



Selective Core ETF Portfolios

Offered by TD Ameritrade Investment Management, LLC

Third Quarter 2019 Update

Market check-in

Analysis provided by Morningstar Investment Management LLC

The global stock market rally ran out of steam in 2019's third quarter after sprinting ahead in the year's first six months. The S&P 500 Index managed a gain of 1.7% in the quarter, leaving it up 20.6% year to date. But U.S. small-cap stocks lost ground, as the Morningstar U.S. Small Cap Index fell 1.8%, trimming its year-to-date return to 15.9%. International markets were down, too. The MSCI EAFE Index of developed-market stocks fell 1.1%, while the MSCI Emerging Markets Index dropped 4.2%. Japan was a rare bright spot in international markets. But weakening currencies pushed returns into negative territory in the U.K. and in Europe, where the MSCI Germany Index fell 4% in U.S. dollar terms.

Signs of slowing GDP growth have been a primary concern, with the ongoing trade war between the U.S. and China contributing to malaise. U.S. GDP growth slipped to 2.0% in the second quarter, down from 3.1% in the first quarter. Manufacturing activity contracted in August and September, according to the Institute for Supply Management's PMI survey, reaching lows not seen since June 2009. The Federal Reserve responded to stubbornly low inflation, ongoing trade tensions, and deteriorating growth by cutting rates in July and September, reversing a cycle of rate hikes that date back to late 2015.

Falling interest rates boosted the utilities and real estate sectors, as their relatively high dividends have more appeal when bond yields are low. Heightened uncertainty was good news for the consumer defensive sector too. Ample reserves of oil and the possibility of weakening demand pressured the price of oil and made energy the worst-performing sector. Falling yields translated into solid returns for bondholders. Ten-year U.S. Treasury yields finished the quarter at 1.68%, down from 2.00% on June 30 and from a 3.24% high in November 2018. That helped the Bloomberg Barclays U.S. Aggregate Bond Index to a quarterly gain of 2.3%. Long-term government bonds did even better, although the dimming prospects for the economy kept a lid on gains in high-yield bonds.

Powered by Morningstar Investment Management



If you have any questions, please contact a TD Ameritrade Financial Consultant at your local branch, call a Selective Portfolios Specialist at 888-310-7921, or visit tdameritrade.com.

Index Information: An index (such as the S&P 500 Index or the MSCI EAFE Index) as referenced in this update reflects the composite value of the index. Keep in mind:

- Indices are not actual investments. Their performance is not reduced by fees, such as those you pay when trading/owning mutual funds. These fees will decrease the performance of your portfolio. An investment cannot be made in an index.
- The securities and allocations in your Selective Portfolio may not correspond with the securities in the indices and therefore the performance of your portfolio and the indices will differ.
- The S&P 500 is an unmanaged index of 500 widely held stocks that represents about 75% of the total U.S. equity market.
- The 90 Day U.S. Treasury Bill is a short-term debt obligation backed by the U.S. government. The interest rate on the 90 Day U.S. Treasury Bill is often used as a risk-free rate, which is the minimum return an investor expects for any investment because he or she will not accept additional risk unless the potential rate of return is greater than the risk-free rate.
- The Russell 3000 Index offers investors access to the broad U.S. equity universe representing approximately 98% of the U.S. market.
- The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the U.S. and Canada.
- The Barclays Capital U.S. Aggregate Bond Index covers the USD-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities.

Before investing, carefully consider the underlying funds' objectives, risks, charges, and expenses. For a prospectus containing this and other important information about each fund, contact us at 888-310-7921. Please read the prospectus carefully before investing.

SECURITIES PRODUCTS		
NOT FDIC INSURED	NO BANK GUARANTEE	MAY LOSE VALUE

Performance results represent actual performance and are based on asset-weighted total returns across all accounts fully invested in the respective models. The minimum initial investment is \$25,000. The portfolios are reviewed and may be rebalanced by TD Ameritrade Investment Management on a quarterly basis. Dividends are not reinvested and are swept into the cash balance. Interest on cash balance is accrued daily and paid (at prevailing interest rate) to the account at the end of each month. Maximum net annual advisory fees of 1.00% (fees vary by amount invested; please refer to the Disclosure Brochure (Form ADV Part 2A) for complete fee schedule) are paid in advance and are deducted from cash at the beginning of each quarter. Results also include the deduction of the exchange traded fund expenses of the underlying funds, including 12b-1 fees, administrative costs, and other various operational expenses. The returns calculated are net of advisory fees. Net-of-fees performance results for each composite are rounded to the nearest 0.01%. Trade-date accounting was utilized in the calculation of performance results for the period under review. No taxes are being considered. TD Ameritrade charges no commissions for all eligible transactions in TD Ameritrade Investing Accounts.

PERFORMANCE CORRECTION – SELECTIVE CORE ETF GROWTH AND AGGRESSIVE PORTFOLIOS

A discrepancy was identified with the TD Ameritrade Investment Management Selective Core ETF Growth and Aggressive Portfolios composite performance returns. The discrepancy resulted in a material increase in the published composite returns as of November 30, 2017 as follows: (i) Growth Portfolio performance for November 2017 has been updated to 1.38% from 1.12%, YTD 14.16% from 13.88%, and 1 year 15.60% from 15.31%; (ii) Aggressive Portfolio performance for November 2017 has been updated to 1.72% from 1.43%, YTD 17.16% from 16.83%, and 1 year 18.91% from 18.57%.

All investments involve risk, including loss of principal. Past performance does not guarantee future results. There is no assurance that the investment process will consistently lead to successful investing. Asset allocation and diversification do not eliminate the risk of experiencing investment losses.

ETFs can entail risks similar to direct stock ownership, including market, sector, or industry risks. Some ETFs may involve international risk, currency risk, commodity risk, and interest rate risk. Trading prices may not reflect the net asset value of the underlying securities. The investment return and principal value of an investment will fluctuate, and an investor's shares, when redeemed, may be worth more or less than their original cost. The securities of these companies may be more volatile and less liquid than the securities of larger companies. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller company stocks have experienced a greater degree of market volatility than the overall market average. Funds that invest in international securities involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investment in emerging markets may accentuate these risks. Bonds are subject to interest rate risk. As the prevailing level of bond interest rates rise, the value of bonds already held in a portfolio declines. Funds that hold bonds are subject to declines and increases in value due to general changes in interest rates. Funds that invest in lower-rated debt securities (commonly referred to as high-yield or junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. Investors should be aware of the possible higher level of volatility and increased risk of default. Investors who invest a significant percentage of their assets in a single holding may incur additional risks, including share price fluctuations, due to the increased concentration of investments.

Morningstar Investment Management LLC is a registered investment adviser and subsidiary of Morningstar, Inc. Morningstar Investment Management LLC provides consulting services to TD Ameritrade Investment Management LLC ("TD Ameritrade Investment Management") by providing recommendations to TD Ameritrade Investment Management regarding asset allocation targets and selection of securities; however, TD Ameritrade Investment Management retains the discretion to accept, modify, or reject Morningstar Investment Management LLC's recommendations. Morningstar Investment Management LLC selects securities from the universe of investments made available through TD Ameritrade. In performing its services, Morningstar Investment Management LLC may engage the services of its affiliate, Morningstar Investment Services LLC, a registered investment adviser and subsidiary of Morningstar Investment Management LLC. Neither Morningstar Investment Management LLC nor Morningstar Investment Services is acting in the capacity of advisor to TD Ameritrade Investment Management's clients. Asset Allocation target allocations are subject to change without notice. Morningstar Investment Management LLC establishes the allocations using its proprietary asset classifications. If alternative classification methods are used, the allocations may not meet the asset allocation targets. The Morningstar name and logo are registered marks of Morningstar, Inc. Morningstar Investment Management LLC is not affiliated with TD Ameritrade Investment Management or TD Ameritrade.

Advisory services are provided by TD Ameritrade Investment Management, LLC ("TD Ameritrade Investment Management"), a registered investment advisor. Brokerage services provided by TD Ameritrade, Inc. TD Ameritrade Investment Management provides discretionary advisory services for a fee. Risks applicable to any portfolio are those associated with its underlying securities. For more information, please see the Disclosure Brochure (Form ADV Part 2A) <http://www.tdameritrade.com/forms/TDA4855.pdf>.

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Quarterly Update as of September 30, 2019

Chart Key



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MORNINGSTAR

Conservative



Domestic Equities: 16%
International Equities: 9%
Domestic Fixed Income: 66%
International Fixed Income: 8%
Specialty: 0%
Cash: 1%

What Helped

- Underweight to Small Cap Stocks
- Allocation to long-term bonds

What Hurt

- Underweight to U.S. Stocks
- Overweight to Short-term Bonds (an interest rate duration underweight)
- Weak performance from Emerging Market Local Currency Bonds

Net Return	
Third Quarter	1.06%
YTD	8.57%
1-Year	6.24%
Annualized 3-Year ²	3.24%
Annualized 5-Year ²	2.95%
Annualized SPI ^{1,2}	3.77%

Moderate



Domestic Equities: 25%
International Equities: 15%
Domestic Fixed Income: 53%
International Fixed Income: 6%
Specialty: 0%
Cash: 1%

What Helped

- Underweight to Small Cap Stocks
- Allocation to long-term bonds

What Hurt

- Underweight to U.S. Stocks
- Overweight to Short-term Bonds (an interest rate duration underweight)
- Weak performance from Emerging Market Local Currency Bonds

Net Return	
Third Quarter	0.82%
YTD	9.70%
1-Year	5.22%
Annualized 3-Year ²	4.30%
Annualized 5-Year ²	3.71%
Annualized SPI ^{1,2}	5.07%

Moderate Growth



Domestic Equities: 30%
International Equities: 19%
Domestic Fixed Income: 44%
International Fixed Income: 5%
Specialty: 1%
Cash: 1%

What Helped

- Strong Performance U.S. Growth holdings
- Underweight to Small Cap Stocks
- Allocation to Long-Term Bonds

What Hurt

- Underweight to U.S. Stocks
- Overweight to Emerging Markets
- Weak performance from Emerging Market Local Currency Bonds

Net Return	
Third Quarter	0.61%
YTD	10.91%
1-Year	4.38%
Annualized 3-Year ²	5.15%
Annualized 5-Year ²	4.30%
Annualized SPI ^{1,2}	6.00%

Growth



Domestic Equities: 42%
International Equities: 27%
Domestic Fixed Income: 26%
International Fixed Income: 3%
Specialty: 1%
Cash: 1%

What Helped

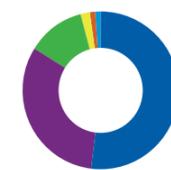
- Strong Performance U.S. Growth holdings
- Underweight to Small Cap Stocks

What Hurt

- Underweight to U.S. Stocks
- Overweight to Emerging Markets
- Weak performance from Emerging Market Local Currency Bonds

Net Return	
Third Quarter	0.20%
YTD	12.87%
1-Year	2.71%
Annualized 3-Year ²	6.46%
Annualized 5-Year ²	5.22%
Annualized SPI ^{1,2}	7.76%

Aggressive



Domestic Equities: 52%
International Equities: 32%
Domestic Fixed Income: 12%
International Fixed Income: 2%
Specialty: 1%
Cash: 1%

What Helped

- Strong Performance from U.S. Growth holdings
- Underweight to Small Cap Stocks

What Hurt

- Underweight to U.S. Stocks
- Overweight to Emerging Markets

Net Return	
Third Quarter	-0.07%
YTD	14.12%
1-Year	1.47%
Annualized 3-Year ²	7.54%
Annualized 5-Year ²	5.96%
Annualized SPI ^{1,2}	9.00%

Market Performance Snapshot

Performance of U.S. Equity, Fixed Income, and International Equity markets

Numbers as of September 30, 2019

	S&P 500	90 Day T-Bill	Russell 3000	MSCI EAFE	Barclay's Ag
Third Quarter	1.70%	0.49%	1.16%	-1.00%	2.27%
YTD	20.55%	1.66%	20.09%	13.35%	8.52%
1-Year	4.25%	2.25%	2.92%	-0.82%	10.30%
Annualized 3-Year ²	13.39%	1.54%	12.83%	7.01%	2.92%
Annualized 5-Year ²	10.84%	0.98%	10.44%	3.77%	3.38%
Annualized Since Inception ^{1,2}	14.51%	0.56%	14.27%	7.19%	3.45%

The index returns are provided for reference only, and you can use them as a guide to see how your portfolio is performing compared with the market in general. For more information, please see Index Information on cover page.

1. Since Portfolio Inception (6/30/10)

2. Annualized Return: The annual equivalent return of an investment, including interest and dividends. This can be used to help compare portfolios with different inception dates or to market indices.