

## INTRODUCTION

### What is the purpose of this document?

You are receiving this document because we understand that you are the responsible plan fiduciary for an employee benefit plan that is subject to the Employee Retirement Income Security Act of 1974 (ERISA), with authority for the plan's overall arrangement with TD Ameritrade, Inc. and TD Ameritrade Clearing, Inc. (TD Ameritrade Clearing) (each or both of which are also sometimes referred to herein as TD Ameritrade). Under U.S. Department of Labor (DOL) regulations issued pursuant to ERISA, Section 408(b)(2), covered service providers to ERISA plans (such as TD Ameritrade) are required to provide plan fiduciaries with certain information about the services they provide to the plans and the compensation (direct and indirect) paid in connection with such services. Please note that future updates to this disclosure will generally be provided to you via mail or electronic delivery. This disclosure is not intended as an offer for any product, service, or specific security.

### Why the regulations?

The DOL believes that the way services are typically provided to ERISA plans and the way service providers are compensated are complex, making it more difficult for plan sponsors and other fiduciaries to understand how service providers are compensated for their services.

The DOL has stated that the 408(b)(2) regulations are intended to ensure that plan service providers present necessary information about their services and compensation, so that plan fiduciaries can make informed decisions about costs and services in discharging their fiduciary responsibility to select and monitor plan service providers.

### What is TD Ameritrade doing to comply?

Below you will find information about the services we provide and the commissions, fees, charges, and other compensation we receive or pay related to these services. If you have any questions, please feel free to call us at the following numbers:

TD Ameritrade Institutional Advisor/RIA business - 800-431-3500

TD Ameritrade Retail brokerage business - 800-669-3900

TD Ameritrade Retirement Plan Self-Directed Brokerage Account (SDBA) - 866-423-2683

## OVERVIEW

TD Ameritrade, Inc., as an introducing broker-dealer, and its affiliate TD Ameritrade Clearing, as a clearing broker-dealer, provide the services described below to those accounts on the TD Ameritrade brokerage platform that are subject to ERISA. TD Ameritrade does not generally provide investment, legal, or tax advice in connection with its brokerage services. TD Ameritrade may provide, in certain limited circumstances, investment advice, including in connection with fixed income products. TD Ameritrade Investment Management, Inc. is a registered investment advisor and, in that capacity may provide investment advice and, in certain circumstances, will be considered an ERISA fiduciary.

TD Ameritrade provides three service lines for ERISA-covered accounts: (a) Retail (generally, for plans and plan participants who use our services through our retail website), (b) Institutional (utilized by independent registered investment advisor clients of TD Ameritrade), and (c) Self-Directed Brokerage Accounts (SDBA) (generally, for plan participants who have the self-directed brokerage account available as an investment option in their retirement plans). TD Ameritrade may receive direct and indirect compensation for the services it provides to plans and their participants. Certain services are not available to all client types, as generally indicated below.

## I. SERVICES

### Brokerage Services

TD Ameritrade is compensated for the brokerage and related services it provides. These services are generally described below in this summary. For additional information regarding these services, you can obtain the relevant TD Ameritrade Client Agreement at:

Retail – [https://www.tdameritrade.com/retail-en\\_us/resources/pdf/AMTD182.pdf](https://www.tdameritrade.com/retail-en_us/resources/pdf/AMTD182.pdf)

Institutional – Please call 800-431-3500

SDBA – [https://www.tdameritrade.com/retail-en\\_us/resources/pdf/SDPS182.pdf](https://www.tdameritrade.com/retail-en_us/resources/pdf/SDPS182.pdf); or call 866-423-2683 (Plans); 866-766-4015 (Participants).

- **Brokerage.** Brokerage services include the functionality of the TD Ameritrade website and related services that are needed to place trades for the plan's brokerage account(s). Brokerage services also include execution of orders placed for the plan participant's account for purchases or sales of shares of mutual funds and other securities, subject to any limitations imposed by the plan. These execution services are provided by TD Ameritrade Clearing.
- **Cash Features program.** TD Ameritrade offers a cash feature program under which unallocated funds in plan accounts are automatically transferred to the cash feature selected for the plan account until a decision on their investment is made. The cash feature is typically an FDIC-insured deposit account or a money market fund. TD Ameritrade Cash may also be selected as the designated cash feature, where TD Ameritrade will pay interest on available cash in the plan's or participant's account. Interest rates may vary among clients in connection with special offers or combinations of services or other circumstances. Where a plan or participant elects TD Ameritrade Cash as the cash feature, TD Ameritrade Clearing has the use of the cash in the plan's or participant's account pending the investment of such cash, and it may therefore derive a financial benefit depending on the manner and duration of such use.

- **Custody and safekeeping.** TD Ameritrade provides custody and safekeeping of client assets. TD Ameritrade also takes reasonable measures to protect the privacy and confidentiality of client account information. For additional information, please review the TD Ameritrade Privacy Statement: [https://www.tdameritrade.com/retail-en\\_us/resources/pdf/AMTD800.pdf](https://www.tdameritrade.com/retail-en_us/resources/pdf/AMTD800.pdf).
- **Statements and confirmations.** TD Ameritrade provides its clients statements and confirmations that permit them to review and confirm transaction activity within the account so that they have an opportunity to timely report any errors to TD Ameritrade.
- **Prospectuses and Shareholder communications.** TD Ameritrade (through a third-party vendor) provides to its clients copies of prospectuses and other shareholder communications in connection with investments in their TD Ameritrade accounts.
- **Transfers out.** If a decision is made to move the plan account, TD Ameritrade will assist with the orderly transfer of plan assets to the new custodian.
- **Other.** TD Ameritrade may offer options, futures, and foreign exchange trading and margin services to certain clients but not others, depending upon the type of client or specifications in plan documents provided by the Plan to TD Ameritrade.

Further information can be obtained at:

For Retail Clients – <https://www.tdameritrade.com/investment-products/options-trading.page>;  
<https://www.tdameritrade.com/investment-products/futures-trading.page>; and  
<https://www.tdameritrade.com/investment-products/forex-trading.page>.

For Institutional, please call 800-431-3500

**Futures, forex, and margin are not available to SDBA clients.** For more information about limited options trading in SDBAs, please call 866-423-2683 (Plans); 866-766-4015 (Participants).

### Advisory Services

- **AdvisorDirect.**<sup>®</sup> TD Ameritrade, Inc. was previously registered as an SEC Investment Advisor and offered AdvisorDirect, an independent investment advisor (RIA) referral service. That service was terminated in March of 2022, and no referrals have been made since that time. Although the AdvisorDirect service is no longer being offered, referral fees are still collected from independent investment advisors who were referred prior to AdvisorDirect closing. A description of the TD Ameritrade, Inc. fee arrangement with RIAs appears under “Indirect Compensation” below.
- **Portfolio Management Services.** TD Ameritrade Investment Management, LLC, a U.S. registered investment advisor and affiliate of TD Ameritrade, offers certain portfolio management services to clients. Essential Portfolios features automated investing with low-cost, low minimum investment, with access to goal-oriented ETF portfolios. The minimum initial investment is \$500 and the advisory fee is 0.30%. Selective Portfolios includes a broader range of goal-oriented portfolios made up of mutual funds and ETFs, based on varying investment objectives and risk. The minimum initial investment is \$25,000 and advisory fee ranges from 0.75% to 0.90% for the first \$100,000 (varies by portfolio and investment amount). Personalized Portfolios offers tailored portfolios of mutual funds, ETFs and SMAs. The minimum initial investment is \$250,000 and the annual advisory fee starts at 0.90% (varies by portfolio and investment amount). TDAIM has retained Charles Schwab Investment Management, Inc. (CSIM) to provide research and investment consulting services. TDAIM will pay an annual fee to CSIM of \$100,000 for these services. For additional information, please see the Disclosure Brochure (ADV Part 2A): [https://www.tdameritrade.com/retail-en\\_us/resources/pdf/TDA4855.pdf](https://www.tdameritrade.com/retail-en_us/resources/pdf/TDA4855.pdf).

### Institutional Services:

- The Separate Account Exchange (SAE) contains a number of third-party separately managed accounts that allow investment advisors to offer managed money solutions to institutional investors across major asset classes and investment styles, on a dual-contract agreement basis where manager fees and billing can be negotiated, and due diligence can be conducted. There is a minimum annual custody fee of \$450 for accounts with asset-based pricing. For additional information, please see the Separate Account Exchange Asset-Based Pricing Fee Schedule:  
<https://veoone.tdainstitutional.com/aem-resources/content/dam/tda/institutional/secure/onlineforms/TDAI4973.pdf>
- With the Unified Managed Account Exchange (UMAX), investment advisors offer their clients a product where their investment solutions can be held in a single account.
- The Model Market Center (MMC) is an offering of TD Ameritrade, Inc. to investment advisors. MMC incorporates iRebal<sup>®</sup> on Veo One<sup>®</sup> technology to provide to RIAs a potentially lower-cost option to traditional money management for their clients while allowing them additional flexibility over trading decisions. For Free Models, TD Ameritrade does not charge any direct fees to RIAs or advisory clients in connection with MMC. The MMC allows an investment advisor to access Free Models from affiliated and unaffiliated third-party investment managers (“Managers”) and, if they wish, to combine them with their own models. TD Ameritrade is paid by the Managers supplying the models:  
5% of the prospectus net expense ratios of exchange traded funds included by the Managers in the models, including exchange traded funds (ETFs) that are less than 6 basis points (“bps”), 10% of ratios equal or greater to 6 bps up to 11 bps, and 15% of ratios of 11 bps or more. TD Ameritrade is paid 3 bps for all mutual funds. All of the above are calculated on the RIA’s clients assets invested in such ETFs or mutual funds.

The Paid Model feature of the MMC permits RIAs to access investment models provided by affiliated and unaffiliated investment managers (“Managers”) that are available for a fee to utilize in clients’ accounts opened and maintained at TD Ameritrade. Paid Model Fees are charged to RIAs as an asset-based fee based on the model cost determined by Managers. Model costs are generally within an approximate range of 10-80 bps, and are subject to change at the discretion of Managers. TD Ameritrade retains 15% of the Paid Model Fee for its services. TD Ameritrade will also collect (i) one of the following: a flat fee, asset based fee, or a fee based on underlying expense ratios of mutual funds and/or ETFs in MMC models; and (ii) customary brokerage fees.

With respect to all three of the above, TD Ameritrade receives direct compensation in the form of brokerage transaction or asset-based service fees, as well as other compensation disclosed herein. TD Ameritrade also receives indirect compensation from mutual funds and ETFs as otherwise disclosed herein. Charles Schwab Investment Management, Inc. (CSIM) and certain other Schwab affiliates charge a manager fee and underlying management fee for strategies that participate in UMAX and SAE.

In UMAX, the default custody schedule is asset based in nature: for assets from \$25,000 to \$250,000, the Program Fee is 22 bps; for the next \$250,000, it is 12 bps; for the next \$1.5 million it is 8 bps; and for over \$2 million it is 6 bps. There is a minimum annual custody fee of \$200.

The above schedule applies to all products as well, if utilized. Custodial fees will not be assessed on any portfolio assets allocated to non-transaction fee mutual funds (NTFs), including those under asset based pricing. If portfolio assets are allocated 100% to NTFs and/or commission-free ETFs, a minimum annual custodial fee of \$200 (or \$450) will be waived, as applicable.

- Alternative Investment Access provides information and other education from and about alternative investment strategies and certain sponsors and issuers of alternative investments who have requested and been permitted by TD Ameritrade to have their alternative investment funds be held at TD Ameritrade solely for custody purposes. The issuers and sponsors pay TD Ameritrade up to 25 bps of assets for shareholder and other services.

#### Other

- **Research tools and third-party content.** TD Ameritrade makes available to its clients various outside sources for research material regarding investments and securities that such outside sources distribute to their own clients. For more information, go to: [https://www.tdameritrade.com/research\\_disclaimer.html](https://www.tdameritrade.com/research_disclaimer.html) and <https://www.tdameritrade.com/investment-research.page>

## II. DIRECT COMPENSATION

For its brokerage services, TD Ameritrade, Inc. receives compensation from plan participant accounts (direct compensation) in the form of commissions and service-specific fees charged against their accounts; including transfer, wire and other fees that may be occasioned by the termination of your account. The amount of such commissions and fees that will be charged by TD Ameritrade, Inc. depends on the service line applicable to the account. Additional information on direct compensation is contained in the schedule(s) available to you at the applicable website identified below:

Retail: <https://www.tdameritrade.com/pricing.page>; and <https://www.tdameritrade.com/pricing/brokerage-fees.page>

Institutional: <https://veoone.tdainstitutional.com/aem-resources/content/dam/tda/institutional/secure/onlineforms/TDAI3444.pdf>

Certain accounts that have a registered investment advisor associated with them may be eligible for negotiated rates and/or asset-based pricing for certain brokerage services. For further information, please go to the Institutional Fee Schedule link provided above

SDBA: [https://www.tdameritrade.com/retail-en\\_us/resources/pdf/SDPS1019.pdf](https://www.tdameritrade.com/retail-en_us/resources/pdf/SDPS1019.pdf)

Your plan may restrict certain investments and not all commissions shown may be applicable to your account. SDBA accounts managed by registered investment advisors may have additional fees referenced in the above Institutional link. SDBA fees will not be higher than stated on the SDBA fee schedule

TD Ameritrade may act as principal on any fixed-income transaction. When acting as principal, it will add a markup to any purchase, and subtract a markdown from every sale, in each case up to a maximum of 3%, depending upon the market and transaction. This markup or markdown will be included in the price quoted to you. In the case of certain new issues, the revenue to TD Ameritrade from an embedded cost structure may be up to 5% of the offering price and will be disclosed to you prior to the transaction. Further information is available upon request.

TD Ameritrade may recommend certain affiliate funds for which CSIM and other affiliates may receive economic benefits.

## III. INDIRECT COMPENSATION, PAYMENTS BETWEEN AFFILIATES, AND PAYMENTS TO SUBCONTRACTORS

- **Bank Deposit Compensation.** The following information is applicable if the plan fiduciary elects to utilize the TD Ameritrade FDIC Insured Deposit Account (IDA) as the cash feature for the plan.

IDA serves as a cash feature for earning income on cash balances in the Program. Excess cash is swept to one or more banks ("Program Banks") which are FDIC-insured up to applicable limits. Any amounts over the FDIC limits are deposited at the "Excess Bank." The customer is responsible to monitor their limits to ensure appropriate FDIC coverage and that other accounts held at Program Banks are included in the calculation of the FDIC limits. The list of Program Banks, including the Excess Bank is included on TD Ameritrade's website at [www.tdameritrade.com/idaprogrambanks](http://www.tdameritrade.com/idaprogrambanks). Cash balances in your cash feature are automatically deposited at least once daily to your Insured Deposit Account. Three of the Program Banks are Charles Schwab Bank, SSB; Charles Schwab Premier Bank, SSB; and Charles Schwab Trust Bank, each an affiliate of TD Ameritrade.

You will earn interest on your deposits in the IDA in accordance with the rates or tiered rates available to you, as determined by TD Ameritrade. Rates may vary based on the particular offering or the level of your assets held with TD Ameritrade. Interest is accrued daily and is credited monthly on the last business day. TD Ameritrade uses the daily balance method to calculate interest on your Account. Interest rates will vary over time, but will be paid consistent with the rate or tiered rate TD Ameritrade makes available to you, regardless of which Program Bank holds your cash. The account statement will display the name of each Program Bank which holds deposits, the balance of deposits at each Program Bank, any withdrawals made during the month, and the applicable interest rate and amount of interest earned on deposits.

TD Ameritrade generally receives a volume-based fee from the Program Banks not affiliated with TD Ameritrade that ranges from 0.70 to 1.00%. In the case of Program Banks that are affiliates, TD Ameritrade will receive a fee of up to \$100 per account. TD Ameritrade has the right to waive all or a part of this fee. The rate of the fee that TD Ameritrade receives may exceed the interest rate or effective yield that you receive in your balances in the IDA.

Other than the applicable fees charged on brokerage accounts, there will be no charges, fees, or commissions imposed on your account for this cash feature. The current IDA interest rate will be disclosed on the TD Ameritrade website and may be changed without prior notice.

Further information regarding the IDA is available in your client agreement, the form of which is also available at the locations set forth above.

- **Brokerage Cash Compensation.** The following information is applicable if the plan fiduciary elects to utilize the TD Ameritrade Cash as the cash feature for the plan.

The income "spread" generated on TD Ameritrade Cash is the difference between what TD Ameritrade earns on margin lending or other broker dealer investment activities and the interest that is paid to plan participants.

- **Payment for Order-Flow.** TD Ameritrade receives payments for directing equities and options order flow to market centers. This payment is used to offset costs of doing business and ultimately helps to reduce the overall cost to our clients. TD Ameritrade receives an average of \$0.001141 per share for equities, and an average of \$0.5308 per option contract (each prior to offset from charges paid for removal of market liquidity). As these amounts may increase or decrease over time, please refer to the firm's current SEC Rule 606 report. For more information, including the firm's SEC Rule 606 regulatory reports regarding order execution, please go to:

<https://www.tdameritrade.com/tools-and-platforms/trader-offering/order-execution.page> and  
<https://www.tdameritrade.com/disclosure.page>

- **Proceeds of Corrective Transactions.** TD Ameritrade receives investment instructions from participants or fiduciaries such as an investment advisor, of the plan. Although rare, occasional errors in the instructions themselves or the processing of instructions may occur. The causes of such errors may include, but are not necessarily limited to, entry of an erroneous trade ("buy" vs. "sell," or vice versa), dollar amount, or number of shares, incorrect identification of the security, duplication of orders (i.e., instruction entered more than once), or untimely transmittal of instructions. For example, in the case of a sell order that is corrected to a price lower than the original intended transaction, or a purchase order corrected at a higher price, the corrective transaction may result in a loss. If, on the other hand, the sell order is corrected to a price higher than the original intended transaction, or the purchase order corrected at a lower price, the corrective transaction may result in a gain.

When an error is discovered, action is taken to correct the transaction in a manner intended to avoid or minimize harm or disruption to the plan. This generally includes processing corrective transactions through a "trade error account" maintained by TD Ameritrade, apart from the plan's account, for TD Ameritrade individually (in-house account) or on behalf of an investment advisor. In addition, when requested by a plan representative, TD Ameritrade may communicate with the broker-dealer and attempt to cancel a trade through similar corrective transactions.

If TD Ameritrade is at fault for the error and the corrective transaction involves a loss, TD Ameritrade reimburses the plan to the extent necessary to process the transaction based on the price that would have been realized by the plan had the transaction been processed as instructed. If the corrective transaction results in a gain, the amount of the gain may be retained in the TD Ameritrade trade correction account to be applied to future losses resulting from TD Ameritrade errors or may be donated to charity. Consistent with positions expressed by the U.S. Department of Labor, any such gains may be treated as indirect compensation to TD Ameritrade for brokerage and related services. The amount of any such compensation attributable to the plan cannot be predicted in advance, but generally is not expected to be material over time.

Additional information about TD Ameritrade's error correction practices is available on request.

### **Mutual Fund and ETF Revenue**

If a participant invests in one or more mutual funds, the following information applies to those investments.

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](https://www.tdameritrade.com/retail-en_us/resources/pdf/AMTD034.pdf).

In addition, in limited circumstances, TD Ameritrade receives sales loads and commissions for the purchase and sale of certain mutual fund shares, though waivers may be available for certain retirement plan assets. The rates of these loads and commissions, if applicable, are specified in the mutual fund's prospectus. A front-end sales load or commission reduces the amount available to purchase fund shares; a majority or all of the sales load or commission may go to TD Ameritrade. Sales loads and commissions can range up to 5.75% of the transaction amount. For more information regarding these fees, please see the fund's current prospectus.

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 1.28%. 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 up 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 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.

#### **Compensation on Funds in Transition**

TD Ameritrade Clearing receives indirect compensation on client funds in transition, such as when a participant distribution check has been issued. This compensation is known as "earnings credits." TD Ameritrade Clearing issues checks and wires through First National Bank of Omaha and may receive these earnings credits from them. These credits accrue from the time TD Ameritrade Clearing issues a check or sends a wire and removes funds from the plan account until such time as the check is presented to the issuing bank for payment. The earnings credits serve to offset the fees TD Ameritrade Clearing might otherwise be required to pay for banking services. The credit is calculated based upon a variety of commercial and competitive factors, including prevailing economic and business conditions and varies over time depending upon such factors. If a check becomes "stale dated" (after 180 days without presentment for payment), the check is canceled and the funds are returned to the plan's account and no further credits are earned.

#### **Referral fees for AdvisorDirect**

As noted above, TD Ameritrade, Inc. stopped offering the Advisor Direct program in March of 2022. If the plan or a participant retains an RIA that previously participated in TD Ameritrade, Inc.'s AdvisorDirect program, the following information is applicable.

Under its agreements with RIAs that previously participated in the AdvisorDirect program, TD Ameritrade, Inc. receives referral fees from these RIAs. For Referred Client relationships initiated on or after July 1, 2010 and for assets subject to a Special Services Addendum, the Referral Fee is a maximum of 25% of the RIA's advisory fees for the life of the RIA's relationship with the Referred Client. For relationships initiated on or after June 9, 2017 (excluding assets subject to a Special Services Addendum) or relationships moved at the one-time election of the RIA, a tiered Referral Fee not to exceed .25% of the Referred Client assets applies. The referral fees do not impact the advisory fee charged by the RIA to the plan or participant account.

**The above service is not available to SDBA clients.**

#### **Payments Between TD Ameritrade Affiliates**

- **Bank Deposit Compensation.** Under its agreement with Charles Schwab Bank, SSB, TD Ameritrade, Inc. and TD Ameritrade Clearing receives from Charles Schwab Bank, SSB; Charles Schwab Premier Bank, SSB; and Charles Schwab Trust Bank. a fee for services in connection with the IDA described above under "Indirect Compensation – Bank Deposit Compensation".
- **Affiliated Funds.** TD Ameritrade receives fees from Schwab Affiliated Funds as described above under "Indirect Compensation - Mutual Fund and ETF Revenue."
- **CSIM and Other Affiliates.** CSIM and certain other affiliates receive compensation due to their participation in certain Institutional Services as described in that section as well as the Mutual Fund and ETF Revenue section above. TDAIM has retained CSIM to provide research and investment consulting services. TDAIM will pay an annual fee to CSIM of \$100,000 for these services.
- **Compensation in Connection with Self-Directed Brokerage Accounts. The following only applies if Charles Schwab Trust Bank ("CSTB") serves as directed trustee or custodian of the plan's assets and such assets are sub-custodied at CSTB's vendor, Matrix Trust Company ("Vendor"):** If your plan allows plan participants to establish self-directed brokerage accounts ("SDBAs"), CSTB or its Vendor may receive compensation for services provided to CSTB's broker-dealer affiliate, TD Ameritrade Clearing, pursuant to an arrangement regarding the establishment and maintenance of SDBAs at TD Ameritrade Clearing. The choice to establish an SDBA at TD Ameritrade Clearing is up to each individual participant. CSTB does not participate in the decision to establish an SDBA or in any investment decisions made by a plan participant for their SDBA. The rate of the fee paid to CSTB or its Vendor is not dependent on the types of investments selected by any plan participant for their SDBA, but it is calculated as a percentage (in bps) of the average balance of assets held in SDBA at TD Ameritrade Clearing on behalf of participants in your plan. The compensation that CSTB or its Vendor receives from TD Ameritrade Clearing is paid quarterly. CSTB's vendor has been engaged by CSTB to provide account reconciliation services, account set-up and maintenance, movement of cash between the Plan's core accounts and SDBAs, and related administrative tasks. For these services, CSTB's Vendor will receive quarterly, in arrears, an amount equal to 0.00375% (0.375 basis points) of the average balance of assets held in the SDBA in the applicable quarter. These amounts received by CSTB's Vendor are also fully disclosed in your fee disclosure statement prepared by CSTB for your plan.

#### **Payments to Subcontractors**

- **Prospectus Delivery and Shareholder Communications.** TD Ameritrade, Inc. utilizes the services of a third-party vendor, Broadridge Investor Communication Services (and its affiliates) (Broadridge) to provide prospectuses, certain other shareholder communications, as well as statements, confirms, and certain tax documents, to TD Ameritrade, Inc. clients. Under its agreements with Broadridge, TD Ameritrade, Inc. pays a fixed, per-unit-of-service fee with a scaled discount depending upon the total amount of services rendered.

- **Account Features and Services.** TD Ameritrade utilizes the services of numerous third-party subcontractors to provide technology, market data, third-party content, and other services to certain clients. These services are available to clients for use in connection with their management of their investments. Not all services are available to all clients. For retail clients, please also refer to <https://www.tdameritrade.com/tools-and-platforms.page>. Certain of these services are provided to TD Ameritrade clients via fixed-fee contracts that TD Ameritrade has entered into with these subcontractors.
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Investment Products: Not FDIC Insured \* No Bank Guarantee \* May Lose Value

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