
Frequently Asked Questions

Multiple Markets in Canada: What this Means to You

TD Direct Investing, TD Wealth Private Investment Advice and TD Securities ("we" and "our") are committed to make reasonable efforts to ensure that clients achieve the best execution of their orders to buy or sell Canadian listed securities that are quoted or traded on Canadian marketplaces. "Best execution" means obtaining the most advantageous execution terms reasonably available under the circumstances when executing a transaction on behalf of a client, including consideration of factors such as price, speed of execution,

What is "best execution?"

"Best execution" is our obligation to seek the most advantageous execution terms reasonably available under the circumstances when executing a transaction on behalf of a client, including consideration of factors such as price, speed of execution, certainty of execution and overall cost of the transaction. We aim to provide best execution both for orders individually and for all client orders in aggregate.

What markets are available to Canadian equity investors today?

The Canadian equity market is composed of multiple marketplaces where an order may be routed, including exchanges such as the Toronto Stock Exchange (TSX), the TSX Venture Exchange (TSXV), Aequitas Neo Exchange, [Neo-N](#), [Neo-L](#) and the Canadian Securities Exchange (CSE); visible Alternative Trading Systems including TMX Alpha, Nasdaq CXC, Nasdaq CX2, Omega ATS and Lynx ATS; and dark pools such as TriAct MATCH Now, [Neo-D](#) and Nasdaq CXD.

What is an Alternative Trading System (ATS)?

ATSs provide automated trading systems which bring together orders from buyers and sellers of securities. Unlike exchanges, ATSs do not list securities and may only trade securities which are listed on other marketplaces.

Dark Pools are ATSs which do not display orders prior to execution.

How can I benefit from ATSs?

TD Direct Investing, TD Wealth Private Investment Advice and TD Securities work continuously to route your orders to the marketplaces which provide the best opportunity for execution. By participating in ATSs, clients are no longer limited to the TSX and the TSXV.

How do TD Direct Investing, TD Wealth Private Investment Advice and TD Securities route my Canadian orders?

TD Direct Investing and TD Wealth Private Investment Advice route all orders for Canadian listed securities that are quoted or traded on Canadian marketplaces to TD Securities.

TD Securities employs a sophisticated routing system that dynamically assesses multiple marketplaces and distributes your order to the marketplace that, based on its analysis, is most likely to obtain the highest-quality execution available. In addition, TD Securities continually monitors its execution quality to make improvements. TD Securities employs multiple metrics, including price, speed, liquidity and opportunities for price improvement, to ensure that the order flow for TD Direct Investing, TD Wealth Private Investment Advice and TD Securities is directed to marketplaces that provide you with the best possible execution.

Under what circumstances will an order be moved to another marketplace?

In the event of technical or other issues that limit TD Securities access to a market such as failures, malfunctions, material delays with the marketplace and/or with order routers, orders received may be directed to an alternative marketplace as determined at the discretion of TD Securities.

Are there any differences between how orders route during regular market hours versus when the markets are closed?

Hours of operation for trading in publicly listed Canadian securities are between 9:30 am and 4:00 pm (Eastern Time) Monday through Friday, excluding Canadian statutory holidays.

During regular market hours, an active order will be directed to the marketplace with the best price at the time of execution, where best price is the highest bid for a sell order or the lowest offer for a buy order. When executing active orders, dark pools, and unprotected



marketplaces may be evaluated for price improvement relative to the displayed quote, and all protected marketplaces are accessed to achieve best price.

During regular market hours, passive orders are generally booked to the primary listing marketplace for that security, but may be booked to a different exchange or an ATS based on an assessment of best execution factors for that order at the time the order is placed.

An order received prior to 9:30 am (Eastern Time) will be booked to the pre-opening of the primary listing marketplace for that security. An order received after 4:00 pm (Eastern Time) will be booked to the pre-opening of the primary listing marketplace for that security on the following business day.

Why can't I see my order display on the TSX?

Currently, quotes presented in WebBroker only reflect orders booked to the primary marketplaces TSX, TSXV, CSE or Aequitas. Our quotes do not reflect orders booked to an ATS.

TDS does not provide market data to clients.

What is the risk of market orders?

A "market order" is an order to buy or sell a security at whatever price is available in the marketplace. Market orders provide no control over the execution price. In cases of extreme market volatility or liquidity imbalance, a market order may execute at a price which is significantly different than the expected execution price. Investors can use marketable limit orders in place of market orders to eliminate the risk of the order executing at a price outside of an investor's acceptable range.

| The information contained herein is current as of January 2019.

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