

Summary of Cash Features Program



Contact Information:

Log in and go to Client Services >
Message Center to contact us

Mailing Address:

PO Box 2760, Omaha, NE 68103-2760

TD Ameritrade, Inc. ("TD Ameritrade") offers a cash sweep program to enable you to earn interest on cash balances in your TD Ameritrade account. This disclosure statement is intended to summarize the key features of this program. Please also refer to the TD Ameritrade Client Agreement and website for details.

Cash Sweep Vehicles.

- 1. TD Ameritrade FDIC Insured Deposit Account ("IDA")** – The IDA serves as a cash sweep vehicle for earning income on cash balances in TD Ameritrade brokerage accounts. Excess cash is swept to interest-bearing FDIC-insured savings or checking accounts (see "FDIC Limits of Coverage," below) at one or more banks ("Program Banks"). 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.
- 2. TD Ameritrade Cash** – TD Ameritrade Cash is a cash sweep alternative. Cash balances held in your brokerage account earn simple interest and are protected by the SIPC coverage applicable to the account, and the supplemental private insurance obtained by TD Ameritrade, up to applicable limits.
- 3. Money Market Funds** – A sweep to a money market mutual fund is another option for certain eligible clients. Investments in money market funds may be subject to eligibility and other restrictions, as well as charges and expenses. Certain money market funds may impose liquidity fees and redemption gates in certain circumstances. Money market funds are securities that may increase or decrease in value. They are not insured or guaranteed by the FDIC, any other government agency, or TD Ameritrade, and there can be no assurance that such funds will be able to maintain a stable net asset value of \$1 per share.

Change of Cash Sweep Vehicle. Subject to eligibility requirements, you may change your cash sweep vehicle at any time. Changing your cash sweep vehicle from a money market fund to the IDA, or vice versa, requires TD Ameritrade to temporarily transfer your balance to TD Ameritrade Cash. If you are changing from a money market fund to the IDA or TD Ameritrade Cash, this will require TD Ameritrade to first liquidate your money market fund position. Changing your cash sweep vehicle may result in the loss of one or more business day's interest or dividends while your transactions are being processed.

TD Ameritrade also reserves the right to change eligibility requirements for cash sweep vehicles and to vary the offered cash sweep vehicles between clients, and may offer versions that pay different rates or yields. TD Ameritrade may also change, replace, or terminate any cash sweep vehicle as provided in the Client Agreement. Your account statement will include sweep transactions involving money market funds in lieu of immediate trade confirmations.

If your cash sweep vehicle is a money market fund, or the IDA, and your account is flagged as a "Pattern Day Trader," you understand that on the next business day, TD Ameritrade may change your cash sweep vehicle to TD Ameritrade Cash.

Deposit and Withdrawal Procedures. Cash balances in your cash sweep vehicle are automatically deposited on a daily basis to your IDA, money market fund, or held in TD Ameritrade Cash, as applicable. For clients who have selected the IDA, TD Ameritrade will deposit cash balances with one or more Program Banks. TD Ameritrade will deposit up to \$247,500 in each Program Bank, per depositor per legal capacity, except for "the Excess Bank," which will receive deposits without limit, even if the amount in the IDA exceeds the FDIC insurance available to you. The list of Program Banks and "the Excess Bank" is included on the TD Ameritrade website at tdameritrade.com/idaprogrambanks. Funds are withdrawn automatically from your cash sweep vehicle to satisfy any debits created in your brokerage account when you purchase securities or request a withdrawal of funds. The availability of funds for making payments, withdrawals, or transfers from your account is governed by the TD Ameritrade Client Agreement.

Availability of Cash. The balance in your IDA or shares of your money market fund can be liquidated on your order, and the proceeds returned to TD Ameritrade Cash or remitted to you.

Interest Rates and Dividends.

- 1. Insured Deposit Account.** 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. You understand that rates may vary based on the particular offering or the level of your assets held with TD Ameritrade. Interest rates earned in the IDAs 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 interest rates paid with respect to the IDAs may be higher or lower than the interest rates available to depositors making deposits directly with the Program Banks or other depository institutions in comparable accounts. The current interest rate will be available on the website, or you may contact TD Ameritrade to obtain the current rate. Interest will accrue on balances from the day they are deposited into the IDAs through the business day preceding the date of withdrawal from the IDA. Interest will be accrued daily and credited on the last business day of each month. TD Ameritrade uses the daily balance method to calculate interest on your Account.



2. TD Ameritrade Cash – TD Ameritrade establishes the interest rate paid on the uninvested cash in your brokerage account (also referred to as “free credit balances”) based on prevailing market and business conditions. TD Ameritrade Cash is intended as a place to keep your cash pending investment and not solely for the purpose of receiving interest.

3. Money Market Funds – Money market funds are investment companies that pay dividends. Details regarding money market funds will be included in the fund prospectus. Money market fund dividends will be credited to your account on a monthly basis.

FDIC Limits of Coverage; Distinction from SIPC Protection. In the unlikely event that a Program Bank should fail, each depositor with IDA balances is insured, up to the \$250,000 limit, for taxable accounts, IRAs, and certain other retirement accounts, when aggregated with other deposits, including Certificates of Deposit, held by you in the same recognized legal capacity at each of the Program Banks for principal and interest accrued to the day the Program Banks are closed. The bank sweep program is designed to provide you with access to at least two Program Banks, providing up to \$500,000 in FDIC insurance per depositor, per legal capacity. Subject to deposit limits pursuant to agreements with the Program Banks, to the extent that your cash is being deposited into more than two Program Banks, it is possible for you to obtain total FDIC insurance in excess of \$500,000 per depositor in each recognized legal capacity. In addition, TD Ameritrade will determine the order of the Program Banks in the IDA for the purposes of accepting deposits based on several factors including, but not limited to, minimum and maximum deposit balances agreed to with a particular Program Bank and the contractual arrangement between TD Ameritrade and a particular Program Bank. Any deposits (including certificates of deposit) that you maintain in the same insurable capacity directly with a Program Bank, or through an intermediary (such as TD Ameritrade or another broker), will be aggregated with deposits in the IDA at such Program Bank for purposes of determining the maximum FDIC insurance amount. **You are responsible for monitoring the total amount of deposits that you have with each of the Program Banks in order to determine the deposit insurance coverage available to you. If your balances in the IDA exceed \$250,000 at any of the Program Banks, you may contact TD Ameritrade to discuss other options. TD Ameritrade will not be responsible for any insured or uninsured portion of your IDA balances.** Questions about FDIC coverage may be directed to TD Ameritrade. You can also get information by contacting the FDIC, Division of Compliance and Consumer Affairs, or by accessing the FDIC website at fdic.gov.

TD Ameritrade is a member of the Securities Investor Protection Corporation (“SIPC”), which protects securities customers of its members up to \$500,000 (including \$250,000 for claims for cash). An explanatory brochure is available on request at sipc.org.

Additionally, TD Ameritrade has purchased supplemental insurance coverage that provides \$149.5 million worth of protection for securities and \$2 million of protection for cash through supplemental coverage provided by London insurers. In the event of a brokerage insolvency, a client may receive amounts due from the trustee in bankruptcy and then SIPC. Supplemental coverage is paid out after the trustee and SIPC payouts and under such coverage each client is limited to a combined return of \$152 million from a trustee, SIPC, and London insurers. The TD Ameritrade supplemental coverage has an aggregate limit of \$500 million over all customers. This policy provides coverage following brokerage insolvency and does not protect against loss in market value of the securities.

Benefits to TD Ameritrade.

1. Insured Deposit Account. The Program Banks use IDA balances to fund current and new investment and lending activity. The Program Banks seek to make a profit by achieving a positive spread between their cost of funds (for example, deposits) and the return on their assets, net of expenses.

TD Ameritrade receives 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, TD Ameritrade will receive a fee of up to \$100 per account. TD Ameritrade has the right to waive all or part of this fee. The rate of the fee that TD Ameritrade receives may exceed the interest rate or effective yield that you receive on balances in the IDAs. Other than the applicable fees charged on brokerage accounts, there will be no charges, fees, or commissions imposed on your account for this cash sweep vehicle. The current IDA interest rate will be disclosed on the TD Ameritrade website and may be changed without prior notice.

2. TD Ameritrade Cash – TD Ameritrade segregates customer cash consistent with the Securities and Exchange Commission rules and regulations. TD Ameritrade may earn income from holding client cash.

3. Money Market Funds – TD Ameritrade may receive fees for providing marketing and shareholder services to money market funds included as a cash sweep vehicle. In addition, TD Ameritrade Clearing, Inc. (“TD Ameritrade Clearing”) may act as transfer agent for certain funds and may receive payment for such services provided to such funds. The fees TD Ameritrade and TD Ameritrade Clearing receive are disclosed in the prospectus for the fund.

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

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