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The vast majority of our clients are self-directed, meaning they manage their own portfolios and investments. They make their own investment decisions, with objectives ranging from planning for long-term goals like retirement to acting on shorter-term market opportunities—and sometimes both—and they often come to us for education, resources, and ideas. They can find these information sources digitally through our online platforms, apps, and tools. In the case of these self-directed clients, we may receive compensation for our services, including but not limited to trade commissions, but our investment professionals are not compensated for self-directed trades.

Many of our clients may not have the time, experience, knowledge, or aptitude to make their own investment decisions. These people may choose to work one-on-one with licensed financial consultants through our expansive branch network. These investment professionals provide the human element many investors want when making important financial decisions. TD Ameritrade has two levels of financial consultants, known as Financial Consultants (“FCs”) and Senior Financial Consultants (“SFCs”). We will use the lower case “financial consultants” when we are referring to both.

TD Ameritrade offers incentive compensation plans for financial consultants that are designed to reward and motivate those that support this important piece of our client experience. Our approach is to balance performance goals with a commitment to providing appropriate solutions for our clients’ specific needs. We believe incentive goals should never override our mission to do the right thing for our clients.

Here are some details regarding how we compensate the financial consultants you may encounter in our branch network.

**Base Salary** – All financial consultants start with a meaningful base salary that provides a stable income. Base Salary is designed to represent roughly half of our financial consultants’ total compensation, but the actual percentage of total compensation attributable to base salary could vary based on a particular financial consultant’s incentive compensation (with higher performers earning significantly more from incentive compensation overall).

**Incentives** – Financial consultants may be eligible for incentive compensation based on meeting various performance metrics, including matching client needs with various guidance solutions, attracting new assets to the firms, retaining client assets, and providing an exceptional client experience. Our compensation plans are designed to align with our core values, with a focus on client experience, trust and integrity, and collaboration. Here are a few of the incentive compensation highlights:

First and foremost, our financial consultants are incented to provide appropriate, suitable, long-term solutions for clients and to build strong, lasting client relationships. The following factors are also taken into account in arriving at incentive compensation for our FCs and SFCs:

- **Core Values & Client Experience:** Discretionary awards for behaviors aligned with our firm’s core values and superior client experience.
- **Client Acquisition and Retention Incentives:** Financial consultants are compensated for:
  - Net flows of assets resulting from their activities to develop existing and new clients;
  - Net flows of guidance assets resulting from activities to develop new clients; and
  - Maintaining existing client assets.They receive increased payout for activities relating to maintaining existing client assets in guidance solutions, including Selective Portfolios, Personalized Portfolios and referrals to AdvisorDirect.
- **Partner and Affiliate Referrals** - Referring clients to licensed TD Ameritrade or Charles Schwab & Co., Inc. associates for:
  - appropriate fixed income solutions;
  - discussion/demonstration of the thinkorswim® platform or certain educational materials on our website;
  - assistance with annuity products; and
  - introduction to Charles Schwab & Co, Inc. and its affiliates or third party providers for certain products and services.

Branch Managers provide local strategic direction and execution support, and they recruit and manage the local team. They are responsible for the performance of their branch. In addition to a base salary, Branch Managers are eligible to earn an annual bonus that is funded based on the company’s performance and determined based on manager discretion, which may include consideration of branch growth and productivity, client satisfaction, and development of staff.

Please note: clients may interact with other employees at TD Ameritrade (besides our financial consultants and Branch Managers) who are compensated differently.



We are committed to delivering an exceptional client experience, as well as an employment culture that enables our employees to develop in their careers. We regularly review and refine our compensation model to ensure we remain aligned with client needs and employee engagement trends. The above information is current as of 01/01/21. Check back here for future updates. We also welcome client questions of any of our financial consultants or Branch Managers regarding their compensation concerning a particular solution or transaction.

Please remember, this is how we pay our branch employees, not what clients pay us. For those details, [click here](#). For additional information about incentive compensation and other potential conflicts of interest related to TD Ameritrade Investment Management, LLC's managed portfolios (Essential Portfolios, Selective Portfolios, and Personalized Portfolios), please refer to the [Disclosure Brochure](#). For information on TD Ameritrade's AdvisorDirect service, please see the [Disclosure Brochure](#).

Discretionary advisory services are provided for a fee by TD Ameritrade Investment Management, LLC ("TD Ameritrade Investment Management"), a registered investment advisor and subsidiary of The Charles Schwab Corporation. For more information, including investment risks, please see the Disclosure Brochure (Form ADV Part 2A) <http://www.tdameritrade.com/forms/TDA4855.pdf>.

If a client selects an independent advisor through the AdvisorDirect referral program, the client will pay advisory fees and standard brokerage fees. The client should review an independent advisor's Form ADV, other applicable advisor disclosure document(s), 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.

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