

TD Asset Management

TD Target 2028 Investment Grade Bond ETF (TBCH)

536400
(03/25)

TD Exchange-Traded Funds Annual Management Report of Fund Performance

for the period ended December 31, 2024

This Annual Management Report of Fund Performance contains financial highlights, but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, at no cost, by writing to us at TD Asset Management Inc., P.O. Box 100, 66 Wellington Street West, TD Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1G8, or by visiting our website at www.td.com/ca/en/asset-management or the SEDAR+ website at www.sedarplus.ca.



Securityholders may also contact us or visit our website to get a copy of the investment fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure at no cost.

Management Discussion of Fund Performance

Investment Objectives & Strategies

The investment objective of TD Target 2028 Investment Grade Bond ETF (the "Fund") is to seek to provide regular income and preserve capital by investing primarily in a portfolio of investment-grade Canadian corporate bonds denominated in Canadian dollars each maturing in 2028, which corresponds to the expected year of termination of the Fund. It is anticipated that the Fund will cease trading and be delisted on or about November 30, 2028, with wind-up and termination occurring shortly thereafter. In seeking to achieve this objective, the Portfolio Adviser uses its proprietary fundamental credit research and quantitative screens to seek to select bonds that provide a high level of interest income and will attempt to minimize reinvestment risk in the year of termination. In the year of termination, cash generated from maturing bonds may be held in cash and cash equivalents or additional bonds that mature in 2028. The Fund may also hold money market funds (including those managed by TD Asset Management Inc.) or other short-term debt securities.

Risk

The risks of investing in the Fund remain as outlined in the prospectus.

Results of Operations

The Fund was created under a declaration of trust dated October 25, 2024. As at December 31, 2024, the Fund has not commenced investment operations. The Fund continues to hold seed capital in the amount of \$25 in cash and has not engaged in any investment activities.

Recent Developments

The Fund commenced its operations on January 7, 2025 and units of the Fund were available for purchase on the Toronto Stock Exchange ("TSX") effective January 14, 2025 under TSX ticker symbol "TBCH".

Related Party Transactions

Manager, Trustee and Portfolio Adviser:

TDAM, a wholly-owned subsidiary of The Toronto-Dominion Bank ("TD"), is the manager, trustee, portfolio adviser and promoter of the Fund. As at December 31, 2024, TDAM held 100% of the net assets of the Fund and no expense has been charged to the Fund.

Financial Highlights

As the Fund has not commenced investment operations, as at December 31, 2024, the Fund's Total Net Asset Value was \$25, Number of Units Outstanding was one, and Net Asset Value per Unit was \$25.

Management Fees

The Fund has not commenced operations and no expense has been charged to the Fund.

Past Performance

The Fund has not commenced operations and therefore has no performance to report.

Summary of Investment Portfolio

As at December 31, 2024, the Fund held 100% of its Net Asset Value in cash. The Summary of Investment Portfolio may change due to ongoing portfolio transactions after the Fund's launch. Updates are available quarterly. You may obtain the most current quarterly information by writing to us at TD Asset Management Inc., P.O. Box 100, 66 Wellington Street West, TD Bank Tower, Toronto, Ontario, M5K 1G8, or by visiting our website at www.td.com/ca/en/asset-management.

Caution regarding forward-looking statements

Certain portions of this report, including, but not limited to, “Results of Operations” and “Recent Developments”, may contain forward-looking statements including, but not limited to, statements about the Fund, its strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” and similar forward-looking expressions or negative versions thereof.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general business environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks and uncertainties, some of which may be unforeseeable. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date.

Forward-looking statements are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and relevant market factors in North America and internationally, interest and foreign exchange rates, equity and capital markets, business competition, technological change, changes in government relations, unexpected judicial or regulatory proceedings and catastrophic events.

The above mentioned list of important factors is not exhaustive. You are encouraged to consider these and other factors carefully before making any investment decisions and you are urged to avoid placing any undue reliance on forward-looking statements. Further, there is no specific intention of updating any forward-looking statements contained herein whether as a result of new information, future events or otherwise.

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TD Exchange-Traded Funds are managed by TD Asset Management Inc., a wholly-owned subsidiary of The Toronto-Dominion Bank.

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