

# TD Epoch U.S. SMID Cap Quality Value Strategy

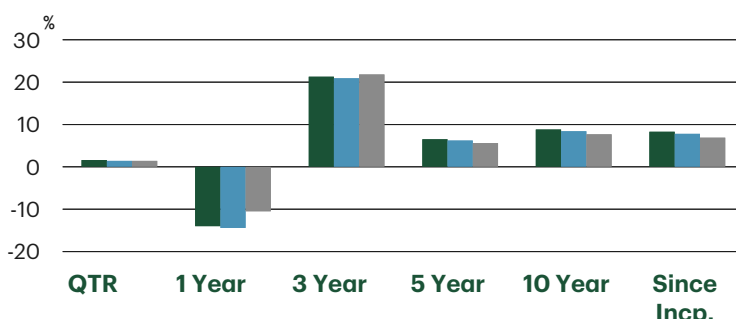
As of March 31, 2023

Q1

## Strategy Key Features

- A diversified portfolio of 60-90 small- and mid-cap companies selected based on their ability to generate free cash flow and allocate it intelligently
- Minimal research coverage of U.S. small- and mid-cap companies creates opportunities to discover promising but overlooked companies
- Free cash flow approach expected to provide attractive balance of performance and downside protection

## Investment Performance (%)



	QTR	1 Year	3 Year	5 Year	10 Year	Since Incp.
Composite (Gross)	1.6	-14.0	21.3	6.5	8.8	8.3
Composite (Net)	1.4	-14.4	20.9	6.2	8.4	7.8
Russell 2500 Value	1.4	-10.5	21.8	5.6	7.7	6.9

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Composite (Gross)	-20.2	31.6	17.3	25.5	-15.3	16.4	17.0	-2.8	7.5	39.0
Composite (Net)	-20.5	31.3	17.0	25.1	-15.6	15.9	16.5	-3.2	7.1	38.5
Russell 2500 Value	-13.1	27.8	4.9	23.6	-12.4	10.4	25.2	-5.5	7.1	33.3

## 5 Largest Holdings

	Portfolio Weight%
Markel Corporation	2.6
Rambus Inc.	2.6
Axos Financial, Inc.	2.5
PennyMac Financial Services, I	2.4
Berry Global Group Inc	2.3
<b>Total</b>	<b>12.4</b>

## Portfolio Managers

**Justin Howell, CFA (21)**

**Steven Salzone, CFA (19)**

**Mike Welhoelter, CFA (37)**

Supported by a team of analysts with an average of 20 years experience (denotes years of experience)

## Investment Overview

### Strategy AUM

US \$56.0 million

### Composite Inception Date

August 31, 2006

### Management Style

Fundamental Free Cash Flow  
Driven Equities

### Benchmark

Russell 2500 Value

### Currency

USD

## About Us

The strategy is managed by Epoch Investment Partners, Inc. (TD Epoch). TD Global Investment Solutions (TDGIS) represents the institutional asset management businesses of TD Bank Group (TD) - TD Asset Management Inc. (TDAM) and TD Epoch. TDGIS brings together three decades of investment experience across alternative investments, equities and fixed income and we strive to work with our clients to better understand their needs and offer solutions to meet those needs.

# Strategy Snapshot

March 31, 2023

## Characteristics

	Rep. Acct.	Russell 2500 Value
Dividend Yield (%)	1.7	2.1
Standard Deviation (3yr) (%)	23.2	21.6
Sharpe Ratio (3yr)	0.88	0.96
Weighted Avg Mkt Cap (\$M)	6,562	6,359
Weighted Med Mkt Cap (\$M)	5,752	5,744
Number of Equity Positions	71	1,795
12 Month Turnover (%)	57.9	

## Three Year Risk Metrics

	Rep. Acct. vs. Russell 2500 Value
Info Ratio	-0.10
Alpha	-1.13
Beta	1.05
R <sup>2</sup>	0.96

## Sector Weights

	Rep. Acct. %	Russell 2500 Value %
Industrials	18.5	18.7
Financials	17.0	19.6
Health Care	11.0	8.4
Information Technology	10.5	9.0
Consumer Discretionary	9.8	11.5
Real Estate	9.3	11.1
Materials	6.3	6.6
Communication Services	4.4	3.2
Consumer Staples	4.3	3.3
Energy	3.7	4.4
Utilities	3.5	4.1
Cash	1.7	0.0

## Investment Philosophy and Approach

TD Epoch's investment philosophy is centered on the belief that the generation and allocation of free cash flow represents the best predictor of shareholder return. The TD Epoch U.S. SMID Cap Quality Value strategy pursues long term capital appreciation by investing in a portfolio of 60 to 90 small-and mid-capitalization U.S. companies. As fundamental investors with a long-term orientation, we select companies based on their ability to generate free cash flow and allocate it intelligently for the benefit of shareholders. Our bottom-up security selection process is balanced with diversification and risk control measures that should result in below average portfolio volatility.

Our investment process begins by identifying candidates for investment from a universe of common stocks generally consisting of companies in the Russell 2500 Index, although the strategy has the flexibility to invest outside the Index. From the investable universe, we develop a focused list of investment candidates sourced by our qualitative insights, quantitative tools, and macroeconomic observations. Analysts leverage their deep industry knowledge and experience to identify potential research candidates. We complement our fundamental insights with the Epoch Core Model, a proprietary quantitative tool that expresses and reinforces, in quantitative terms, the economic logic behind Epoch's fundamental research.

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All data as of March 31, 2023 unless otherwise noted. Source: FactSet Research Systems, Inc.; Frank Russell Company ("Russell"). Totals may not add due to rounding. Performance for the most recent quarter is preliminary and subject to change. The risk statistics are shown for informational purposes only and are not indicative of future results. Past performance is no guarantee of future results. Valuations are computed and performance is reported in U.S. dollars. Composite returns are presented gross and net of management fees and include the reinvestment of all income. Gross-of-fees returns are presented before management fees but after all trading expenses. Net performance reflects the gross-of-fees return reduced by the investment management fee and performance-based fee (where applicable) incurred. Effective January 2008, net performance is calculated by deducting the actual investment management fee incurred by each portfolio in the composite. Prior to January 2008, net-of-fee returns reflect the deduction of the highest annual management fee, calculated on a monthly basis. Returns include the effect of foreign currency exchange rates. The statements expressed herein are informed opinions, are as of the date noted, and are subject to change at any time based on market or other conditions. International investments involve special risks including currency fluctuation, long liquidity and different accounting methods and economical and political systems. Securities of smaller companies tend to be more volatile and less liquid than that of large companies. Information about indices allows for the comparison of an investment strategy's results to that of a widely recognized broad market index. There is no representation that such index is an appropriate benchmark for such comparison. Results for an index do not reflect trading commissions and costs. Index volatility may be materially different from a strategy's volatility and portfolio holdings may differ significantly from the securities comprising an index. This information is intended to highlight issues and not to be comprehensive or to provide advice only. Any reproduction, modification, distribution, transmission or republication of the information, in part or in full, is prohibited.

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