



**KNOWL
EDGE**

Meet our Commodities Team

Commodities: providing diversification, inflation protection and thematic growth opportunities for your portfolio.

The wide range of investment expertise at TD Asset Management Inc. (TDAM) across various asset classes gives the Commodities team a significant pool of knowledge to draw upon.

TDAM provides the ability to leverage insights and research capabilities across the firm to support investment decisions in the portfolio.



Dedicated Commodities team

- Extensive history in market research
- Portfolio management and industry presence with an intimate understanding of commodity fundamentals (supply and demand) leading to a strategic determination of commodity prices and structures



Institutional experience

- Expertise managing both beta and alpha portfolios coming from years of experience successfully managing commodity strategies for both commercial and non-commercial investors contributes to the team's comprehensive understanding of commercial and non-commercial flows
- Experience managing commodity strategies for a large pension plan in Canada (with the largest allocation to commodities across pension plans managed by TDAM) brings the rigour and sophistication of institutional money management to retail

Experience, depth and intelligence — meet our Commodities team leaders



Re-joined the firm: 2015
Began Career: 2000

Michael Craig, CFA **Managing Director, Head of the Asset Allocation and Derivatives Team, TDAM**

- Michael is Head of the Asset Allocation and Derivatives team. He serves as a Portfolio Manager for all fund of fund solutions at TDAM
- He previously gained experience as a Portfolio Manager at an alternative asset management firm responsible for unconstrained fixed income mandates
- Michael holds a B. Comm. from the University of British Columbia and an M.A. from Simon Fraser University. He is also a member of the TD Wealth Asset Allocation Committee



Joined the firm: 2021
Began Career: 2002

Hussein Allidina, CFA **Managing Director, Head of the Commodities Team, TDAM**

- As Head of the Commodities team, Hussein leads commodity and inflation strategies within the Asset Allocation team and provides expertise for concerns relating to commodity markets
- He has extensive experience in commodities, having served as Director responsible for commodity value-add and inflation-sensitive commodity mandates at a major Canadian pension plan, and as the Global Head of Commodity Research at a major global investment bank
- Hussein holds a B.A. with Honours in Economics from the University of Western Ontario

Commodities



Joined the firm: 2022
Began Career: 2008

Humza Hussain, CFA
Vice President & Director, TDAM

- Humza is a Portfolio Manager on the Commodities team, managing commodity allocations and offering products within the commodity space to the firm's clients
- Gained experience as a Manager of Trading with a large international corporation, where he managed a portfolio of foreign exchange and commodities
- Humza holds an M.Sc. from the National University of Singapore, and an MBA from the Rotman School of Management at the University of Toronto



Joined the firm: 2017
Began Career: 2011

Tim Yang, CFA
Vice President, TDAM

- Tim is a Portfolio Manager working on commodity and inflation strategies within the Asset Allocation team and provides quantitative expertise and strategies relating to cross-asset markets
- Tim gained experience in fixed income, currencies and commodities prior to joining the firm as an Associate Director in Group Treasury, and a Manager of Portfolio and Risk Management at two major banks
- He holds an M.Fin. from Simon Fraser University, and an M.Phys. from Zhejiang University



Joined the firm: 2018
Began Career: 2010

Roxane Lapenna, CFA, CAIA
Vice President, TDAM

- Roxane is a member of the Client Portfolio Management team representing the Asset Allocation & Derivatives Investment team. She works with Lead Portfolio Managers to leverage her investment expertise and deep knowledge of TDAM's Multi-Asset investment solutions to communicate investment strategies, performance outcomes, market outlook and portfolio positioning to internal and external groups
- She previously represented the firm's Alternative Investment team as a Client Portfolio Manager and was also a member of the Investment Manager Research team, conducting due diligence for recommendations of investment managers for the firm's sub-advised and alternative strategies for the TD Wealth Private Investment Advice (PIA) channel
- Roxane gained experience in TD Wealth Product analyzing and assessing the merit of allowing the sale of third-party investment products through the PIA Channel
- She holds a B.B.A. in Finance and Economics from Bishop's University

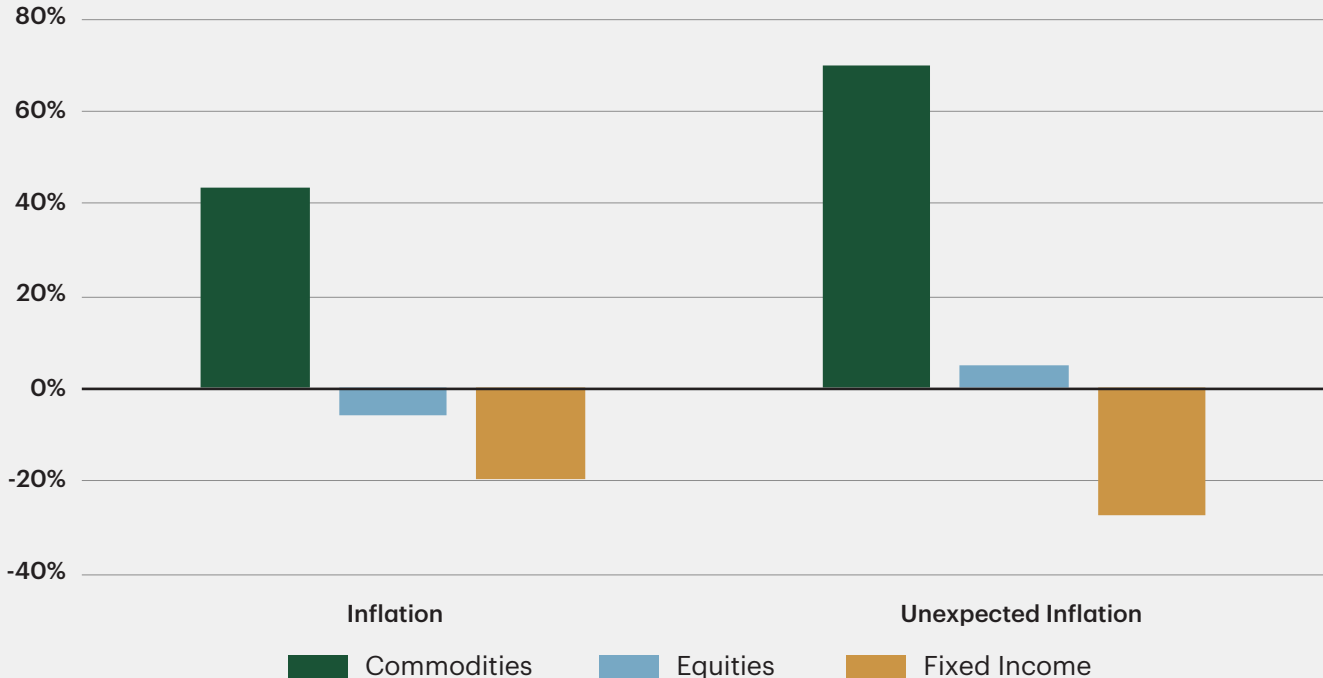
Having a low correlation to traditional fixed income and equity investments, commodities may provide a significant and ongoing hedge against inflation.

Commodity features

1 Inflation protection

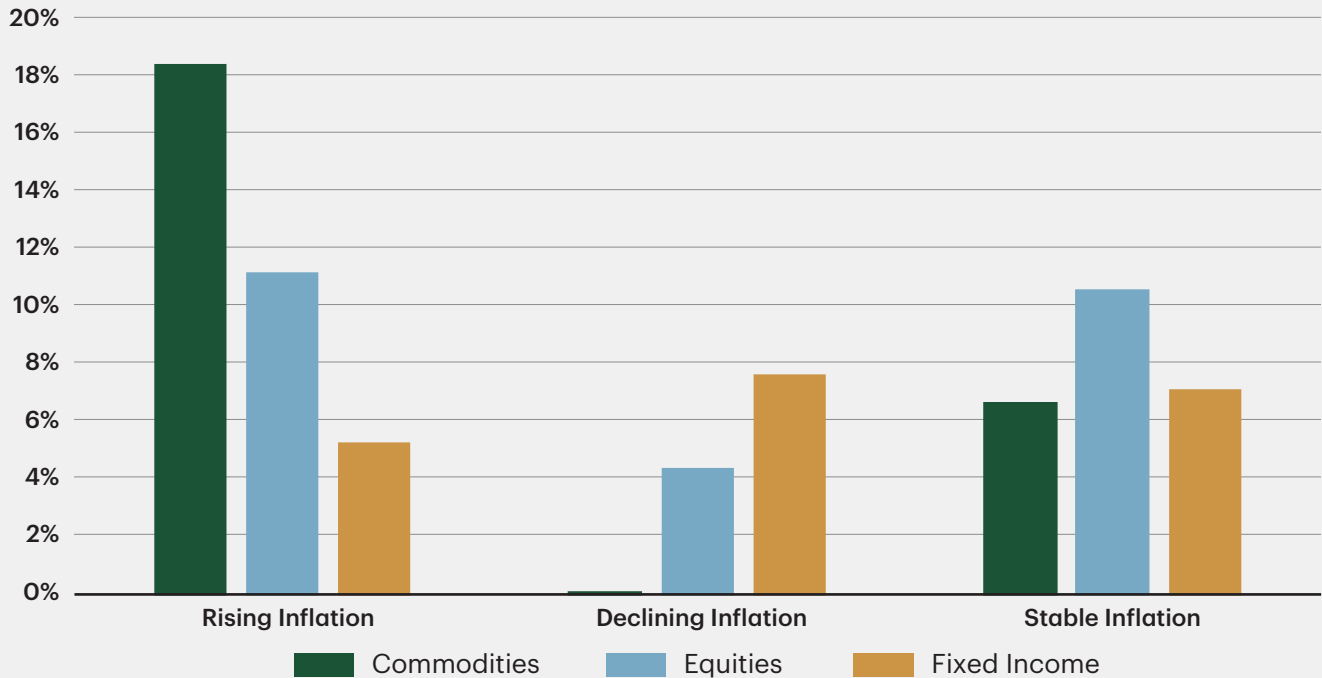
Commodities are a distinctive asset class because they are the primary inputs into real-world production and consumption. Commodities, therefore, can offer strong inflation protection as they tend to rise with the increasing cost of goods.

Correlation with inflation



Source: Bloomberg Finance L.P. FRED, as of May 2023. Data from January 1977 to March 2023. All returns are annualized. Unanticipated inflation was calculated based on Michigan university inflation expectation. Equities are represented by the S&P 500 Index, Commodities are represented by the SPGSCI Total Return Index, Bonds are represented by the Barclays U.S. Aggregate Bond Index.

Asset class returns in various inflation environments



Source: Bloomberg Finance L.P. FRED, as of May 2023. Data from January 1977 to March 2023. All returns are annualized. Equities are represented by S&P 500 Index, Commodities are represented by the SPGSCI Total Return Index, Bonds are represented by the Barclays U.S. Aggregate Bond Index.

2

Diversification

Commodities generally exhibit a low correlation to the performance of traditional assets like equities and fixed income. This low correlation is a symptom of the fact that commodities are more “spot” assets that reflect today’s supply/demand fundamentals, whereas traditional “anticipatory” assets, like equities and fixed income, reflect expected fundamentals. This makes commodities an asset class that historically exhibits a low correlation with traditional balanced portfolios, making commodities a strong diversifier.

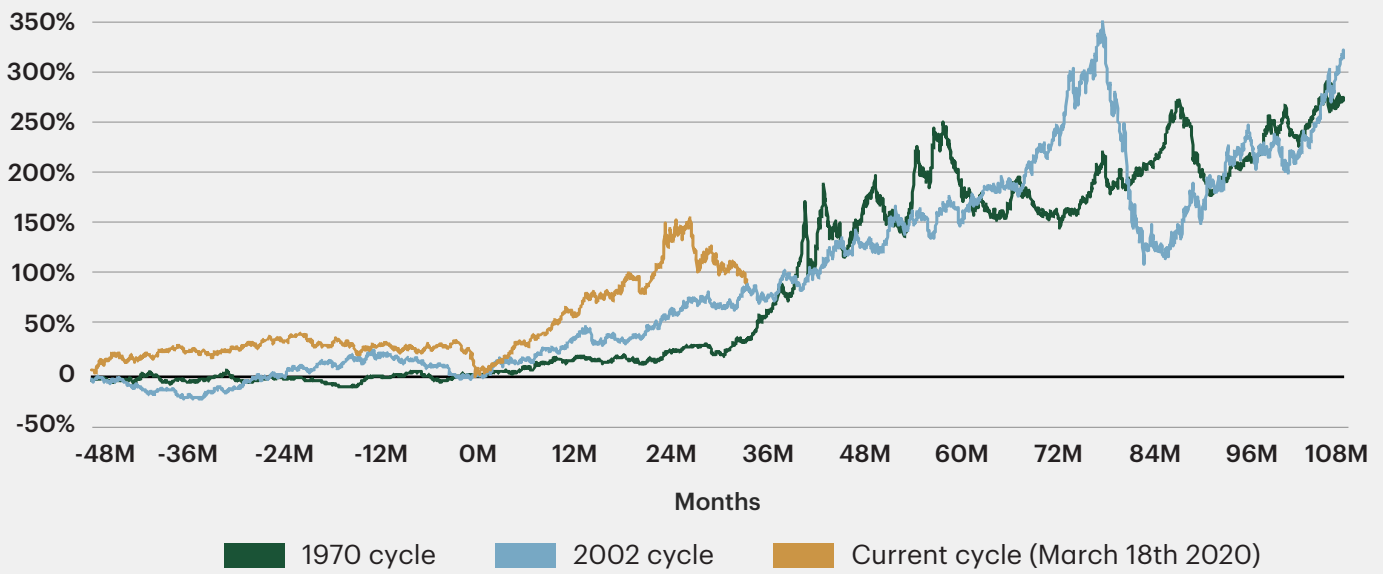
Diversification

3

Thematic tailwinds

Commodities are subject to important secular tailwinds that should push prices higher. A decade of underinvestment coupled with policies aimed at reducing carbon portends to tighter balances and higher prices for many commodities moving forward.

Commodity super-cycle



Source: Refinitiv Data Stream, TDAM, as of Jan 2023.

After spending the better part of a decade in a bear market, TDAM believes commodity prices are likely in the early stages of a super-cycle. A commodities super-cycle can be described as a period where supply falls short of demand, resulting in tight inventories and higher prices.

Our approach to commodities

How TDAM builds a better portfolio:

- Using the deep expertise of one of Canada's largest pension money managers, each portfolio is carefully designed by TDAM to optimize asset allocation and diversification to help investors get more upside while limiting the downside. Our approach to active management means your portfolio can respond to short and long-term market opportunities and risks.

- TDAM was among the first to introduce asset allocation portfolios, pioneering the integration of alternative investments alongside equities and fixed income. Our approach combines three decades of asset allocation experience with new thinking and innovation that can help improve investment outcomes for you.

Why add commodity exposure?

1

Inflation protection

Since inflation erodes fixed income returns and can harm equities if it is high and unexpected, commodities can offer distinctive and valuable exposure for portfolios in changing investment regimes. Particularly in periods of weak growth and high inflation, commodities are usually one of the few asset classes that will perform as seen in the table above on page 5.

2

Diversification

Diversifying a portfolio built of traditional assets, which are “anticipatory” in nature, with commodity assets, which have a “spot” nature, can create uncorrelated returns. These uncorrelated returns are driven by direct exposure to commodities, resulting in a pure and undiluted beta to commodities within portfolios.

3

Opportunities in commodities

Supply and demand balances for many commodities have started to reflect years of reduced capital expenditures and underinvestment. TDAM believes that commodity prices are likely in the early stages of a structural bull market.



In the current investment landscape, where traditional approaches to investing may no longer be sufficient to meet the needs of investors, **commodities included in portfolio construction can increase the potential for higher returns.**

Hussein Allidina

Managing Director, Head of the Commodities team, TDAM



Free yourself from day-to-day investment decisions and experience intelligence in action in your portfolio.

To find out more on alternative investment solutions from TDAM and how they may suit your portfolio, speak with your **investment professional**.

Connect with TD Asset Management



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