



# Not All Technology Funds Are Created Equal

## Comparing TD Technology Funds

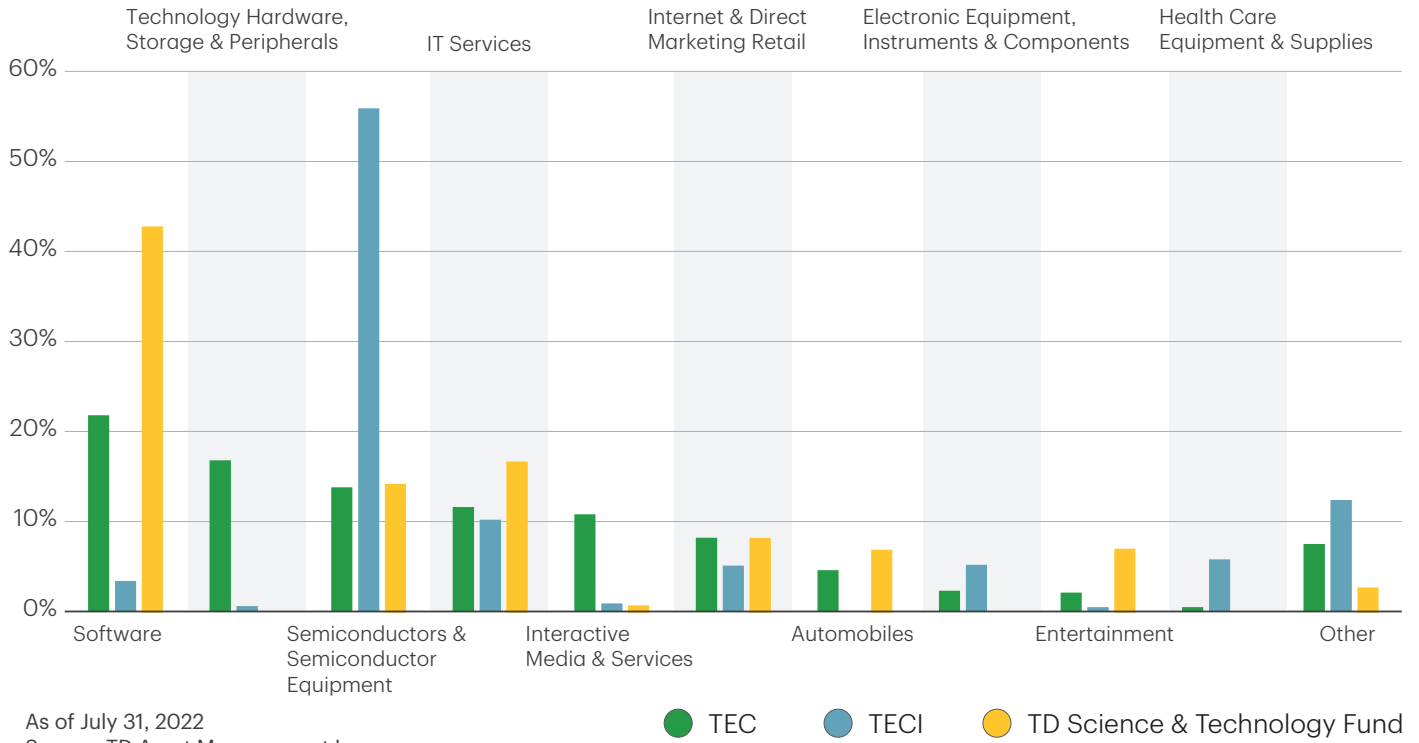
There are a variety of funds out there that are known as “technology centric”. However, not all funds are created equal and there are some important differences. TD Asset Management Inc. (TDAM) has three TD technology focused funds that can be used together, or individually to gain exposure to the technology sector.

As of July 31, 2022

	<b>TD Global Technology Leaders Index ETF (TEC)</b>	<b>TD Global Technology Innovators Index ETF (TECI)</b>	<b>TD Science &amp; Technology Fund</b>
<b>Investment Approach</b>	Passively managed and seeks to replicate a custom designed technology index	Passively managed and seeks to replicate a custom designed technology index	Actively managed and buy and sell decisions made by the portfolio manager
<b>Focus Area</b>	<b>Broad Coverage:</b> Core Technology + Emerging Technology Themes	<b>Technology of Tomorrow, Today:</b> Invest in the technology trends of the next decade	<b>Growth &amp; Innovation:</b> Companies engaged in R&D related to Science & Technology
<b>Currency Hedge</b>	Unhedged	Unhedged	Opportunistic, up to 100%
<b>Market Cap. Focus</b>	Large (some mid.)	Mid-Large (Max \$500B mkt cap)	All-Cap
<b>Emerging Mkts Exposure</b>	De Minimis	Permitted	Permitted
<b>Management Fee</b>	0.35%	0.45%	1.25% (F-series)
<b>Current # Holdings</b>	272	100	75
<b>Current Portfolio Concentration (Top 10)</b>	58%	61%	56%

# What sectors are they invested in?

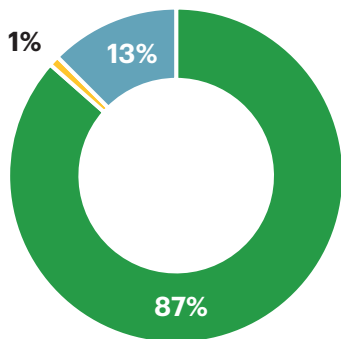
While all three funds could be viewed as technology centric, they each focus on different technological themes within the sector. Let's take a closer look at the sector breakdown within these funds.



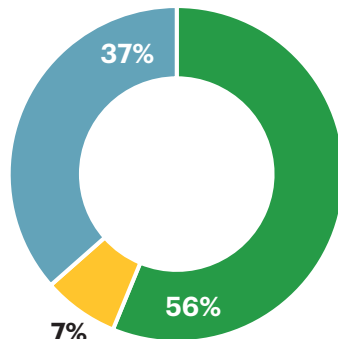
As you can see, using all three funds in a portfolio can have diversification benefits, especially within software, technology hardware and semi-conductor sub-sectors.

# Where are they invested?

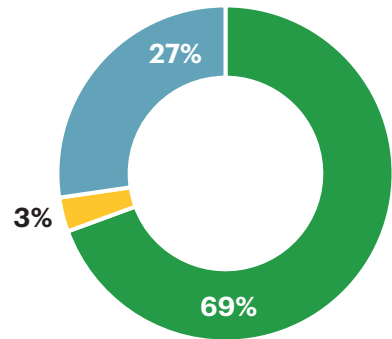
**TD Global Technology Leaders Index ETF (TEC)**



**TD Global Technology Innovators Index ETF (TECI)**



**TD Science & Technology Fund**

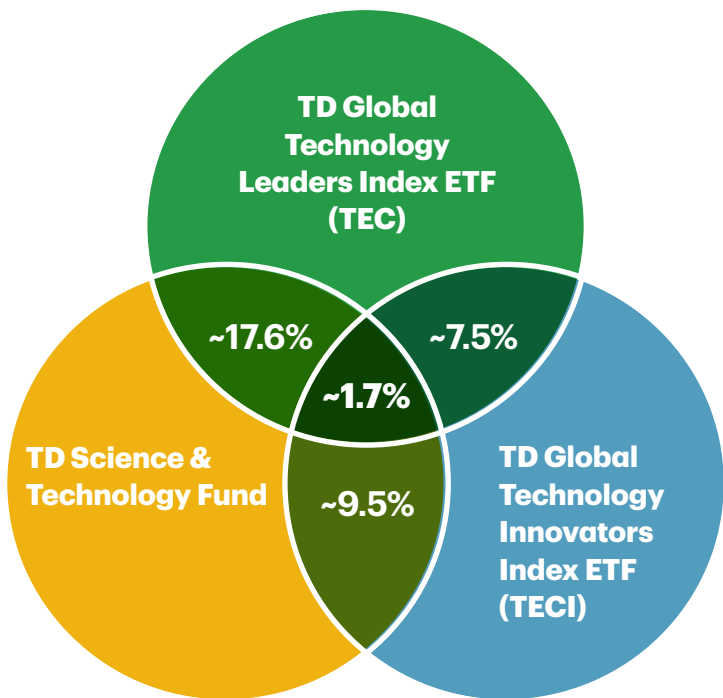


As of July 31, 2022  
Source: TD Asset Management Inc.

# Should I only have one technology fund in my portfolio?

The correct answer to this question is a little more complicated than just looking at the investment approach of the fund. **Figure 1** below shows how there is very little holdings overlap<sup>1</sup> amongst the three funds. Therefore, owning all three together could provide a broader exposure to the technology sector.

Figure 1



As of June 30, 2022.  
Source: TD Asset Management Inc.

<sup>1</sup> Overlap is calculated by comparing the common holdings. For example, if the TD Global Technology Leaders Index ETF holds Company A at 8% weighting, and the TD Science & Technology Fund holds Company A at 3% weighting, the result would be 3% common holding (3% overlap).

Owning all three of these technology funds would yield only three common holdings held in each fund, resulting in an overlap of just 1.7%. Additionally, if you combine any two of the funds, the most overlap you would achieve is 17.6%.

Not surprisingly, the Technology Sector is always changing, and as such, diversification should be top of mind when gaining exposure. At TDAM, we purposefully built these solutions with diversification benefits in mind:

**TD Global Technology Leaders Index ETF (TEC):** Get instant pure broad exposure to the global technology space with an ETF that is designed to evolve with the market through a custom index.

**TD Global Technology Innovators Index ETF (TECI):** Gain exposure to the technology companies of tomorrow.

**TD Science & Technology Fund:** Get active management and access to a high conviction portfolio of quality technology names.

With TDAM solutions, you have the option of using one, two, or all three in your portfolio to meet your unique needs — **the choice is yours.**

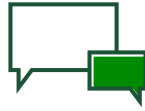
# Diversification

# Core Technology Exposure = Passive Diversification + Active Growth

The graphic (Figure 2) below gives a look into what exposures investors receive in each fund as well as the exposure characteristics of each fund. Core technology exposure can be achieved through passive diversification within the TD Global Technology Leaders Index ETF and TD Global Technology Innovators Index ETF, while an active growth strategy can be offered through the TD Science and Technology Fund.

Figure 2





To learn more about the TD Technology ETFs,  
visit our [Technology ETF landing Page >](#)

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