



TD Global Technology Leaders Index ETF

As of July 31, 2021



Analyst Commentary

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July was marked by indecision and indirection. No group of market participants could persuade the others that their worldview was correct. Reopening bulls kept their conviction despite a rapidly rising wave of Delta COVID-19 infections and proponents of the cyclical bull thesis maintained their composure despite some decelerating economic data. Meanwhile structural technology bulls like us simply pointed to the consistent ability of technology to innovate, disrupt, and grow no matter what the external conditions.

The end result was a month of similar performance between most segments of the market. TEC ended July up 3.55%, 18 basis points ("bps") ahead of the Nasdaq-100 Index ("NDX") and 62 bps ahead of the S&P 500 Index. TEC outperformed the NDX despite its underweight to Healthcare which had a strong month. The absence of Healthcare in TEC cost the ETF 39 bps with Moderna, Inc. alone being a 7 bps detractor.

Despite this, TEC still outperformed by simply maintaining a portfolio of high-quality stocks. Dutch semiconductor equipment monopolist ASML (not in the NDX) provided 12 bps of outperformance while overweights in Visa Inc., Mastercard Inc. and the European payments disruptor Adyen N.V. all contributed strongly. TEC's international construction was a strength in the month as the entire outperformance came from regions outside the U.S.

TEC continues to demonstrate strength in many investible horizons:

- Over the last 12 months, TEC outperformed both the NDX and the S&P 500 Index in 5 out of 12 months. (The S&P 500 Index outperformed both TEC and the NDX in 5 out of 12 months, and NDX outperformed TEC and the S&P 500 Index in just 2 out of 12 months.)
- As of July 31, 2021, TEC has outperformed NDX and S&P 500 Index on a 12-month basis. We should pause and reflect on how remarkable this is given that the majority of that time frame was a period of strong performance and recovery for the post-COVID-19/vaccine trade. Nonetheless, owning TEC translated into an annual return of 29.98%, 148 bps better than NDX returns and 311 bps better than the S&P 500 Index returns.

Performance	1 Month	3 Months	6 Months	1 Year	2 Year	Since Inception	Inception Date
TD Global Technology Leaders Index ETF	3.7%	9.2%	14.3%	29.8%	35.9%	32.6%	05/09/2019

Source: TD Asset Management, as of July 31, 2021. Returns for periods greater than one year are annualized.

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