



TD Stock's Recent Move Proves Why it's the Best of Bank Stocks

Description

There's expansion, and then there's targeted expansion. And the latest move by **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) proves the Big Six bank is looking for the latter. While other bank stocks have also expanded around the globe in recent years, it seems that TD stock is taking a far more [targeted](#) approach.

What happened?

TD stock announced on Apr. 5 that its asset management arm would launch a list of U.S. dollar exchange-traded funds (ETF). It's pretty much immediately clear the tactic TD is using here. The company is the sixth-largest bank in the United States. So, the Big Six bank is looking to increase its U.S. offerings through these ETFs. Such ETFs would, for example, avoid currency conversion fees.

However, TD stock said in the statement this is also meant to provide Canadians with more options when it comes to investing in the U.S. market. Given the growth potential of the U.S. coming out of a pandemic, it's likely to see faster growth in the economy — something that TD investors will want a part of.

The offerings

TD stock set up a list of new ETFs with a focus on the United States. This includes the following ETFs, along with their Canadian and U.S. tickers:

- TD Active Global Enhanced Dividend ETF under TGED in Canada and TGED.U in the U.S.
- TD Active U.S. Enhanced Dividend ETF under TUED in Canada and TUED.U in the U.S.
- TD Global Healthcare Leaders Index ETF under TDOC in Canada and TDOC.U in the U.S.
- TD Global Technology Leaders Index ETF under TEC in Canada and TEC.U in the U.S.
- TD U.S. Equity Index ETF under TPU in Canada and TPU.U in the U.S.

Motley Fool investors can probably see exactly why TD stock chose these offerings right off the bat.

Each provides significant exposure to growth opportunities in the U.S. right now. Health care and technology in particular are areas of interest, while dividends provide stability. Basically, you get the best of both worlds.

Now what?

What should Motley Fool investors do with this information? Frankly, I don't think you should jump into these ETFs quite yet. Investors should wait to see how they perform. However, they still provide an opportunity to take [advantage](#) of TD stock in general.

These provide further revenue streams for investors to take part in. And, in fact, it's something analysts were quick to point out was necessary during the last earnings report. While earnings fell in line with estimates, they lagged behind peers. And this was on both sides of the border.

With these new ETFs, TD stock addresses those issues. With a focus on the growth in the U.S., the expansion of its online offerings, and continuation as a top Canadian and American bank, it certainly has a strong future ahead.

Shares of TD stock were up 4% year to date and 22% in the last year. It currently offers a dividend of 3.58% and trades at a valuable 12.64 times earnings.

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