

# TD Asset Management

## TD Cash Management ETF (TCSH)

599566  
(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](http://www.td.com/ca/en/asset-management) or the SEDAR+ website at [www.sedarplus.ca](http://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 Cash Management 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 "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 June 30, 2024 (the "Reporting Period"). Investment performance is not provided for a fund that has been available for less than one year.

### Market Update

Towards the end of the Reporting Period, the Bank of Canada ("BoC") lowered its benchmark overnight interest rate by 0.25% to 4.75%, the first rate cut since 2020. The BoC believed a rate reduction was warranted at this time, with inflationary pressures easing and relatively slow economic conditions. Although Canada's economy has expanded, the pace of growth was modest. A rise in consumer and business spending drove growth in the first quarter of 2024. Conversely, the manufacturing sector contracted over the first six months of 2024 due to weaker demand, which weighed on Canada's economic health. Canada's inflation rate remained above the BoC's 2% target, however, it eased due to a slowdown in food and energy price growth. Canada's central bank acknowledged inflation remains a risk and suggested future interest rate reductions might be gradual. Canada's labour market, a source of strength for the economy coming out of the pandemic, showed signs of cooling. While the economy added jobs, it did not keep up with the pace of population growth, which pushed the unemployment rate higher.

The FTSE Canada 91 Day T-Bill Index gained 2.55% over the first half of 2024 with the average yield ending the Reporting Period at 4.66%, down from 5.05% at the start of the year.

### Recent Developments

The Portfolio Adviser expects global economic activity to remain relatively modest in 2024 as a result of restrictive monetary policy, geopolitical tensions and weaker demand from consumers and businesses. Some global central banks have begun lowering interest rates, as they seek to balance the risks of resurging inflation and weakening economic conditions, causing a divergence from the U.S. Federal Reserve Board. The Portfolio Adviser expects the U.S. to have a bumpier path to disinflation leading to more divergence from other global central bank monetary policy paths.

The first half of 2024 saw volatile yields owing to elevated inflation and strong U.S. labour market. In the Portfolio Adviser's view, while the U.S. may have witnessed peak interest rates, inflationary pressures are still some distance away from central banks' 2% target at the end of the Reporting Period.

### 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](http://www.td.com/ca/en/asset-management) or at the securityholder's request at no cost by contacting TDAM (see front cover).

The Fund relied on standing instructions from the IRC in respect of one or more of the following transactions:

- (a) trades in securities of TD or any affiliate or associate thereof;
- (b) investments in the securities of an issuer where TDS, TD Waterhouse Canada Inc., or any other affiliate of TDAM (a "Related Dealer") acted as an underwriter during the distribution of such securities and the 60-day period following the completion of the distribution of the underwritten securities;
- (c) purchases or sales of securities of an issuer from or to another investment fund or discretionary managed account managed by TDAM; and
- (d) purchases of securities from or sales of securities to a Related Dealer, where it acted as principal.

The relevant standing instructions require that securities transactions with related parties conducted by TDAM (i) are free from any influence by an entity related to TDAM and without taking into account any consideration relevant to an entity related to TDAM; (ii) represent the business judgment of TDAM uninfluenced by considerations other than the best interests of the Fund; (iii) comply with the applicable policies and procedures of TDAM; and (iv) achieve a fair and reasonable result for the Fund.

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

### Net Assets per Unit (\$)¹

	2024	2023	2022	2021	2020	2019
<b>Net Assets, Beginning of Period</b>	50.00	50.00 <sup>†</sup>	N/A	N/A	N/A	N/A
<b>Increase (Decrease) from Operations:</b>						
Total Revenue	0.96	0.00	N/A	N/A	N/A	N/A
Total Expenses (excluding distributions)	(0.03)	0.00	N/A	N/A	N/A	N/A
Realized Gains (Losses) for the Period	0.01	0.00	N/A	N/A	N/A	N/A
Unrealized Gains (Losses) for the Period	0.02	0.00	N/A	N/A	N/A	N/A
<b>Total Increase (Decrease) from Operations</b> ²	0.96	0.00	N/A	N/A	N/A	N/A
<b>Distributions:</b>						
From Net Investment Income (excluding dividends)		0.00	N/A	N/A	N/A	N/A
From Dividends		0.00	N/A	N/A	N/A	N/A
From Capital Gains		0.00	N/A	N/A	N/A	N/A
Return of Capital		0.00	N/A	N/A	N/A	N/A
<b>Total Annual Distributions</b> ³	(0.94)	0.00	N/A	N/A	N/A	N/A
<b>Net Assets, End of Period</b>	50.03	50.00	N/A	N/A	N/A	N/A

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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	N/A	N/A	N/A	N/A
Notional Dividend Distribution	0.00	0.00	N/A	N/A	N/A	N/A
Notional Capital Gains Distribution	0.00	0.00	N/A	N/A	N/A	N/A
Notional Return of Capital Distribution	0.00	0.00	N/A	N/A	N/A	N/A

<sup>†</sup> Initial offering price.

### Ratios and Supplemental Data

	2024	2023	2022	2021	2020	2019
Total Net Asset Value (\$000s)¹	168,098	0 <sup>§</sup>	N/A	N/A	N/A	N/A
Number of Units Outstanding (000s)¹	3,360	0 <sup>°</sup>	N/A	N/A	N/A	N/A
Management Expense Ratio (%)²	0.16	0.00	N/A	N/A	N/A	N/A
Management Expense Ratio Before Waivers or Absorptions (%)	0.16	0.00	N/A	N/A	N/A	N/A
Trading Expense Ratio (%)³	0.00	0.00	N/A	N/A	N/A	N/A
Portfolio Turnover Rate (%)⁴	152.21	0.00	N/A	N/A	N/A	N/A
Net Asset Value per Unit (\$)	50.03	50.00	N/A	N/A	N/A	N/A
Closing Market Price (\$)⁴	50.04	N/A	N/A	N/A	N/A	N/A

<sup>1</sup> This information is provided as at June 30, 2024 and December 31 of the past five fiscal years, as applicable.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>§</sup> Less than \$500

<sup>°</sup> Less than 500 units

<sup>†</sup> 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:

<i>(expressed as a %)</i>	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 June 30, 2024

	% of Net Asset Value
<b>PORTFOLIO ALLOCATION</b>	
Commercial Paper	94.0
Corporates	5.8
Cash (Bank Overdraft)	0.0
Other Net Assets (Liabilities)	0.2

<b>TERM ALLOCATION</b>	
Maturing under 1 Year	99.8
Cash (Bank Overdraft)	0.0
Other Net Assets (Liabilities)	0.2

<b>TOTAL NET ASSET VALUE (000s)</b>	\$	168,098
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	% of Net Asset Value
<b>TOP 25 INVESTMENTS</b>	
North West Redwater Partnership 4.970% Jul 10, 2024	4.7
Bay Street Funding Trust 5.190% Oct 30, 2024	3.5
Lakeshore Trust 5.140% Nov 25, 2024	3.4
Canadian Master Trust 5.170% Oct 15, 2024	3.3
Bank of Montreal Floating Rate 5.068% Apr 28, 2025	3.0
Plaza Trust 4.870% Sep 4, 2024	2.9
Storm King Funding 5.170% Oct 1, 2024	2.9
Fusion Trust 5.210% Oct 28, 2024	2.9
King Street Funding Trust 5.190% Oct 30, 2024	2.9
Storm King Funding 4.860% Sep 25, 2024	2.3
Enbridge Inc. 4.990% Jul 18, 2024	2.2
SAFE Trust 5.040% Feb 3, 2025	2.1
King Street Funding Trust 5.160% Oct 21, 2024	2.0
The Bank of Nova Scotia Floating Rate 5.118% Jun 27, 2025	2.0
Sure Trust 5.100% Feb 5, 2025	1.9
Bay Street Funding Trust 5.190% Nov 12, 2024	1.9
Clarity Trust 4.820% Dec 20, 2024	1.9
Ridge Trust 5.120% Oct 2, 2024	1.9
Volkswagen Credit Canada Inc. 4.980% Jul 9, 2024	1.8
North West Redwater Partnership 4.940% Jul 25, 2024	1.8
Stable Trust 4.890% Sep 26, 2024	1.8
Plaza Trust 4.880% Oct 4, 2024	1.8
SOUND Trust 4.850% Oct 7, 2024	1.8
Sure Trust 5.010% Jan 15, 2025	1.7
Canadian Master Trust 5.110% Nov 13, 2024	1.6
Total % of Net Asset Value represented by these holdings	60.0

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](http://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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