TD Ameritrade receives fees for shareholder, recordkeeping, subaccounting, subtransfer agency, and/or marketing and distribution services with respect to mutual funds in which the plan may invest. These fees may be paid by the fund, by the fund’s distributor, transfer agent, administrator, or investment advisor (Fund Affiliate), by a third-party fund service provider, or by a combination of them, pursuant to TD Ameritrade, Inc.’s and/or TD Ameritrade Clearing, Inc.’s agreement with the particular fund, Fund Affiliate, and/or a third-party fund service provider.

The amount of these fees varies among mutual fund groups, and some mutual funds and Fund Affiliates do not make some or any of these payments available. The maximum amount of marketing and distribution fees that may be paid to TD Ameritrade depends on the class of shares held by the plan but will not exceed the annual rate of 1.00% of the value of the plan’s shares. Typically, shares held by a plan are subject to distribution and/or shareholder servicing fees that will not exceed the annual rate of 0.25% to 0.40%. Fees paid to TD Ameritrade for its and TD Ameritrade Clearing’s sub-accounting, sub-transfer agency, or similar recordkeeping services may be based on the number of plan accounts (and range from $3.00 to $19.00 per account) or on the assets in the plan accounts (and range from an annual rate of 0.10% to 0.45%), depending on the agreement with the particular fund or Fund Affiliate. Funds may also be subject to a monthly minimum service fee payable to TD Ameritrade, Inc. of $500.

To the extent that fees are paid out of fund assets, they are included in the fund’s annual expense ratio and are indirectly borne by the fund’s shareholders. For more information regarding such payments made by a particular mutual fund or its Fund Affiliate and details on the particular services to which the payments relate, may be found on the fund’s website and by reviewing its prospectus and statement of additional information. You may also request a copy of these documents from the fund. For further information, including a listing of no-transaction fee funds (for which no purchase or sale transaction fees are charged by TD Ameritrade), other mutual funds, and their affiliates, please go to: http://research.tdameritrade.com/grid/public/mutualfunds/overview/overview.asp.

In addition to or instead of certain fees paid from fund assets, TD Ameritrade sometimes receive fees for these services from Fund Affiliates and/or third-party fund service providers. These fees may be paid out of the resources of the Fund Affiliate. This compensation is received at varying annual rates up to a generally maximum annual rate of 0.15% on plan assets invested in the fund. The names of the Fund Affiliates and third-party fund service providers who may make these payments are available at https://www.tdameritrade.com/retail-en_us/resources/pdf/AMTD034.pdf.

Fees paid by a mutual fund, Fund Affiliate, and/or third-party fund service provider are paid through TD Ameritrade Clearing, who collects these fees on behalf of TD Ameritrade, Inc.

Schwab Affiliated Funds

Our affiliate, Charles Schwab & Co., Inc. (“Schwab”), currently has two affiliated mutual fund families, certain of whose funds are on our platform. These families are Schwab Funds® and Laudus Funds®. Our affiliate, Charles Schwab Investment Management, Inc. (CSIM), serves as investment advisor to both fund families. These Schwab Affiliated Funds pay CSIM a management and/or administrative fee for investment advisory services, the amount of which is described in the funds’ prospectuses. For Schwab Funds, this fee can range from 0.02% to 1.05% annually, while Laudus Funds can pay an annual fee ranging from 0.62% to 1.27%. These rates represent the management fee and/or administrative fee to which CSIM is entitled, a portion of which may be waived by CSIM. This fee is included in the funds’ operating expense ratios (OER) and is indirectly borne by the shareholders. Many of the Schwab Funds have adopted a unitary fee structure under which a single fee is paid to CSIM, and out of which CSIM pays for certain services provided to the funds; CSIM and its affiliates are entitled to retain any portion of this fee not paid out to a service provider.

The Schwab Funds® and Laudus Funds® pay Schwab an asset-based fee for the shareholder services that Schwab provides. Schwab Funds have adopted a shareholder servicing plan with fees for shareholder services ranging from 0.02% to 0.25% annually on the Schwab Active Equity Funds, the Schwab MarketTrack Funds and certain of the Schwab Active Bond Funds. The Schwab Money Funds have adopted a shareholder servicing plan with fees ranging up to 0.15% annually on purchased shares. Laudus Funds pay a fee ranging up to 0.20% annually for the shareholder services that Schwab provides. These fees are part of the funds’ OER and are indirectly borne by the funds’ shareholders.

Our affiliate, Charles Schwab Investment Management, Inc. (CSIM), serves as investment advisor to the Schwab ETFs, which compensate CSIM out of the applicable operating expense ratios. The unitary fees paid to CSIM for these funds range from 0.03% to 0.39%, out of which CSIM pays for certain services provided to the funds; CSIM and its affiliates are entitled to retain any portion of this fee not paid out to a service provider to the fund.

CSIM prime and municipal money market funds may be subject to fund-imposed liquidity fees of up to 2% on amounts sold during the imposition of such a fee. CSIM prime and municipal money market funds may also be subject to redemption gates, suspending all redemptions and purchases for up to 10 business days in any 90-day period. For more information on liquidity fees and redemption gates, please refer to the fund prospectus.