



Pioneering a New Frontier

By focusing on income **and** total return

TD Active Global Enhanced Dividend ETF (TGED):

- Seeks **Global compounders** and secular winners
- Aims to **enhance income** with proprietary options strategies
- Enhancing income without sacrificing **total return**.



TGED: 3-years of performance

TGED takes an active approach from top to bottom, beginning with stock selection based on high quality businesses and then seeking additional return by using fundamental call and put options strategies. TGED has been able to deliver on its mandate, outperforming its benchmark over the past three years and since inception (**Chart 1**). Additionally, as shown in **Chart 2**, TGED has been able to provide a strong risk-adjusted return since inception compared to its peers by achieving a higher return with a similar standard deviation (volatility/risk).

Chart 1: TGED vs. benchmark

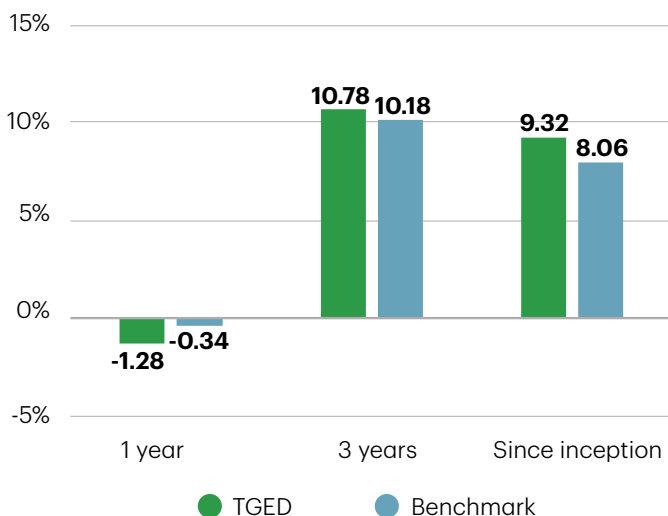
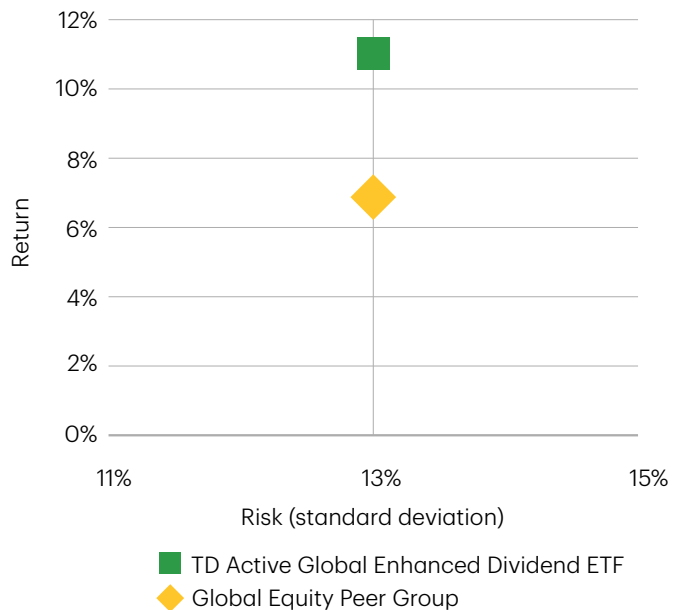


Chart 2: TGED vs. peers



¹Morningstar® CIFSC Fund Category – Global Equity. Current number of funds in category: 2030. Rating as of May 31, 2022. Source for Chart 1 and Chart 2: TD Asset Management Inc., as of May 31, 2022. Since Inception Date: May 3, 2019.

The Idea: Income or Growth? Choose Both.

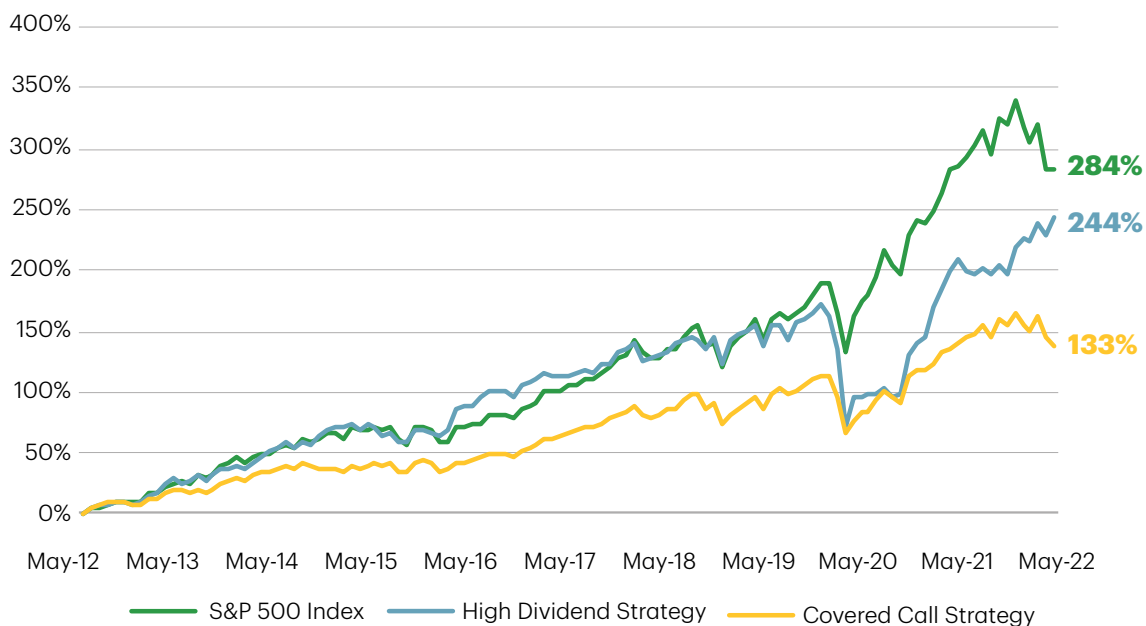
When initially designing TGED, the portfolio management team at TD Asset Management Inc. (TDAM) noticed a lack of income-generating investment solutions in the marketplace with a specific focus on both income and total return (growth). Instead, the focus seemed to be mostly on income at the expense of total return.

The enhanced dividend strategy employed by TGED seeks to achieve both income and total return by investing in quality companies and using options, like selling calls (writing covered calls) and puts. This active approach allows for the potential of additional returns when compared to a passive approach that seeks to replicate an index.

There are two very common ways to generate income in a portfolio: 1) writing covered calls, and 2) investing in high-yielding dividend companies. However, the long-term results might be surprising.

Below is an example of a systematic covered call strategy versus a high dividend yield strategy and returns from the S&P 500 Index. As shown, there is a dramatic difference in overall total returns between the strategies over the timeframe indicated, with the S&P 500 Index providing a better total return experience compared to the strategies that solely focused on income or high yield. One conclusion we can make from this example is that when you put too much focus on income, you may sacrifice total return over the long term.

**Chart 3: Does too much focus on income hurt total return in the long run?
10 Years (May 2012 – May 2022)**



Source: TDAM. Bloomberg Finance L.P., as of May 31, 2022

Portfolio

Note: The proxy of the Systematic Covered Call strategy is CBOE S&P 500 2% OTM BuyWrite Total Return Index. Note: The proxy of the High Dividend Strategy is the S&P 500 High Dividend Index.

A differentiator: Active, three ways.

Based on the results from **Chart 3**, TDAM decided to take a flexible approach and tactically implement the strategy to help achieve the overall goal of enhancing total returns while providing income. With the enhanced dividend strategy, you get active management in three ways, which TDAM believes is necessary to accomplish this goal.



Actively managing a diversified portfolio of quality companies



Actively writing covered calls based on fundamental drivers with a focus on income enhancement while allowing for growth

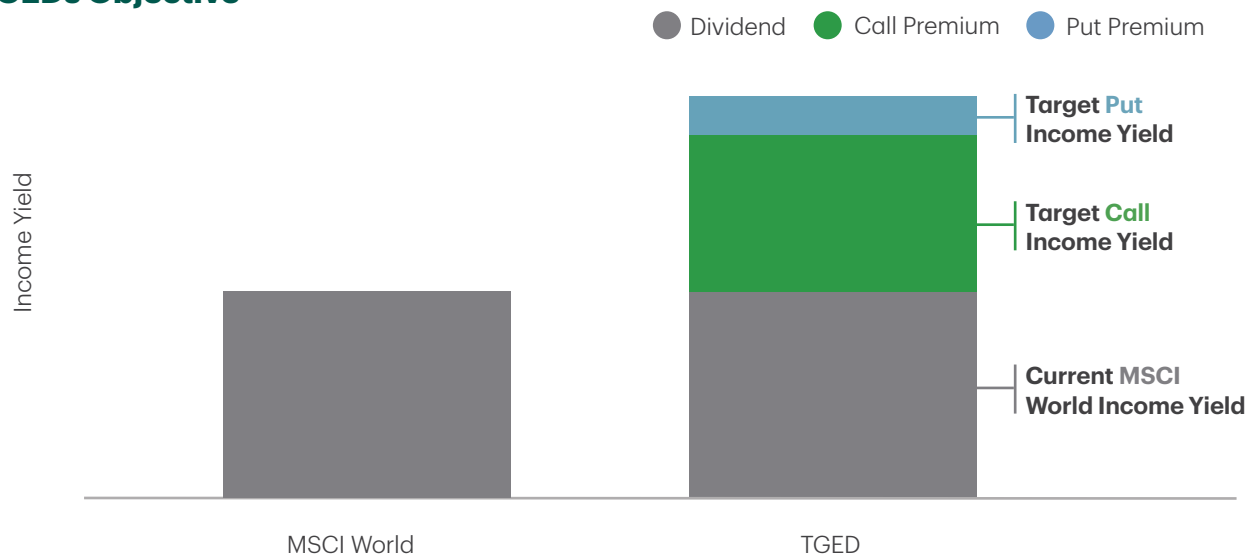


Actively writing put options to help enhance income

What is an enhanced dividend?

By using options in the strategy, TGED has the ability to seek extra income on top of the dividends. The portfolio manager has the ability to write calls, and puts to help achieve this goal. As you can see below, the ETF seeks to increase the income yield above what the current MSCI World current income yield is.

TGEDs Objective



Where does TGED fit when compared to other global TD Funds. In the table below we'll compare TGED along side two TD mutual funds.



Fund Name	TD Global Tactical Monthly Income Fund	TD Active Global Enhanced Dividend ETF (TGED TGED.U)	TD Global Equity Focused Fund
Value Proposition	Earn income and achieve capital appreciation by investing in a combination of income producing securities (equity and fixed income)	Global equity-income solution with a total return focus Active fundamental investment strategy combined with a discretionary options overlay strategy	Core global growth mandate with access to best global equity ideas. High conviction security selection of the most compelling growth opportunities across the world with high PM investment flexibility
Focus	Income With Potential For Capital Growth	Income Without Sacrificing Total Returns	Growth
Income Potential	\$\$+	\$\$\$+	\$
Options Strategy	Enhancement Tool (Mainly Puts)	Core (Both Calls & Puts)	Enhancement Tool (Mainly Puts)
Risk Rating	Low-Medium	Medium	Medium
Investment Team & Philosophy	<p>All three funds are managed by the Experienced Fundamental Equity team , including Benjamin Gossack, CFA, Vice President & Director, TDAM and Damian Fernandes, CFA, Managing Director, TDAM:</p> <p>Invest in quality compounders which are companies that 1) can generate and grow free cash flow and 2) are leaders in secular growth industries</p>		

TGED

TGED: Additional Resources

Interested in learning more about TGED? Refer to the additional resources below. As a reminder, there is also a U.S. version, **TD Active U.S. Enhanced Dividend ETF (TUED)**, which was launched in June 2020.



Videocast: Income or growth? Choose both with TGED & TUED.

In-depth conversation with Benjamin Gossack, CFA, Vice President & Director, TDAM.



Featured ETFs: Enhanced Dividend Strategy

A website dedicated to our most unique strategies.

For more information **please visit www.td.com/ETFs**



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