

Tier III

Actively Managed Funds

The TD Ameritrade 401(k) Profit Sharing Plan (the Plan) offers 11 actively managed funds.

Tier III – Core Option Array (Actively Managed)				
Money Market Vanguard Prime Money Market Fund Institutional (VMRXX) Gabelli U.S. Treasury Money Market Class AAA (GABXX)	Short-Term Bond¹ JPMorgan Short Duration Bond R6 (JSDUX)	Intermediate-Term Bond¹ Loomis Sayles Core Plus Bond - Collective Trust (N/A)	World Bond^{1,3} AllianceBernstein Global Bond Institutional (ANAIX)	
Large Growth PRIMECAP Odyssey Stock (POSKX)	Mid Cap Growth² T. Rowe Price Mid Cap Growth (RPMGX)	Small Blend² DFA US Small Cap (DFSTX)	Foreign Large Growth³ MFS Institutional International Equity (MIEIX)	Diversified Emerging Markets⁴ Lazard Emerging Markets Equity Institutional (LZEMX) Vanguard Emerging Markets Stock Index I (VEMIX)

Understanding Actively Managed Funds

Actively managed investment choices are managed by a team of professionals that use research, financial analysis and personal expertise to determine which securities to buy and sell. Each fund has a stated investment style and strategy included in its prospectus. Unlike passively managed funds, actively managed funds seek to outperform the market index. The potential to outperform the market is one advantage that actively managed funds have over index funds.

There is no guarantee that a portfolio manager of an actively managed fund will accomplish the goal of producing higher returns than the fund's established benchmark. Depending on the underlying investments, returns may even be less than the benchmark index.

Actively managed funds also tend to have higher expense ratios than index funds due to the expenses of the investment manager, staff and other resources used in deciding which securities to buy and sell. The investment style and strategy of actively managed funds can change over time, so regular review of a fund's prospectus by plan participants is encouraged.

Actively Managed Investment Styles

Investment style refers to the way a portfolio manager chooses and manages a portfolio of securities. While not a comprehensive list, the following includes the most common investment styles used for picking stocks.

- **Growth**—Managers utilizing this style invest in stocks that have potential to outperform the market over time. Growth stocks usually pay little or no dividends and typically have strong earnings growth potential; however, there is no assurance that the earnings growth potential will be realized over time. As a result, these stocks tend to be more volatile and, therefore, more risky.
- **Value**—Managers utilizing this style invest in stocks that are considered undervalued relative to criteria established by that portfolio manager, but which have potential to increase in value over time. Stock in value portfolios often have higher dividend yields, which bring additional consistency to returns.
- **Blend**—Managers utilizing this style invest in a combination of both growth and value investment styles.

These investment styles can be segmented further by market capitalization. A fund can also include specific investment strategies, including, but not limited to, market sector, asset classification, asset allocation and geography.



The Right Type of Investor

What type of investor should consider investing in the Tier III choices of actively managed funds? This investment approach allows investors the opportunity to select an allocation of funds that strives to outperform various benchmark indices with potentially greater return. There is a risk that a fund may not reach its stated objectives and performance goals. An investor must understand the risks and generally higher expenses associated with actively managed funds and accept them as part of his or her overall retirement strategy in pursuit of greater return potential.

Frequently Asked Questions

If an actively managed fund has a higher expense ratio (investment fees), why would I choose to invest in this type of mutual fund?

The Plan continues to provide you with several types of investment choices from which to choose. For investors

willing to accept the risks and generally higher expenses associated with an actively managed fund, the fund manager strives to achieve performance returns that exceed the market index, and the fees associated with the fund are typically higher due to more active trading.

Where can I learn more about the objective and strategy of a particular fund offered through the Plan?

The fund overview provides you with a high level understanding of the objectives of the individual fund, including the risk versus return potential. The fund prospectus is a highly detailed document on the individual fund that provides the investment objective, investment strategy, shareholder information, risks, performance information, fees and expenses, and the financial highlights of the fund. Fund overviews and prospectuses, including past performance of the fund, can be found on the Plan website at www.tdameritrade401kplan.com. Keep in mind that past performance is not a guarantee or prediction of future results.

To invest in or learn more about the actively managed funds offered through the Plan, including access to fund prospectuses, overviews and performance, visit www.tdameritrade401kplan.com or call 888-TDA-401K.⁵

Empower Retirement representatives are available Monday through Friday, 8 a.m. to 7 p.m. CT.⁶

An investment in a Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

Under no circumstances should this be construed as investment advice. Before investing in any mutual fund, we strongly encourage you to carefully read and consider all investment objectives, risks, charges and expense fees for each investment choice offered in the TD Ameritrade 401(k) Profit Sharing Plan. For this and all other related information, including free fund prospectuses, visit www.tdameritrade401kplan.com or call 888-TDA-401K. For prospectuses related to investments in your Self-Directed Brokerage Account (SDBA), contact TD Ameritrade at 866-766-4015. Read all information carefully before you invest.

1 A bond fund's yield, share price and total return change daily and are based on changes in interest rates, market conditions, economic and political news, and the quality and maturity of its investments. In general, bond prices fall when interest rates rise and vice versa.

2 Equity securities of small-sized and medium-sized companies may be more volatile than securities of larger, more established companies.

3 Foreign investments involve special risks, including currency fluctuations and political developments.

4 Equity securities of companies located in emerging markets involve greater risks than investing in more established markets, including currency fluctuations, political developments and share illiquidity.

5 Access to the voice response system and the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

6 Representatives of GWFS Equities, Inc. are not registered investment advisors, and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax advisor as needed.

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