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Your Relationship with TD Ameritrade

TD Ameritrade Holding Corporation (the “Company”), through its subsidiaries, provides a dynamic balance of investment resources and services that make it the investment firm of choice for millions of retail investors and independent Registered Investment Advisors (“RIAs”). The Company offers a full spectrum of investment services, including a leading active trader program, intuitive long-term investment solutions, and a national branch system, as well as relationships with one of the largest independent RIA networks and with an affiliated investment advisor.

Please note that, depending on your circumstances, you may have brokerage relationships, advisory relationships, or both with us. There are important differences between them as described below.

The Company’s subsidiary TD Ameritrade, Inc. (“TD Ameritrade”) is registered as both a broker-dealer and an investment advisor. You should understand that brokerage services are separate and distinct from investment advisory services. Each role is governed by different rules and regulations as well as separate legal agreements. The primary role of TD Ameritrade is to be your broker-dealer and execute trades for you based on your instructions and to provide custody services. However, on occasion, a TD Ameritrade Financial Consultant may refer you to an independent RIA or to our advisory affiliate, TD Ameritrade Investment Management, LLC (“TDAIM”).

Role as a Broker-Dealer

Our Financial Consultants can help you get the most from your relationship with TD Ameritrade by pointing out account features, tools, and resources that complement your needs and investment style. Our Financial Consultants:

- Provide direct client support.
- Answer client information questions.
- Assist clients with inquiries regarding their accounts.
- Facilitate the processing of requests.
- Market to clients the resources, tools, and advisory services of TD Ameritrade and its affiliates.
- Assist clients in opening new accounts.
- Provide investment-related education.
- Make investment-related materials available.
- Recommend the purchase and sale of certain securities.
- Accept or place orders for securities products as directed by clients.

When TD Ameritrade acts as your broker-dealer, we will not have discretion to buy and sell securities for you. As your broker-dealer, we generally do not have a fiduciary or advisory relationship with you, and our obligations to disclose information regarding our business, conflicts between our interests and yours, and other matters are more limited than if we had a fiduciary or advisory relationship with you. As a broker-dealer, our interests may not always be the same as yours, and any advice we give is incidental to our brokerage services. We are typically paid in the form of commissions and other fees for executing your trades, and sometimes are paid by others who compensate us based on what you buy. As a broker-dealer, we do however have a fiduciary relationship with you to the extent you are not acting in a self-directed manner and are a retirement investor seeking advice from us, such as whether you should roll your retirement plan assets to an IRA at TD Ameritrade or whether you should transfer your IRA at another firm to one at TD Ameritrade. That fiduciary status would arise under the new DOL Conflict of Interest Rule.

Role as an Investment Advisor

Although TD Ameritrade’s primary role is as your broker-dealer, depending on your investment needs and style, our Financial Consultants may refer you to an investment advisory service, either AdvisorDirect® or TDAIM. If our Financial Consultants enroll you in such an investment advisory service, they will be acting as investment advisor representatives of AdvisorDirect or TDAIM, as the case may be.

Our Financial Consultants will provide you with a disclosure brochure for the investment advisory service you



select. The brochure provides information about the advisory service, applicable fees, and potential conflicts of interest. The investment advisor you select will enter into a written agreement with you, acknowledging the investment advisory relationship and describing its relationship with you.

Investment advisors have a fiduciary duty to their clients, which means an advisor has a duty of good faith to act in the best interests of the client and to make full and fair disclosure of all material facts, particularly where the advisor's interests may conflict with the client's. Furthermore, with an advisory service, you generally pay a quarterly fee based on the value of the assets being advised.

Our Retail Investment Advisory Services

AdvisorDirect is an investment advisory service of TD Ameritrade that offers you a convenient way to find money management and financial planning services provided by unaffiliated RIAs, which may help you pursue your financial goals. AdvisorDirect puts you in touch with an independent RIA that you may choose to retain to pursue your particular investment needs. The Financial Consultant, when assisting you in the referral process to an unaffiliated RIA, may be acting in an advisory capacity. However, you ultimately retain the obligation to determine whether the unaffiliated RIA meets your investment needs.*

TDAIM is a registered investment advisor and an affiliate of TD Ameritrade. TDAIM recommends diversified portfolios of funds according to factors such as your broader investment objective, risk tolerance, time horizon, or overall financial circumstances. Your information is entered into the TDAIM program that recommends diversified asset allocation portfolios along with a list of mutual funds or exchange traded funds that are investment vehicles used by TDAIM, on a discretionary basis. Financial Consultants cannot alter the program results and do not have discretionary authority over the portfolios. However, a Financial Consultant is acting as an investment advisor representative of TDAIM when assisting you with the TDAIM program and becoming a TDAIM client.**

Please note that our investment advisory services are limited strictly to those accounts for which you have signed an investment advisory agreement. The fact that TD Ameritrade and TDAIM may provide investment advisory services for some of your accounts does not mean that the firms are under any obligation to provide investment advisory services for other accounts you may have at either TD Ameritrade or with other financial institutions.

If you have additional questions, please contact your Financial Consultant or call 800-669-3900.

Investment Products: Not FDIC Insured * No Bank Guarantee * May Lose Value

* Minimum asset level required. There is no charge or obligation for the initial consultation with the independent advisor. Once you select an independent advisor, you will pay advisory fees and standard brokerage fees. Brokerage transactions executed through TD Ameritrade are subject to standard transaction charges. You should review an independent advisor's Form ADV, other applicable advisor disclosure documents, and the AdvisorDirect Disclosure and Acknowledgement Document prior to engaging an independent advisor. The Form ADV contains important disclosure information relative to an independent advisor's services and fees. Independent advisors charge an ongoing investment advisory fee for their services. Independent advisors will pay TD Ameritrade fees for their participation in the AdvisorDirect program. Those fees will usually constitute a percentage of the advisory fees you will pay your independent advisor. For additional details about the fees paid to TD Ameritrade and other conflicts of interest, please review the AdvisorDirect Disclosure and Acknowledgement Document at <https://www.advisorservices.com/content/advisor/pdfs/onlineforms/TDAI4855.pdf> and ask your independent advisor about its specific arrangement with TD Ameritrade. You are solely responsible for evaluating any advisor that you are considering. Please note: Under no circumstances should participation by a certain independent advisor in AdvisorDirect be considered an endorsement or recommendation by TD Ameritrade for that particular independent advisor.

** Advisory services provided by TD Ameritrade Investment Management, LLC ("TD Ameritrade Investment Management"), a registered investment advisor. Brokerage services provided by TD Ameritrade, Inc., member FINRA/SIPC. 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). <https://www.tdameritrade.com/forms/TDA4855.pdf>.