TD Q Canadian Dividend ETF
as of September 30, 2024

2024 Q3

Why Invest?

This ETF seeks to offer investors:

1. Quantitative, multifactor approach that screens for companies that provide strong current dividend income, and the potential for dividend growth
2. Competitive dividend yield without sacrificing total returns
3. Long-term growth potential while minimizing volatility

Investment Objective

The **TD Q Canadian Dividend ETF ("TQCD")** is focused on earning income and moderate capital growth by using a quantitative investment approach to invest primarily in dividend-paying equity securities and other income-producing instruments of companies listed in Canada.

ETF Details

Ticker	TQCD
Exchange	Toronto Stock Exchange (TSX)
Currency	CAD
Portfolio Advisor	TD Asset Management Inc.
Management Team	Laurie-Anne Davison, CFA, CAIA, Alex Sandercock, CFA
Category	Canadian Dividend & Income Equity
Investment Style	Active
Benchmark	S&P TSX Composite Index (Net Dividend, C$)
Management Expense Ratio	0.39%
Eligible for Registered Plan	Yes
Distribution Frequency	Monthly
Listed Date	November 26, 2019
Risk Rating	Medium

Quarterly Commentary
as of September 30, 2024

The TD Q Canadian Dividend ETF ("TQCD", the "ETF") generated positive returns and outperformed its benchmark in the third quarter of 2024. Security selection within the Materials, Consumer Staples and Financials sectors were the largest contributors to performance. This was partially offset by an underweight allocation to the Information Technology and Materials sectors, both of which outperformed the benchmark.

Canadian equities made significant gains during the quarter, with the TSX Composite Index up approximately 10%, largely driven by a better-than-expected economic backdrop for the Canadian economy. Company earnings have continued to impress TSX Composite Index companies reporting second quarter earnings per share ("EPS") growth of 12% year-over-year ("YoY"). While the Bank of Canada's ("BoC") series of rate cuts should be stimulative and supportive of the Canadian economy, Canada will likely experience a period of slow economic growth due to still-high rates. With Canadian unemployment heading up and inflation right at the BoC's target 2% rate, inflation appears to be contained in Canada. As such, the Portfolio Advisor ("we", "our") believes the BoC will continue with rate cuts for the remainder of 2024 and into 2025. With additional rate cuts on the horizon, we may see additional funds flow into dividend-paying stocks as guaranteed investment certificate ("GIC") investors may choose to invest in higher yielding parts of the stock market rather than accept lower GIC rates. The ETF remains attractive for income-seeking investors with a tax-advantaged distribution yield of 3.5% and the potential for capital gains.

Using a quantitative approach, we aim to identify and optimize exposure to companies which demonstrate growing dividends that are supported by increasing profitability and strong cash flow generation. The ETF's positioning currently favours an overweight exposure to the Consumer Staples, Communication Services and Real Estate sectors and an underweight exposure to the Information Technology, Materials and Consumer Discretionary sectors.

For more information, please visit
www.tdassetmanagement.com