

TD Asset Management

TD Active Global Equity Growth ETF (TGGR)

536192
(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 Active Global Equity Growth ETF (the "Fund") is to seek to achieve long-term capital growth by investing in equity securities of issuers from anywhere in the world, primarily issuers with strong, sustainable franchises and strong capital allocation policies. In seeking to achieve this objective, the Fund invests in a diversified portfolio of equity investments across various industries in developed and emerging markets, with a focus on an issuer's ability to create shareholder value by generating and reinvesting free cash flow. Securities are selected by conducting fundamental analysis on a company's financial statements, management structure, operations, product development and considers factors affecting the industry of which the issuer is a part.

Risk

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

Results of Operations

The Fund is an exchange-traded fund listed on the Toronto Stock Exchange ("TSX"). Units of the Fund are traded under TSX ticker symbol "TGGR". The Fund returned 23.9% for the year ended December 31, 2024 (the "Reporting Period"), versus 28.1% for the Fund's product benchmark and general market index, the MSCI All Country World Index (Net Dividend, C\$). Unlike the product benchmark and general market index, the Fund's return is quoted after the deduction of fees and expenses.

Market Update

Equity markets hit the ground running in 2024, carrying over momentum from the prior year on the back of predictions for an economic "soft landing," enthusiasm over artificial intelligence ("AI") and a surprisingly resilient U.S. economy. While markets were highly influenced by monetary policy in 2023, the first quarter of 2024 saw sentiment decouple from interest rate expectations as stocks surged on continued disinflation, resilient consumer demand and little impact on the labour market from a tighter interest rate environment.

Strong earnings from the fourth quarter of 2023 further supported sentiment, leading to rising growth expectations. The rally stumbled in April when March Consumer Price Index data came in more robust than expected, but concerns were short-lived owing to a strong start to first-quarter earnings, particularly within big U.S. information technology firms with exposure to AI. Massive earnings for AI stocks fueled an excessive narrowing of markets in the back half of the second quarter, with several of the "Magnificent Seven" stocks dominating earnings contributions. Stocks continued to move upwards until mid-July, when early signs of slowing growth and weaker labour and manufacturing data started to raise concerns.

While calls for an economic soft landing remained largely intact through the summer, mixed economic data fueled a defensive rotation for much of the third quarter and contributed to a brief change in leadership from growth to value. The U.S. Federal Reserve Board ("Fed") officials began telegraphing a September interest rate cut in response, leading to a rebound in sentiment through most of August.

August private payroll data missed expectations, spooking markets briefly in early September, but was quickly drowned out by the long-awaited arrival of Fed interest rate cuts, starting with an aggressive decrease of 0.50% that boosted equities through the end of the third quarter. Sentiment swung once more in October as uncertainty permeated markets amid the impending and hotly contested U.S. presidential election. The unexpectedly quick and decisive sweep by Republicans drove equities upwards once more, with markets pricing in expectations of pro-business policy and broad deregulation. Stocks rallied for the majority of the remainder of the year, although the final two weeks did see some choppiness stemming from high valuations and a more aggressive tone from the Fed.

The strongest sectors within the product benchmark were communication services, information technology and financials. The weakest-performing sectors were materials, health care and energy. From a style perspective, growth stocks outperformed the product benchmark, while value stocks underperformed.

Key Contributors/Detractors

The Fund generated a positive return over the Reporting Period but underperformed its product benchmark.

- The Fund's mix of exposures by country detracted from performance.
- The Fund's positive exposure to companies with value characteristics detracted from performance.
- The Fund's stock selection within the information technology sector detracted from performance, particularly its underweight exposure to NVIDIA Corp. and lack of exposure to Amazon.com Inc.
- The Fund's positive exposure to highly profitable companies contributed to performance.
- The Fund's overweight exposure to Deckers Outdoor Corporation, which outperformed the product benchmark, contributed to performance.

Assets

The Fund experienced a significant increase in assets due to investor purchase activity.

Recent Developments

The Sub-Adviser's investment process continues to evolve to generate higher-conviction ideas with the addition of portfolio managers having strong quantitative and fundamental experience. The Sub-Adviser is cautiously optimistic about the market but fully aware of the greater probabilities of rare events presenting significant risks.

The Sub-Adviser believes U.S. strength is expected to continue in the months ahead with some renewed inflationary concerns. Markets may exercise caution as the incoming U.S. administration continues to take form and the effects of its policies on corporations are yet to be fully determined. Changes to taxes and tariffs and their impacts on profits and price levels will be closely monitored by the Sub-Adviser.

At the end of the Reporting Period, the Fund's largest sector overweight positions were in health care, consumer discretionary and communication services. The largest sector underweight positions were in utilities, energy and industrials.

Related Party Transactions

Affiliates of TD Asset Management Inc. ("TDAM") may earn fees and spreads in connection with various services provided to, or transactions with, the Fund, such as in connection with banking, deposit-taking, custody, brokerage and derivatives transactions, subject to approval or review by the Fund's independent review committee ("IRC") and/or compliance with applicable internal policies and procedures.

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. TDAM has appointed Epoch Investment Partners, Inc., an affiliate of TDAM, as portfolio adviser for the Fund in addition to TDAM. The Fund pays TDAM an annual management fee.

Designated Broker and Dealer:

TDAM has entered into an agreement with TD Securities Inc. ("TDS"), an affiliate of TDAM, to act as designated broker and dealer to perform certain duties for the Fund. The designated broker arrangements entered into with TDS are consistent with market terms and conditions.

Custodian:

TD is the sub-custodian of the Fund and may hold a portion of cash of the Fund.

Buying and Selling Securities:

TDAM has established the IRC to act as an impartial and independent committee to review and provide recommendations or, if appropriate, approvals respecting any conflict of interest matters referred to it by TDAM. The IRC prepares, at least annually, a report of its activities for securityholders of the Fund. The report is available on the TDAM website at www.td.com/ca/en/asset-management or at the securityholder's request at no cost by contacting TDAM (see front cover).

The Fund did not engage in any portfolio transactions requiring IRC approval during the Reporting Period.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five fiscal years, as applicable. For units of the Fund that commenced operations during any of the periods presented, the data reported for that period represents results from the commencement of operations (as disclosed in the Past Performance section) to the end of that reporting period.

Net Assets per Unit (\$)¹

	2024	2023	2022	2021	2020
Net Assets, Beginning of Year	22.92	18.33	22.11	17.62	15.00†
Increase (Decrease) from Operations:					
Total Revenue	0.40	0.36	0.31	0.27	0.13
Total Expenses (excluding distributions)	(0.26)	(0.22)	(0.18)	(0.23)	(0.10)
Realized Gains (Losses) for the Period	0.34	(0.65)	(2.05)	2.19	0.42
Unrealized Gains (Losses) for the Period	4.31	5.14	(2.97)	1.95	2.29
Total Increase (Decrease) from Operations²	4.79	4.63	(4.89)	4.18	2.74
Distributions:					
From Net Investment Income (excluding dividends)	(0.15)	(0.13)	(0.10)	(0.07)	(1.08)
From Dividends	0.00	0.00	0.00	0.00	0.00
From Capital Gains	0.00	0.00	0.00	(1.26)	0.00
Return of Capital	0.00	0.00	0.00	0.00	0.00
Total Annual Distributions³	(0.15)	(0.13)	(0.10)	(1.33)	(1.08)
Net Assets at December 31	28.24	22.92	18.33	22.11	17.62

¹ This information is derived from the Fund's audited annual financial statements prepared in accordance with International Financial Reporting Standards. The Fund measures fair values of its investments based on close market prices, where the close market price falls within the bid-ask spread or based on quotations from recognized dealers. As such, the Fund's accounting policies for measuring the fair value of investments in the financial statements are substantively consistent with those used in measuring the net asset value ("NAV") for transactions with unitholders.

² Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of the net assets per unit.

³ Distributions were paid in cash or reinvested in additional units of the Fund, or both. The Fund may make notional distributions from time to time and the units issued on reinvestments are immediately consolidated with the units held prior to the notional distribution. As a result, the total number of units held after the notional distribution is identical to the number of units held before the notional distribution. The following table shows the notional distributions for the periods presented, as applicable.

	2024	2023	2022	2021	2020
Notional Income Distribution	0.00	0.00	0.00	0.00	1.07
Notional Dividend Distribution	0.00	0.00	0.00	0.00	0.00
Notional Capital Gains Distribution	0.00	0.00	0.00	1.26	0.00
Notional Return of Capital Distribution	0.00	0.00	0.00	0.00	0.00

† Initial offering price.

Ratios and Supplemental Data

	2024	2023	2022	2021	2020
Total Net Asset Value (\$000s)¹	42,359	16,044	5,499	8,844	3,525
Number of Units Outstanding (000s)¹	1,500	700	300	400	200
Management Expense Ratio (%)²	0.72	0.72	0.72	0.72	0.71
Management Expense Ratio Before Waivers or Absorptions (%)	0.72	0.74	0.74	0.75	0.83
Trading Expense Ratio (%)³	0.07	0.13	0.08	0.25	0.16
Portfolio Turnover Rate (%)⁴	18.75	27.15	50.11	237.28	9.93
Net Asset Value per Unit (\$)	28.24	22.92	18.33	22.11	17.62
Closing Market Price (\$)⁵	28.28	23.08	18.30	22.17	17.60

¹ This information is provided as at December 31 of the past five fiscal years, as applicable.

² Management Expense Ratio ("MER") is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) net of any waivers or absorptions for the stated period and is expressed as an annualized percentage of daily average NAV during the period. Any waivers or absorptions may be discontinued at any time by TDAM at its discretion without notice.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average NAV during the stated period.

⁴ The Fund's portfolio turnover rate ("PTR") indicates how actively the Fund's portfolio adviser manages its investments. A PTR of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the stated period. The higher a fund's PTR, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the fiscal year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

⁵ Mid price would be used if no transaction took place on the last business day of the financial period.

Management Fees

As manager of the Fund, TDAM is responsible for the overall business and affairs of the Fund, including activities related to providing, or arranging for the provision of, certain administrative services and marketing services to the Fund. In consideration for the provision of such services, the Fund pays TDAM a management fee.

Management fees, plus applicable taxes, are calculated and accrued on a daily basis based on the net asset value of the Fund and are paid monthly to TDAM.

The prospectus discloses a specified annual management fee rate that TDAM can charge to the Fund. TDAM may waive all or a portion of the management fees being charged to the Fund, which may be discontinued at any time by TDAM at its discretion without notice to unitholders.

The annual management fees and a breakdown of the major services rendered, as a percentage of the management fees paid, are as follows:

(expressed as a %)	Annual Mgmt. Fees*	Dealer Compensation	Waived Operating Expenses	Other†
Fund	0.65	N/A	0.79	99.21

* Includes management fees paid by the Fund and the proportionate management fees, if any, of the underlying fund(s) managed by TDAM held by the Fund. However, no management fees are payable by the Fund that, to a reasonable person, would duplicate a fee payable by the underlying fund(s) for the same services.

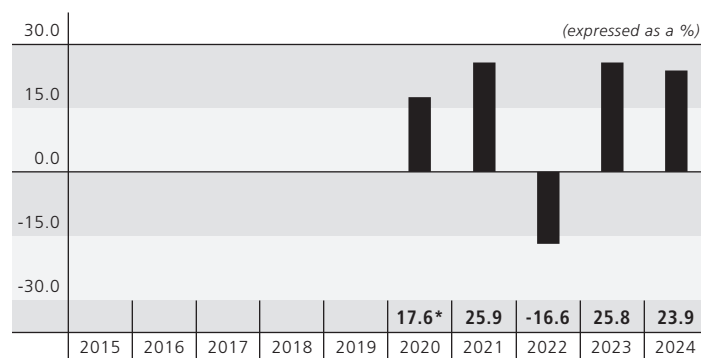
† Trustee, marketing services and other.

Past Performance

The following chart shows how the Fund has performed in the past, and can help you understand the risks of investing in the Fund. These returns include the reinvestment of all distributions during the period in additional units at the net asset value per unit of the Fund at the time of distribution. They do not take into account sales, redemption, distribution or other optional charges or income taxes payable by any unitholder, and these returns would be lower if they did. The Fund's past performance does not necessarily indicate how it will perform in the future.

Year-by-year returns

The bar chart shows how the Fund's performance has varied from year to year for each of the years shown. It shows in percentage terms how an investment made on January 1 would have increased or decreased by December 31.



* From May 26, 2020 (commencement of operations) to December 31, 2020

Annual Compound Returns

The following table shows the annual compound total returns of the Fund for each of the periods indicated ended on December 31, 2024, compared with the following benchmarks:

- Product Benchmark:
 - MSCI All Country World Index (Net Dividend, C\$) – This index includes stocks of companies in all the developed and emerging markets around the world, net of withholding taxes.
- General Market Index:
 - MSCI All Country World Index (Net Dividend, C\$).

(expressed as a %)	Past year	Past 3 years	Past 5 years	Past 10 years	Since inception
(Inception date May 26, 2020)					
TD Active Global Equity Growth ETF	23.9	9.1	N/A	N/A	15.3
Product Benchmark	28.1	10.1	N/A	N/A	14.7
General Market Index	28.1	10.1	N/A	N/A	14.7

A discussion of the Fund's performance compared to the product benchmark and general market index can be found in the Results of Operations section.

Summary of Investment Portfolio

as at December 31, 2024

	% of Net Asset Value
PORTFOLIO ALLOCATION	
Information Technology	25.2
Health Care	15.6
Consumer Discretionary	15.2
Financials	14.9
Communication Services	9.6
Industrials	8.1
Consumer Staples	5.0
Cash (Bank Overdraft)	2.1
Materials	1.6
Energy	1.5
Real Estate	1.4
Other Net Assets (Liabilities)	(0.2)
GEOGRAPHIC ALLOCATION	
United States	67.5
United Kingdom	6.6
Japan	3.9
Taiwan	3.2
Mexico	2.6
Switzerland	2.3
Denmark	2.3
Spain	1.8
France	1.7
Ireland	1.6
Other Countries	4.6
Cash (Bank Overdraft)	2.1
Other Net Assets (Liabilities)	(0.2)
TOTAL NET ASSET VALUE (000s)	
	\$ 42,359

Cash held with The Toronto-Dominion Bank, a related party to the Fund, was 1.8% of net asset value of the Fund.

	% of Net Asset Value
TOP 25 INVESTMENTS	
Apple Inc.	7.0
Microsoft Corporation	5.1
Alphabet Inc.	3.6
Meta Platforms Inc.	3.0
JPMorgan Chase & Company	3.0
Costco Wholesale Corporation	2.4
American Express Company	2.4
Eli Lilly & Company	2.4
Booking Holdings Inc.	2.3
Taiwan Semiconductor Manufacturing Company Limited	2.1
Deckers Outdoor Corporation	2.1
Cash (Bank Overdraft)	2.1
NVIDIA Corporation	2.0
Netflix Inc.	2.0
Games Workshop Group PLC	2.0
Arista Networks Inc.	2.0
AstraZeneca PLC	1.9
Hikma Pharmaceuticals PLC	1.9
Evercore Inc.	1.9
Industria de Diseno Textil SA	1.8
The Travelers Companies Inc.	1.8
Yum! Brands Inc.	1.7
UnitedHealth Group Inc.	1.7
Hermes International	1.7
Fastenal Company	1.7
Total % of Net Asset Value represented by these holdings	61.6

Note: Totals may not add due to rounding to one decimal place of individual figures.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund. 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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