

From the Desk of the Quantitative Equities Team

TD Q Dividend Strategies – TQCD & TQGD

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Michael Formuziewich, CFA and Jordan Blain delve into how the Quantitative Equities Team (the Team) at TD Asset Management Inc. (TDAM, we, our) is reshaping dividend investing. The TD Q Canadian Dividend ETF (TQCD) and TD Q Global Dividend ETF (TQGD) strategies blend income, growth, and downside protection through disciplined, multi-factor investing.

The TD Q Advantage

In the fast-paced world of finance, where each decision can significantly impact an investment portfolio, having the right tools and strategies is essential. At TDAM, the Team — established over 25 years ago — has continuously pursued opportunities to help generate growth and income while managing risk for long-term investors. By maintaining a long-term perspective and monitoring both near and far-term risks, the Team can identify tactical opportunities to ensure TQCD and TQGD (ETFs) remain resilient amidst changing market narratives. Supported by the deep expertise of a broad portfolio management team, we use tools that guide critical investment decisions, such as what to invest in, when to invest, and how much to invest — with the goal of turning our research into meaningful results. Recognizing that no single investment style can outperform across every market cycle, we combine multiple factors to help smooth returns and enhance the ETFs' stability. This disciplined approach is reflected in the performance of our dividend ETF strategies, which continue to stand out in today's market.

Returns as of July 31, 2025	3 mths	YTD	1 yr	3 yrs	5 yrs	Since Inception ¹	Morningstar Rating™
TD Q Canadian Dividend ETF (TQCD) ²	10.59%	14.38%	27.05%	17.58%	18.26%	11.53%	
Quartile Ranking ²	1	1	1	1	1	-	Overall 5-Star Rating
Morningstar® Rating ³	-	-	-	★★★★★	★★★★★	-	★★★★★
TD Q Global Dividend ETF (TQGD)	11.01%	-1.75%	1.11%	13.96%	14.18%	10.10%	
Quartile Ranking ²	1	2	2	1	1	-	Overall 5-Star Rating
Morningstar® Rating ⁴	-	-	-	★★★★★	★★★★★	-	★★★★★

¹Inception Date: November 20, 2019.

²Quartile Rankings and Morningstar® Ratings as of July 31, 2025.

³TD Q Canadian Dividend ETF listed under the Canadian Dividend & Income Equity Category. The Canadian Dividend & Income Equity Category contains 399 funds with 1-year history as of July 31, 2025. Each series of a fund is counted separately. Quartile and Percentile data taken from Morningstar® for the period July 31, 2020 to July 31, 2025.

⁴TD Q Global Dividend ETF listed under the Global Dividend & Income Equity Category. The Global Dividend & Income Equity Category contains 207 funds with 1-year history as of July 31, 2025. Each series of a fund is counted separately. Quartile and Percentile data taken from Morningstar® for the period July 31, 2020 to July 31, 2025.

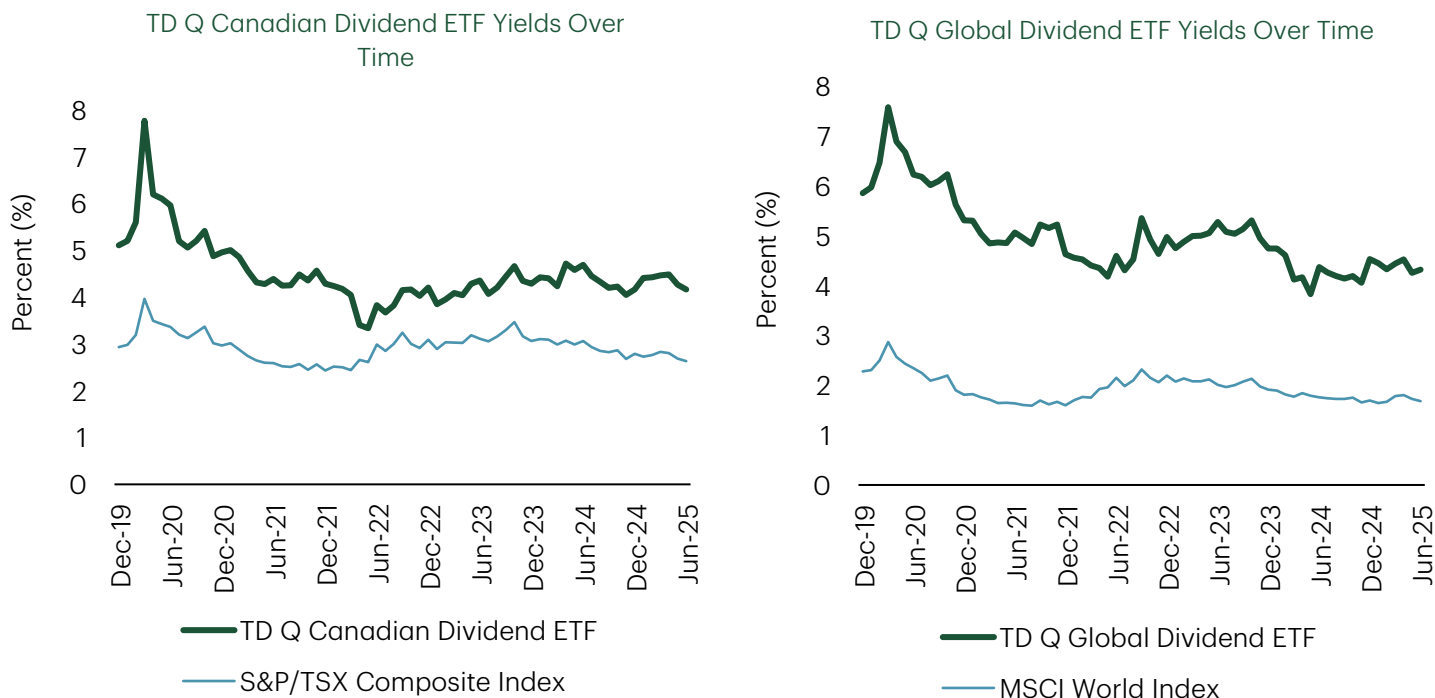
Source: TD Asset Management Inc. ("TDAM"), Morningstar® as of July 31, 2025. Returns for periods greater than one year are annualized; net of expenses.

Note: Numbers may not add due to rounding.

Outpacing Benchmarks with Steady returns

As seen in **Chart 1**, our dividend ETF strategies, TQCD and TQGD, have consistently delivered income above benchmark levels since inception. This performance reflects our commitment to reliable income generation and demonstrates how these strategies offer a distinctive blend of current income and long-term growth, allowing investors to benefit from both.

Chart 1 – Consistent Income Generation



Source: TD Asset Management Inc., FactSet Research Systems Inc. As of June 30, 2025.

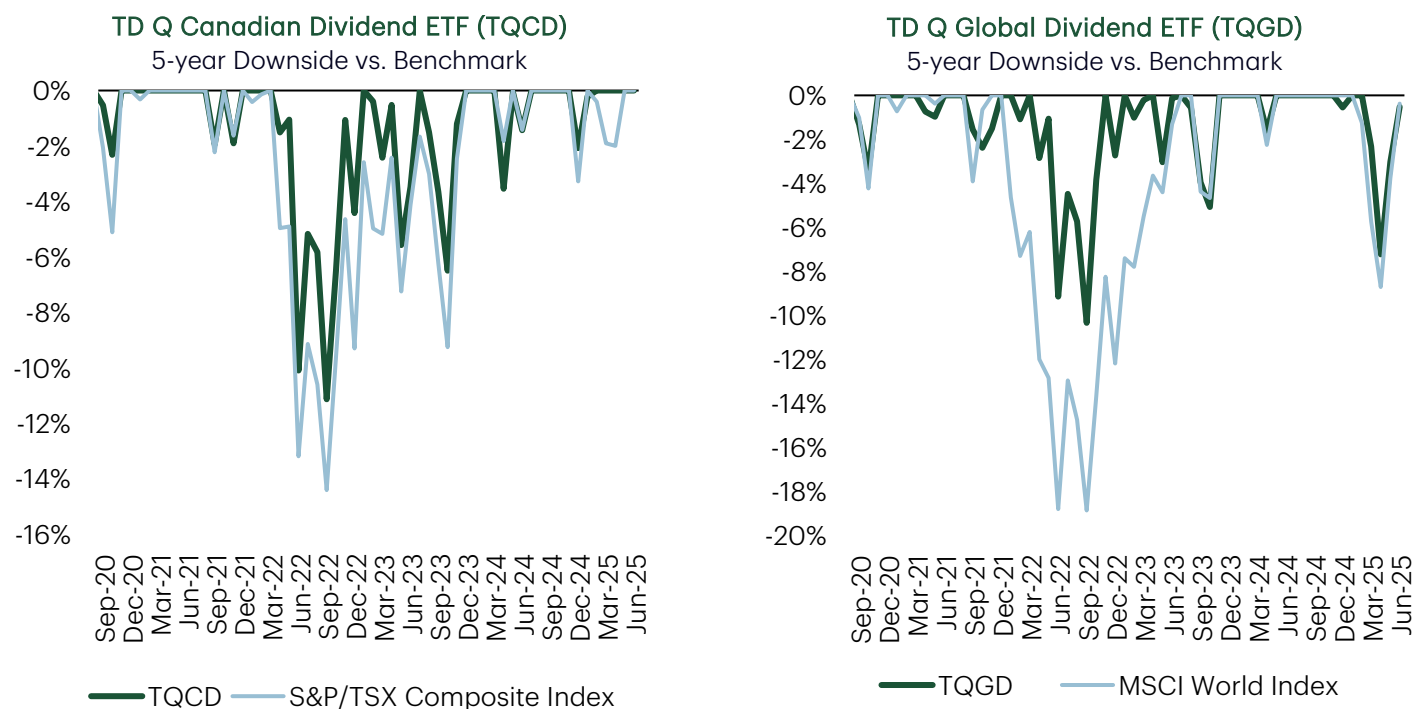
Differentiation and Quality

Our ETFs are designed to offer a balanced blend of income and growth, with a strong emphasis on differentiation through quality. The highest-quality companies receive the largest weight in the ETFs, a strategy that sets them apart from peers. By combining dividend growth and other quality factors, these ETFs stand out as compelling options for investors seeking broader diversification.

A key benefit of our dividend strategies is their built-in downside protection. The companies selected for TQCD and TQGD are typically larger, more mature firms with a history of paying and growing dividends over time. This focus on stable, dividend-paying companies helps to mitigate risk and can provide downside protection. Our portfolio construction techniques further reinforce the resilience of our strategies by emphasizing quality metrics such as dividend growth, return on equity, and cash flow generation. While reducing volatility is not the primary goal, the nature of our selected companies often results in lower downside risk compared to benchmarks.

Over time, this multifaceted, quantitative approach has increased the potential to outperform both benchmarks and peer groups. As shown in **Chart 2**, our use of quantitative techniques and disciplined stock selection has provided downside protection in a variety of market conditions over the past five years.

Chart 2: TD Q Dividend ETFs Providing Downside Protection



Source: TD Asset Management Inc., FactSet Research Systems Inc., Research Systems. As of June 30, 2025.

Looking Ahead

As markets continue to evolve, so does our commitment to delivering resilient, forward-thinking investment solutions. The Quantitative Equities Team at TDAM remains focused on refining our strategies to adapt to shifting market dynamics while staying true to our core principles of quality, diversification, and disciplined risk management. We continue to believe that combining multiple investment factors — rather than relying on a single style — will remain essential to navigating future cycles with greater consistency.

With a strong foundation built on over two decades of experience, we are well-positioned to continue identifying opportunities that align with long-term investor goals. Our dividend strategies, including TQCD and TQGD, will remain central to this approach – offering a compelling mix of income, growth, and downside protection as we look to the future with confidence.

**For further information,
please contact your TDAM representative.**



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Quartile rankings are intended to measure how well a fund has performed compared to other funds in its peer group. Quartile rankings are compiled by ranking all of the funds in a category by return over a given time period. The top performing 25% of funds in the category are assigned a quartile ranking of 1, the next 25% a 2, the next 25% a 3, and the bottom 25% of funds a 4. Quartile rankings can change over time.

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