instruments), where significant, is disclosed in the Fund-Specific Notes. Where a Fund invests in a single Underlying Fund, the direct and indirect exposure to currency risk (including monetary and non-monetary instruments), where significant, is disclosed in the Fund-Specific Notes.

### (iii) Other Price Risk

Other price risk is the risk that securities will fluctuate in value because of changes in market prices (other than those arising from interest rate risk or currency risk). TDAM seeks to reduce this risk for the TD Non-Index ETFs and TD Portfolio Solutions ETFs through its Investment Restrictions.

In determining each Fund's sensitivity impact from exposure to other price risk, a historical beta may be used when applicable. Historical beta, a measure of the sensitivity of a fund's returns to market returns, is generally derived from comparing 36 months of returns between a fund and its benchmark. As such, beta inherently includes effects previously reflected in the interest rate risk and currency risk disclosures. Historical beta may not be representative of future beta.

Where a Fund invests in a single Underlying Fund, it is exposed to indirect other price risk arising from the Underlying Fund's investments. As a result, other price risk, reflecting this indirect exposure, is provided in the Fund-Specific Notes.

Where a Fund invests in several Underlying Funds, its exposure to other price risk includes all investments in Underlying Funds. A Fund's direct exposure to other price risk, where applicable, is disclosed in the Fund-Specific Notes.

Except for written options, the maximum risk resulting from financial instruments is the fair value of the financial instruments as presented in the Statements of Financial Position. Possible losses from written options can be unlimited.

### (b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Where applicable, a Fund's main credit risk concentration is in debt instruments and derivative instruments it holds.

A Fund's exposure to credit risk is the risk that an issuer of debt instruments or a counterparty to derivative instruments will be unable to pay amounts in full when due. All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default with a broker is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

A Fund may be exposed to credit risk from the use of counterparties for foreign exchange forward contracts. Where applicable, this risk is minimized by:

- (i) using counterparties with a minimum credit rating of A by S&P Global Ratings ("S&PGR") or an equivalent rating from another recognized credit rating agency;
- (ii) limiting the term of the foreign exchange forward contracts to a maximum of 365 days; and,
- (iii) limiting the mark-to-market exposure to any one counterparty to 10 percent of the portfolio value.

A Fund may also be exposed indirectly to credit risk if it invests in Underlying Funds in the event that the Underlying Funds invest in debt instruments or derivatives.

The Funds and their Underlying Funds managed by TDAM only buy and hold short-term notes with a minimum of R-1 Low credit rating by DBRS Limited or an equivalent rating from another recognized credit rating agency.

A Fund's direct exposure to short-term notes, debt instruments and/or derivative instruments, by ratings categories, where applicable, is disclosed in the Fund-Specific Notes.

The Funds and the Underlying Funds held by the Funds may also engage in securities lending transactions. For these funds that are managed by TDAM, the securities lending transactions are with counterparties that have a minimum credit rating of A by S&PGR or an equivalent rating from another credit agency. The value of securities held as collateral by these funds in connection with these transactions is at least 102 percent of the fair value of the securities loaned. The collateral and loaned securities are marked to market on each business day. Information about the fair values of securities lent and collateral held and securities lending income received, where applicable, is disclosed in the Fund-Specific Notes.

### (c) Liquidity Risk

Liquidity risk is defined as the risk that a fund may not be able to settle or meet its obligations on time or at a reasonable price. A fund's exposure to this risk is concentrated in the daily cash redemptions of redeemable units. The Funds primarily invest in securities that are traded in active markets and can be readily disposed of. Where units are exchanged for baskets of securities rather than cash, the Funds are not exposed to any significant liquidity risk. In addition, the Funds retain sufficient cash and cash equivalents to maintain liquidity, and have the ability to borrow up to 5 percent of their respective NAV for the purpose of funding redemptions.

All non-derivative financial liabilities, other than redeemable units outstanding, are due in less than 3 months.



## Notes to the Financial Statements

On August 27, 2020, the IASB issued Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39 and IFRS 7. The amendments are effective for the Funds' current fiscal year and provide, among other things, practical expedients for instruments accounted for at amortized cost or in hedge accounting relationships. There was no accounting impact from adoption of these amendments. In March 2021, ICE Benchmark Administration (the administrator of LIBOR) in conjunction with the UK's Financial Conduct Authority announced the cessation of LIBOR settings across various tenors and currencies (all GBP, EUR, CHF and JPY LIBOR settings and the one-week and two-month USD LIBOR settings) by December 31, 2021. All remaining USD LIBOR settings (overnight, one-, three-, six-, and twelve-month) ceased to be published after June 30, 2023. On May 16, 2022, Refinitiv Benchmark Services (UK) Limited, the administrator of the Canadian Dollar Offered Rate (CDOR), announced that it would cease the calculation and publication of all tenors of CDOR immediately following a final publication on June 28, 2024. TDAM does not expect any significant liquidity or valuation impact on the Funds from the LIBOR and CDOR transition.

### (d) Concentration Risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, security type or industry sector. A Fund's concentration risk is disclosed in the Fund-Specific Notes.

Where the TD Index ETFs seek to replicate the performance of one or more indices, they may have more of their Net Assets invested in one or more issuers than is usually permitted for mutual funds. In addition, certain markets to which an index has exposure may be more concentrated in a particular sector or industry. Consequently, a TD Index ETF's portfolio may be less diversified when compared to a less concentrated investment portfolio. Also, the NAV of these funds may be more volatile than that of a more broadly-diversified portfolio and may fluctuate substantially over short periods of time.

### (e) Leverage Risk

Leverage risk is the risk that an adverse change in the value or level of the underlying asset, rate or index to which the fund has leveraged exposure, may amplify losses compared to those that would have been incurred if the fund had not used any leverage and could result in losses that are greater than the amount invested.

TD Global Carbon Credit Index ETF is an alternative mutual fund, in accordance with National Instrument 81-102, "Investment Funds", and is permitted to leverage its assets as part of its investment strategy through the use of cash borrowing, physical short sales and/or specified derivatives, at amounts that may exceed the NAV of the fund. This fund currently does not intend to use these mechanisms as part of its investment strategies, as such, it is not subject to significant leverage risk.

## 9. Capital Risk Management

Units issued and outstanding represent the capital of the Funds. The Funds do not have any specific capital requirements on the subscription and redemption of units, other than certain subscription requirements. Changes in the Funds' capital during the reporting periods are reflected in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units. TDAM is responsible for managing the capital of the Funds in accordance with each Fund's investment objectives and for managing liquidity in order to meet redemption requests.

## 10. Comparative Financial Information

Where applicable, certain comparative figures in the financial statements have been updated in order to conform to the presentation of current period financial statements.

If applicable, the most recent financial statements of the Underlying Funds managed by TDAM are available, without charge, by visiting our website at [www.td.com/ca/en/asset-management](http://www.td.com/ca/en/asset-management), or the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca), or by writing to TD Asset Management Inc., P.O. Box 100, 66 Wellington Street West, TD Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1G8.

### Currency codes used throughout the report:

Currency Code	Description	Currency Code	Description	Currency Code	Description
AED	UAE Dirham	HKD	Hong Kong Dollar	PHP	Philippine Peso
ARS	Argentine Peso	HUF	Hungarian Forint	PKR	Pakistan Rupee
AUD	Australian Dollar	IDR	Indonesian Rupiah	PLN	Polish Zloty
BRL	Brazilian Real	ILS	Israeli Shekel	QAR	Qatari Riyal
CAD/C\$	Canadian Dollar	INR	Indian Rupee	RON	Romanian Leu
CHF	Swiss Franc	JOD	Jordanian Dinar	RUB	Russian Ruble
CLP	Chilean Peso	JPY	Japanese Yen	SAR	Saudi Riyal
CNY/CNH	Chinese Renminbi	KRW	South Korean Won	SEK	Swedish Krona
COP	Colombian Peso	LKR	Sri Lankan Rupee	SGD	Singapore Dollar
CZK	Czech Koruna	MAD	Moroccan Dirham	THB	Thai Baht
DKK	Danish Krone	MXN	Mexican Peso	TRY	Turkish Lira
EGP	Egyptian Pound	MYR	Malaysian Ringgit	TWD	New Taiwan Dollar
EUR	Euro	NOK	Norwegian Krone	USD/US\$	United States Dollar
GBP	British Pound	NZD	New Zealand Dollar	ZAR	South African Rand

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