

TD Ameritrade Investment Management, LLC

Form CRS Customer Relationship Summary (As Amended March 31, 2023)

<p>Introduction</p>	<p>TD Ameritrade Investment Management, LLC (TDAIM, we, our or us) is registered with the United States Securities and Exchange Commission (SEC) as an investment adviser. We are an affiliate of TD Ameritrade, Inc. (TDA), a broker-dealer. TDAIM and TDA are wholly-owned subsidiaries of The Charles Schwab Corporation (Schwab). Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials on broker-dealers, investment advisers, and investing.</p>		
<p>What investment services and advice can you provide me?</p>	<p>We offer investment advisory services primarily to retail investors. Certain accounts subject to Title 1 of the Employee Retirement Income Security Act of 1974 (ERISA) are not eligible for this program. Our principal services are managed portfolios for long-term investors known as the Essential Portfolios, the Selective Portfolios and the Personalized Portfolios. They are provided on a discretionary basis involving continuous management of client accounts, with periodic reviews and rebalances and optional tax-loss harvesting. TDAIM's services use its affiliate Charles Schwab Investment Management, Inc., dba Schwab Asset Management, to provide consulting, which will include recommending asset allocations and specific funds.</p> <p>TDAIM's Essential Portfolios are provided on a digital, online basis via the Internet. They include five Core asset allocation models and five Socially Aware asset allocation models. All the models use ETFs as the investment vehicles, along with a small portion of cash and cash equivalents. TDAIM has closed its Essential Portfolios service to new and existing investors but will continue to serve its existing clients.</p> <p>TDAIM's Selective Portfolios include the Core Mutual Fund, Core ETF, Supplemental Income, Opportunistic and Managed Risk Portfolios, with asset allocation involving ETFs or mutual funds as the investment vehicles, along with a small portion of cash and cash equivalents. The Selective Portfolios minimum initial investment amount is \$25,000. TDAIM has closed Managed Risk and Supplemental Income portfolios to new and existing investors. The TDAIM Core MF, Core ETF and Opportunistic will only be available to existing TDAIM clients. TDAIM will continue to service all existing Selective Portfolios clients.</p> <p>TDAIM's Personalized Portfolios are a more tailored discretionary investment management service, with a wide variety of investment vehicles available. They include separately managed accounts with third party investment advisers that entail additional fees. Clients work with both a TDA Financial Consultant (FC) and a dedicated TDAIM Portfolio Consultant to establish a custom portfolio designed to fit their circumstances. TDAIM has closed Personalized Portfolios to new and existing investors but will continue to serve its existing clients.</p> <p>For additional information, please see our Form ADV, Part 2A brochure at the following link: TDAIM Form ADV, Part 2A brochure: https://www.tdameritrade.com/retail-en_us/resources/pdf/TDA4855.pdf</p> <p>Conversation Starter. Ask your financial professional—</p> <ul style="list-style-type: none"> • Given my financial situation, should I choose an investment advisory service? Why or why not? • How will you choose investments to recommend to me? • What is your relevant experience, including your licenses, education and other qualifications? • What do these qualifications mean? 		
<p>What fees will I pay?</p>	<p>As a retail investor using TDAIM's investment advisory services, you will pay the annual TDAIM fees below. The Essential Portfolios and Selective Portfolios fees are charged at the beginning of each quarter, in advance, based on the prior quarter ending value. The Personalized Portfolios fees are calculated monthly and applied in arrears based on average daily values. For Selective Portfolios we won't bill you for advisory fees for an account with a value of \$1,000 or less. Similarly, we won't bill you for advisory fees on Essential Portfolios with an account value below \$50 (see below). Advisory fees will be applied to all balances with Personalized Portfolio Accounts regardless of account value. Our fees are as follows:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><u>Essential Portfolios (Core/ESG):</u></p> <p>.30% on assets over \$50</p> <p><u>Selective Portfolios (Core and Managed Risk):</u></p> <p>.90% on the first \$100,000 .70% on the next \$150,000 .50% on the next \$250,000 .30% on the next \$500,000 .20% on assets above \$1,000,000</p> <p><u>Selective Portfolios (Core ETF and Opportunistic):</u></p> <p>.90% on the first \$100,000 .75% on the next \$400,000 .65% on the next \$500,000 .50% on assets over \$1,000,000</p> </td> <td style="width: 50%; vertical-align: top;"> <p><u>Selective Portfolios (Supplemental Income):</u></p> <p>.75% on first \$100,000 .60% on next \$150,000 .45% on next \$250,000 .30% on next \$500,000 .20% on assets over \$1,000,000</p> <p><u>Personalized Portfolios:</u></p> <p>.90% on first \$500,000 .75% on next \$500,000 .60% on assets above \$1,000,000</p> </td> </tr> </table> <p>You should understand that the more assets you have in a TDAIM advisory fee-based account, the more you will pay TDAIM in fees.</p> <p>TDAIM executes transactions for its client accounts through its affiliated broker-dealer TDA. TDA, acting in a broker-dealer capacity, will forward orders from TDAIM advisory clients to its affiliated broker-dealer TD Ameritrade Clearing, Inc. (TDAC), its clearing broker, for execution on a fully disclosed basis. TDAC also serves as the custodian of TDAIM client assets. You pay no commissions or other charges for the services of TDA and TDAC, but there are standard regulatory fees charged on certain transactions. Also, TDAIM's fees don't include underlying ETF or mutual fund expenses at the fund level. These are standard expenses all fund shareholders pay. They include underlying fund advisory fees and other fund service fees. The total fund fees for mutual funds in our portfolios typically range from .3% to 1.98% annually and the total fund fees for ETFs in our portfolios typically range from .03% to 1.44% annually.</p>	<p><u>Essential Portfolios (Core/ESG):</u></p> <p>.30% on assets over \$50</p> <p><u>Selective Portfolios (Core and Managed Risk):</u></p> <p>.90% on the first \$100,000 .70% on the next \$150,000 .50% on the next \$250,000 .30% on the next \$500,000 .20% on assets above \$1,000,000</p> <p><u>Selective Portfolios (Core ETF and Opportunistic):</u></p> <p>.90% on the first \$100,000 .75% on the next \$400,000 .65% on the next \$500,000 .50% on assets over \$1,000,000</p>	<p><u>Selective Portfolios (Supplemental Income):</u></p> <p>.75% on first \$100,000 .60% on next \$150,000 .45% on next \$250,000 .30% on next \$500,000 .20% on assets over \$1,000,000</p> <p><u>Personalized Portfolios:</u></p> <p>.90% on first \$500,000 .75% on next \$500,000 .60% on assets above \$1,000,000</p>
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<p>What fees will I pay? (cont.)</p>	<p>You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.</p> <p><i>For additional information</i>, please see our Form ADV, Part 2A brochure at the above link.</p> <p>Conversation Starter. Ask your financial professional—</p> <ul style="list-style-type: none"> • Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?
<p>What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?</p>	<p>When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.</p> <ul style="list-style-type: none"> • TDAIM itself only makes money from the advisory fees you pay us. • Most TDAIM clients are referred to us by TDA FCs. • For taxable accounts, the principal sweep vehicle TDAIM uses is an insured deposit account (IDA) held at one or more Program Banks, including certain Schwab banks. Affiliated Program Banks earn income on cash balances. We will receive a volume based fee from the Program Banks that are not affiliated with TD Ameritrade that ranges from 0.70 to 1.00%. In the case of Program Banks that are affiliates, we will receive a fee of up to \$100 per account. So our affiliated broker TDA benefits financially from the deposits. <p><i>For additional information</i>, please see the TDAIM Form ADV, Part 2A brochure at the above link. <i>For more information about our conflicts and capacity when we provide investment recommendations for retirement accounts, go to tdameritrade.com/bestinterest and read our Regulation Best Interest Disclosure.</i></p> <p>Conversation Starter. Ask your financial professional—</p> <ul style="list-style-type: none"> • How might your conflicts of interest affect me, and how will you address them?
<p>How do your financial professionals make money?</p>	<ul style="list-style-type: none"> • TDAIM's Portfolio Consultants for its Personalized Portfolios are employed by and paid by TDAIM. Most of their compensation is comprised of base pay. The balance is incentive compensation tied to metrics such as client satisfaction. • FCs are employed by TDA but also act as investment adviser representatives (IARs) of TDAIM. Our Financial Consultants receive cash payments based on the amount of assets you have with us and the time, complexity, and expertise required to help you with any of our services; specifically, they receive compensation to navigate you to our investment advisory services. They do earn more for recommending certain services over others, but what they earn is not directly based on the revenue the firm earns. This compensation structure creates a conflict of interest. For more information on how we pay our representatives, go to tdameritrade.com/incentive-compensation.html page. • In addition, in connection with the affiliation with Charles Schwab & Co., Inc. (CS & Co.) beginning in 2022, FCs were dually registered with CS&Co. and are able to offer certain CS&Co. products and services. For information on CS&Co. compensation and their policies and procedures to mitigate conflicts, refer to Client Relationship Summaries like this one available at Schwab.com/transparency. You can also review TD Ameritrade's Form CRS by visiting tdameritrade.com/bestinterest.
<p>Do you or your financial professionals have legal or disciplinary history?</p>	<p>No for TDAIM. Yes for its IARs.</p> <p>Visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.</p> <p>Conversation Starter. Ask your financial professional—</p> <ul style="list-style-type: none"> • As a financial professional, do you have any disciplinary history? For what type of conduct?
<p>Additional Information</p>	<p><i>For additional information about our services</i>, see the above-referenced links. If you would like additional, up-to-date information or a copy of this disclosure, please call 888-310-7921.</p> <p>Conversation Starter. Ask your financial professional—</p> <ul style="list-style-type: none"> • Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?