

TD Asset Management

TD Active Global Equity Growth ETF (TGGR)

536212
(08/24)

TD Exchange-Traded Funds Interim Management Report of Fund Performance

for the period ended June 30, 2024

This Interim Management Report of Fund Performance contains financial highlights, but does not contain either the complete interim financial report or annual financial statements of the investment fund. You can get a copy of the interim financial report or 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 proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure at no cost.



This interim management report of fund performance represents management's view of the significant factors and developments affecting the investment fund's performance and outlook since December 31, 2023, the investment fund's fiscal year-end, until June 30, 2024. This report should be read in conjunction with the 2023 annual management report of fund performance.

Management Discussion of Fund Performance

Results of Operations

TD Active Global Equity Growth ETF (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 15.8% for the six-month period ended June 30, 2024 (the "Reporting Period"), versus 15.5% for the Fund's product benchmark, the MSCI All Country World Index (Net Dividend, C\$). Unlike the product benchmark, the Fund's return is quoted after the deduction of fees and expenses.

Market Update

Within the product benchmark, all sectors generated positive returns, except for real estate. The best-performing sectors were information technology, communication services, financials, energy and health care. The weakest-performing sectors were real estate, materials and consumer staples.

Quality growth stocks significantly outperformed value stocks. Large-capitalization stocks outperformed small-capitalization stocks. Concerns remained about the lack of market breadth, given the contribution to market gains made by the "magnificent seven" (a group of mega-capitalization technology stocks with exposure to the artificial intelligence theme) and the difference between the market-cap-weighted and equal-weighted benchmark.

Market sentiment was negatively affected by reduced expectations for interest rate cuts by the U.S. Federal Reserve Board ("Fed") in response to stubborn inflation. The Fed's confidence grew that inflation was moving sustainably towards its 2% target. A "soft landing" (whereby inflation is managed without triggering a recession) became more likely at the end of the Reporting Period as disinflation accompanied a gradual economic slowdown. Corporate updates discussed cautious spending behaviour and value-conscious consumers downgrading or postponing big-ticket purchases.

Governments were under pressure to rein in spending while absorbing the impact of higher interest rates and keeping new spending commitments in areas such as the green energy transition, reshoring and defence.

Key Contributors/Detractors

The Fund outperformed its product benchmark during the Reporting Period due to sector allocation and stock selection.

- Stock selection within the consumer discretionary sector contributed to performance. The largest individual contributors included Deckers Outdoor Corp., Domino's Pizza Inc. and Dollarama Inc.
- Stock selection within the communication services sector contributed to performance, driven by holdings in Alphabet Inc., Meta Platforms Inc. and Netflix Inc.
- Stock selection within the health care sector contributed to performance, led by holdings in Eli Lilly and Co. and Novo Nordisk AS.

- The largest detractor from performance was an underweight exposure to NVIDIA Corp. within the information technology sector.
- Stock selection within the industrials sector detracted from performance. The largest individual detractors included Fastenal Co., Grupo Aeroportuario del Pacifico SAB de CV and Ferguson PLC.

Assets

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

Recent Developments

The Portfolio Adviser continues to focus on constructing a well-diversified global growth portfolio and investing in companies across the spectrum of sensitivity to the macroeconomic environment. Current macroeconomic risks include higher-than-expected inflation, slowing economic growth turning into a potential recession, high interest rates, geopolitical tensions and upcoming elections.

Positive considerations, in the Portfolio Adviser's view, include the possibility of a soft economic landing, inflation continuing to moderate towards central banks' target rates, interest rate cuts from the Fed, and pent-up demand for equities, with approximately USD 6 trillion of assets sitting in money market funds in the U.S. alone.

Rather than positioning the Fund for any one particular outcome, the Portfolio Adviser prefers a balanced investment approach, focusing on investing in a diversified portfolio of quality companies that consistently earn positive returns and generate, sustain and grow free cash flow over time.

As of June 30, 2024, the Fund's largest sector overweight allocations were in health care (5.9%) and consumer discretionary (5.7%). The largest underweight exposures were in industrials (-3.3%), energy (-3.1%), financials (-2.7%), utilities (-2.5%) and materials (-2.2%).

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 six-month period ended June 30, 2024 and 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	2019
Net Assets, Beginning of Period	22.92	18.33	22.11	17.62	15.00 [†]	N/A
Increase (Decrease) from Operations:						
Total Revenue	0.22	0.36	0.31	0.27	0.13	N/A
Total Expenses (excluding distributions)	(0.13)	(0.22)	(0.18)	(0.23)	(0.10)	N/A
Realized Gains (Losses) for the Period	0.19	(0.65)	(2.05)	2.19	0.42	N/A
Unrealized Gains (Losses) for the Period	2.91	5.14	(2.97)	1.95	2.29	N/A
Total Increase (Decrease) from Operations ²	3.19	4.63	(4.89)	4.18	2.74	N/A
Distributions:						
From Net Investment Income (excluding dividends)		(0.13)	(0.10)	(0.07)	(1.08)	N/A
From Dividends		0.00	0.00	0.00	0.00	N/A
From Capital Gains		0.00	0.00	(1.26)	0.00	N/A
Return of Capital		0.00	0.00	0.00	0.00	N/A
Total Annual Distributions ³	(0.05)	(0.13)	(0.10)	(1.33)	(1.08)	N/A
Net Assets, End of Period	26.50	22.92	18.33	22.11	17.62	N/A

¹ This information is derived from the Fund's interim and 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	2019
Notional Income Distribution	0.00	0.00	0.00	0.00	1.07	N/A
Notional Dividend Distribution	0.00	0.00	0.00	0.00	0.00	N/A
Notional Capital Gains Distribution	0.00	0.00	0.00	1.26	0.00	N/A
Notional Return of Capital Distribution	0.00	0.00	0.00	0.00	0.00	N/A

[†] Initial offering price.

Ratios and Supplemental Data

	2024	2023	2022	2021	2020	2019
Total Net Asset Value (\$000s) ¹	37,096	16,044	5,499	8,844	3,525	N/A
Number of Units Outstanding (000s) ¹	1,400	700	300	400	200	N/A
Management Expense Ratio (%) ²	0.72	0.72	0.72	0.72	0.71	N/A
Management Expense Ratio Before Waivers or Absorptions (%)	0.72	0.74	0.74	0.75	0.83	N/A
Trading Expense Ratio (%) ³	0.12	0.13	0.08	0.25	0.16	N/A
Portfolio Turnover Rate (%) ⁴	7.51	27.15	50.11	237.28	9.93	N/A
Net Asset Value per Unit (\$)	26.50	22.92	18.33	22.11	17.62	N/A
Closing Market Price (\$) [‡]	26.62	23.08	18.30	22.17	17.60	N/A

¹ This information is provided as at June 30, 2024 and 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.

[‡] 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	1.04	98.96

* 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.

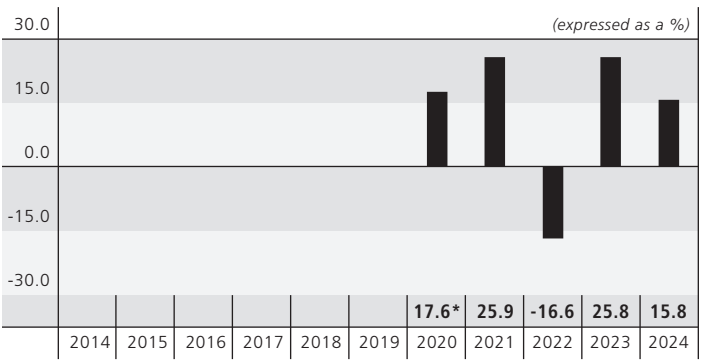
† Trustee, marketing services and other.

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 for each year and for the six-month period ended June 30, 2024.



For the 12 months ended Dec. 31 and six-month period ended June 30, 2024
* From May 26, 2020 (commencement of operations) to December 31, 2020

Summary of Investment Portfolio

as at June 30, 2024

	% of Net Asset Value
PORTFOLIO ALLOCATION	
Information Technology	25.3
Consumer Discretionary	17.1
Health Care	16.9
Financials	12.9
Communication Services	8.6
Industrials	7.0
Consumer Staples	5.8
Cash (Bank Overdraft)	4.3
Materials	1.8
Energy	1.2
Real Estate	1.2
Other Net Assets (Liabilities)	(2.1)
GEOGRAPHIC ALLOCATION	
United States	61.2
United Kingdom	6.5
Denmark	3.9
Japan	3.3
Taiwan	2.7
Mexico	2.5
Switzerland	2.4
Spain	2.0
Jordan	1.8
Sweden	1.7
Other Countries	9.8
Cash (Bank Overdraft)	4.3
Other Net Assets (Liabilities)	(2.1)
TOTAL NET ASSET VALUE (000s)	
	\$ 37,096

Cash held with The Toronto-Dominion Bank, a related party to the Fund, was 2.1% of net asset value of the Fund.

	% of Net Asset Value
TOP 25 INVESTMENTS	
Apple Inc.	6.4
Microsoft Corporation	5.4
Cash (Bank Overdraft)	4.3
Alphabet Inc.	3.6
Eli Lilly & Company	3.1
Meta Platforms Inc.	2.8
Novo Nordisk AS	2.8
Costco Wholesale Corporation	2.5
JPMorgan Chase & Company	2.5
Vertex Pharmaceuticals Inc.	2.2
Booking Holdings Inc.	2.2
Applied Materials Inc.	2.1
American Express Company	2.1
Industria de Diseno Textil SA	2.0
KLA Corporation	2.0
Taiwan Semiconductor Manufacturing Company Limited	1.9
Domino's Pizza Inc.	1.8
Arista Networks Inc.	1.8
Hikma Pharmaceuticals PLC	1.8
Deckers Outdoor Corporation	1.8
Games Workshop Group PLC	1.8
Atlas Copco AB	1.7
Hermes International	1.6
Zoetis Inc.	1.6
Partners Group Holding AG	1.6
Total % of Net Asset Value represented by these holdings	63.4

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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