



Product Overview

TD Q U.S. Small-Mid Cap Equity ETF

CAD – **TQSM** | USD – **TQSM.U**

At a glance

Potential for Long Term Growth:

The ETF provides access to the long-term growth potential in equity securities of small and medium sized U.S. companies

Quantitative and actively managed:

TD Asset Management Inc. (TDAM) utilizes the expertise of its TD Quantitative Research (TD Q) Team to seek to take advantage of market inefficiencies to add value while reducing risk

Diversification: Access broad diversification across sectors, with the benefit of monthly rebalancing

Investment Objectives

TD Q U.S. Small-Mid Cap Equity ETF (TQSM | TQSM.U) seeks to achieve long-term capital growth by utilizing a quantitative investment approach to security selection to invest primarily in, or gain exposure to, equity securities of small or medium-sized issuers located in the United States.

Why Invest:

- An actively-managed U.S. small- and mid-cap solution that can take advantage of changing macroeconomic trends seeking to exploit market inefficiencies
- The ETF utilizes a quantitative approach to seek to add value and enhance long-term performance by incorporating quantitative research and experience in stock selection

Aims to deliver value by providing access to both U.S. small-cap and mid-cap opportunities, supported by the expertise of the TDAM Quantitative research team

The TD Q Advantage

Portfolio Optimization

The ability to rebalance asset allocations based on market opportunities

Low Fees

A diversified portfolio at a Management Fee of 0.40%

Proprietary Alpha Models

Dynamic multi-factor models that seek to outperform the benchmark

Key Features

The ETF offers investors:



Deep Technical Skills

TDAM leverages the research of the TD Quantitative Team to combine the quantitative investment research with the expertise of a broad portfolio management team



Active Professional Management

The ETF's active management allows the portfolio management team to rapidly respond to market events and seek out strategic opportunities



Experience

One of the largest managers of quantitative equity strategies in Canada¹ with over **25 years of experience**, TDAM is constantly looking at ways to add value and manage risk



Low Cost

A low-cost solution that uses a quantitative approach to investment management and security selection

Investment Strategy

The portfolio adviser seeks to achieve the fundamental investment objectives of the ETF by utilizing a quantitative equity strategy that exploits market inefficiencies related to the pricing and valuations of securities in order to add value.

The systemic alpha strategy aims to optimize exposure to a portfolio of companies that seek to outperform the overall market while factoring in implementation costs and seeking to avoid uncompensated risks. This strategy will generally result in a portfolio of investments in a large number of securities, broadly diversified across all sectors. The portfolio will be rebalanced on a monthly basis.

The benchmark for the ETF is a 50/50 split between the S&P Mid Cap 400 Index and the 50% S&P Small Cap 600 Index. The S&P 400 provides investors with a benchmark for mid-sized companies, which is distinct from the large-cap S&P 500 and designed to measure the performance of 400 mid-sized companies, reflecting the distinctive risk and return characteristics of this market.

The S&P 600 provides investors with a benchmark to small-sized companies designed to measure the performance of 600 small-sized companies of the U.S., reflecting this market segment's unique risk and return characteristics.

¹ Source: Assets under management across all mandates managed by TDAM. As of September 30, 2024

Fast Facts

TD Q U.S. Small-Mid Cap Equity ETF

Tickers	CAD: TQSM USD: TQSM.U
Benchmark	50% S&P Mid Cap 400 Index 50% S&P Small Cap 600 Index
CIFSC Category	U.S. Small/Mid Cap Equity
Suitability	Designed for investors who are investing for the long-term and are seeking enhanced growth potential.
Portfolio Manager	Julien Palardy, Laurie-Anne Davison, Jacqueline Kwok, Alexander Sandercock
Management Fees	0.40%
Currency	CAD (TQSM) USD (TQSM.U)
Hedged to CAD	No
Risk Rating	CAD Units - Medium USD Units - Medium to High
Management Style	Active, Quantitative
Distributions	Quarterly

Invest

Portfolio Managers



Julien Palardy, CFA

Managing Director, Head of Quantitative and Passive Investing, TDAM

- Julien is the Head of Quantitative and Passive Investing. He oversees the team responsible for the modelling, research and management of various Quantitative strategies, including Low Volatility Equities and Disciplined Alpha Equities, in addition to the teams responsible for the management of Passive Equities and Passive Fixed Income
- He previously headed the Quantitative Equity Team and, before that, was Lead Portfolio Manager for the firm's Systematic Alpha, Low Volatility and Low Volatility Plus funds
- He previously co-managed the firm's Institutional Asset Allocation mandates, designed asset allocation models, and built quantitative strategies for long-only and market neutral equity funds, as well as Canadian and global bond funds
- Julien holds a B.Sc. and an M.Sc. in Applied Financial Economics, both from HEC Montréal



Laurie-Anne Davison, CFA, CAIA

Managing Director, Lead of Passive Investing, TDAM

- Laurie-Anne leads the integrated passive business and is the lead portfolio manager for all passive equity mandates. She previously co-managed Quantitative Equity portfolios and was the lead portfolio manager of the U.S. and Canadian mandates
- She continues to help manage the various quantitative ETF mandates. Laurie-Anne previously provided risk oversight for Fund of Funds solutions. She gained experience in various research roles covering a variety of asset classes
- Laurie-Anne holds a B.A. in Administrative and Commercial Studies, Finance and Economics from Western University and an M. Fin. from the Rotman School of Management at the University of Toronto

Portfolio Managers



Jacqueline Kwok, CFA Vice President, Passive Equity, TDAM

- Jacqueline is a Portfolio Manager on the Quantitative Investment team managing Equity Index Funds and Exchange Traded Funds
- She is responsible for the portfolio management of U.S., Canadian and Global equity indexed funds for retail and institutional clients
- Prior to joining the investment team, she was a Client Portfolio Manager, responsible for developing and marketing Quantitative investment strategies to clients. She has previously worked on the firm's Portfolio Overlay team and as an Associate Investment Advisor with TD Wealth Private Advice
- Jacqueline holds a B.A. with Honours in Economics and International Studies from the University of Toronto



Alexander Sandercock, CFA Vice President & Director, Passive Equity, TDAM

- Alex is a Portfolio Manager on the Quantitative Investment team supporting Equity Exchange Traded Funds
- He also co-leads the Passive Equity Institutional Funds, Retail Funds and ETFs
- He previously served as an IT Analyst supporting the firm's Trading and Portfolio Management teams. He gained experience as a Business Systems Analyst at TD Securities
- Alex holds a B. Math. from the University of Waterloo and a B.B.A. from Wilfrid Laurier University

TQSM and TQSM.U can be purchased through your [TD Direct Investing >](#) or [TD Wealth advisor >](#) account.

If you are not a client of TD or already work with an investment professional, feel free to ask them about our ETF lineup.



For more information, visit td.com/etfs
or contact your investment professional

Connect with TD Asset Management



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