



Timely Premiums

September 2024



**TGED
TUED**



Manager Commentary

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September marks roadshow season in our industry. Over the course of the summer, our Portfolio Advisors ("we", "our") met to brainstorm ideas for investment presentations hosted by TDAM across the country. We are always looking for sources of inspiration and themes to present, ensuring that they are both original and impactful for our audience. In this issue, we will be giving you a behind-the-scenes look at topics recently discussed.

Last year, much of our discussions centered on the rise of large language models and the impact of artificial intelligence ("AI") on the economy and the world. Additionally, a key topic in 2023 was the equity market rally, with many attributing this rally solely to the so-called "Magnificent Seven" stocks: Alphabet Inc., Amazon.com, Inc., Apple Inc., Meta Platforms, Inc., Microsoft Corporation, NVIDIA Corporation, and Tesla, Inc. However, as we presented across the country, we saw it as a platform to share our view that the rally was driven by multiple factors—particularly a global industrial supercycle—and that the market was healthier than it was being given credit for.

Our first area of interest this year has been the top 10 holdings within our funds, including the TD Active Global Enhanced Dividend ETF ("TGED") and TD Active U.S. Enhanced Dividend ETF ("TUED"). Many of our strategies include high-performing stocks, and some investors are concerned that simply due to their price appreciation, these stocks may have peaked and could pull back, impacting our funds' absolute performance. However, we don't focus heavily on our top 10 holdings. They are simply the outcome of our investment process and our active-weighting (i.e., the holding's weight relative to its benchmark weight) methodology and are subject to change over time, due to our tactical capital allocation.

Readers of Timely Premiums are aware that we dedicate significant time to studying secular trends like electrification and decarbonization. We believe that the market rewards growth and it is much easier to find investment ideas in sectors of the economy that are experiencing structural expansion.

Our second theme of interest is travel. Our presentations highlight ways an investor can participate in this theme: investing in airlines, airframe manufacturers or their suppliers. The travel industry also includes online travel agencies, hotels, cruises and even suitcase manufacturers. However, while secular themes may be enduring, the companies we invest in can change due to factors like competitive dynamics, product cycles and management capabilities.

While it may appear simple to screen for stock ideas within a secular growth area, we demonstrate that a strong platform and a team of talented analysts are crucial for managing these themes at scale and delivering consistent compounded returns. Our focus during our roadshow presentations this year was to highlight the portfolio management process and how it has driven solid year-to-date returns for TGED and TUED.

Standard Performance and Morningstar® Ranking – TD Active Global Enhanced Dividend ETF ("TGED") and TD Active U.S. Enhanced Dividend ETF ("TUED")

Performance	1 Month	3 Months	6 Months	1 Year	3 Year	5 Year	Since Inception	Inception Date
TD Active Global Enhanced Dividend ETF	1.43%	3.88%	10.66%	41.73%	14.13%	15.54%	14.76%	05/03/2019
Quartile Rank ¹	3	3	1	1	1	1	1	-
TD Active U.S. Enhanced Dividend ETF	1.85%	3.92%	13.32%	45.69%	16.23%	-	19.01%	05/26/2020
Quartile Rank ¹	3	3	1	1	1	-	1	-

Source: TD Asset Management Inc., as of September 30, 2024. Returns for periods greater than one year are annualized.

¹TD Active Global Enhanced Dividend ETF and TD Active U.S. Enhanced Dividend ETF are under the Global Equity Category. The Global Equity Category contains 1,839 ETFs. Each series of a fund is counted separately. Quartile data taken from Morningstar® for each of the trailing periods as of the end of September 30, 2024.

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Quartile rankings are intended to measure how well a fund has performed compared to other funds in its peer group. Quartile rankings are compiled by ranking all of the funds in a category by return over a given time period. The top performing 25% of funds in the category are assigned a quartile ranking of 1, the next 25% a 2, the next 25% a 3, and the bottom 25% of funds a 4. Quartile rankings can change over time.

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