

TD Asset Management

TD Cash Management ETF (TCSH)

599568
(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 Cash Management ETF (the “Fund”) is to seek to earn a high rate of interest income while preserving capital and maintaining liquidity by investing primarily in high-quality debt securities such as money market and short-term fixed income securities issued by Canadian federal and provincial governments, corporations and trusts. In seeking to achieve this objective, the Fund will invest in high-quality securities generally maturing in not more than one year and may include treasury bills and other debt obligations of Canadian governments; term deposits, certificates of deposit and other debt obligations of Canadian chartered banks; and debt obligations of corporations and trusts. The Fund follows a “bottom-up” strategy using diligent credit analysis to add value and enhance long-term performance.

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 “TCSH”. The Fund commenced its operations on February 15, 2024 and units were available for purchase on the TSX effective February 22, 2024. This report covers the period from the commencement date to December 31, 2024 (the “Reporting Period”). Investment performance is not provided for a fund that has been available for less than one year.

Market Update

Canada’s economy came under pressure over the Reporting Period, largely as a result of tight financial conditions. Consumer spending, real estate activity and the labour market weakened. At the same time, inflationary pressures softened, moving closer to the Bank of Canada’s (“BoC”) 2% target. In response, the BoC began lowering interest rates in June 2024 and continued to lower rates over the remainder of the year. Overall, the BoC lowered its benchmark overnight interest rate by 1.75% to 3.25%. The BoC also suggested it would gradually lower interest rates further in 2025, hoping that looser financial conditions could ease the burden on Canadian households and help reignite consumer spending. There was also some expectation that rising demand could kickstart business activity, potentially resulting in improved job growth.

The FTSE Canada 91 Day T-Bill Index gained 4.9% for 2024 with the average yield ending the Reporting Period at 3.15%, down from 5.05% at the start of 2024.

Recent Developments

The Portfolio Adviser expects slightly below or around-trend global economic growth for 2025 as the effects of tighter financial conditions continue to filter through the global economy, offset by decreasing interest rates. While most central banks have begun easing their monetary policies, the current financial conditions are still restrictive relative to those of the past decade, and higher borrowing costs may continue to weigh on business activity. While interest rates are moving lower, the Portfolio Adviser believes the path that central banks take regarding monetary policy will largely be determined by inflation’s “stickiness” and labour market conditions, with the former playing an increasing role in policy decisions.

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. 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. As at December 31, 2023, the Fund had not commenced investment operations.

Net Assets per Unit (\$)¹

	2024	2023	2022	2021	2020
Net Assets, Beginning of Year	50.00	50.00†	N/A	N/A	N/A
Increase (Decrease) from Operations:					
Total Revenue	2.06	0.00	N/A	N/A	N/A
Total Expenses (excluding distributions)	(0.07)	0.00	N/A	N/A	N/A
Realized Gains (Losses) for the Period	0.02	0.00	N/A	N/A	N/A
Unrealized Gains (Losses) for the Period	0.08	0.00	N/A	N/A	N/A
Total Increase (Decrease) from Operations²	2.09	0.00	N/A	N/A	N/A
Distributions:					
From Net Investment Income (excluding dividends)	(1.71)	0.00	N/A	N/A	N/A
From Dividends	0.00	0.00	N/A	N/A	N/A
From Capital Gains	(0.02)	0.00	N/A	N/A	N/A
Return of Capital	(0.38)	0.00	N/A	N/A	N/A
Total Annual Distributions³	(2.11)	0.00	N/A	N/A	N/A
Net Assets at December 31	50.04	50.00	N/A	N/A	N/A

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	N/A	N/A	N/A
Notional Dividend Distribution	0.00	0.00	N/A	N/A	N/A
Notional Capital Gains Distribution	0.00	0.00	N/A	N/A	N/A
Notional Return of Capital Distribution	0.00	0.00	N/A	N/A	N/A

† Initial offering price.

Ratios and Supplemental Data

	2024	2023	2022	2021	2020
Total Net Asset Value (\$000s)¹	244,176	0\$	N/A	N/A	N/A
Number of Units Outstanding (000s)¹	4,880	0°	N/A	N/A	N/A
Management Expense Ratio (%)²	0.16	0.00	N/A	N/A	N/A
Management Expense Ratio Before Waivers or Absorptions (%)	0.16	0.00	N/A	N/A	N/A
Trading Expense Ratio (%)³	0.00	0.00	N/A	N/A	N/A
Portfolio Turnover Rate (%)⁴	47.61	0.00	N/A	N/A	N/A
Net Asset Value per Unit (\$)	50.04	50.00	N/A	N/A	N/A
Closing Market Price (\$)†	50.09	N/A	N/A	N/A	N/A

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.

\$ Less than \$500

° Less than 500 units

† 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	0.15	N/A	0.00	100.00

* 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 Fund commenced its operations on February 15, 2024. TDAM does not report performance returns for funds with a history of less than one year.

Summary of Investment Portfolio

as at December 31, 2024

	% of Net Asset Value
PORTFOLIO ALLOCATION	
Commercial Paper	85.7
Corporates	14.5
Cash (Bank Overdraft)	0.1
Other Net Assets (Liabilities)	(0.3)

TERM ALLOCATION	
Maturing under 1 Year	100.2
Cash (Bank Overdraft)	0.1
Other Net Assets (Liabilities)	(0.3)

TOTAL NET ASSET VALUE (000s)	\$	244,176
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	% of Net Asset Value
TOP 25 INVESTMENTS	
SOUND Trust 3.700% May 23, 2025	3.7
Stable Trust 3.700% May 21, 2025	2.8
Plaza Trust 4.090% Jun 12, 2025	2.7
Canadian Master Trust 3.700% May 22, 2025	2.6
Bank of Montreal Floating Rate 3.592% Apr 28, 2025	2.1
Enbridge Inc. 3.690% Jan 20, 2025	2.1
Storm King Funding 4.060% Apr 1, 2025	2.0
King Street Funding Trust 3.700% May 8, 2025	2.0
Sure Trust 3.470% Jun 17, 2025	2.0
Fusion Trust 3.760% Apr 29, 2025	1.8
Ridge Trust 3.700% May 23, 2025	1.8
Bay Street Funding Trust 3.460% Jun 10, 2025	1.7
National Bank of Canada Floating Rate 3.571% Oct 20, 2025	1.6
Bank of Montreal Floating Rate 3.625% Sep 18, 2025	1.6
Pure Grove Funding 4.420% Feb 25, 2025	1.6
Plaza Trust 3.470% Jun 17, 2025	1.6
SAFE Trust 5.040% Feb 3, 2025	1.5
Canadian Imperial Bank of Commerce 2.750% Mar 7, 2025	1.5
Canadian Master Trust 3.960% Apr 15, 2025	1.5
SOUND Trust 4.050% Jun 17, 2025	1.5
Fusion Trust 3.650% May 12, 2025	1.4
Pure Grove Funding 3.410% Sep 15, 2025	1.4
The Bank of Nova Scotia Floating Rate 3.614% Jun 27, 2025	1.4
Ridge Trust 3.920% Apr 14, 2025	1.3
Bank of Montreal Floating Rate 3.631% Jul 30, 2025	1.3
Total % of Net Asset Value represented by these holdings	46.5

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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