

ASSET-BASED FEE PROGRAM ADDENDUM TO TD AMERITRADE INSTITUTIONAL CLIENT ACCOUNT APPLICATION

This is an addendum (“Addendum”) to the TD Ameritrade Institutional Client Account Application (“Account Application”) completed by the person(s) executing below (“you”). This Addendum sets forth the terms and conditions under which TD Ameritrade, Inc. (“TD Ameritrade”) will charge to your TD Ameritrade Institutional brokerage account(s) (collectively, the “Account”) a periodic fixed fee (an “ABF”) based on a percentage of the Account’s value rather than transaction-based commissions (the “Asset-Based Fee Program” or the “Program”). This Addendum also includes important information that satisfies the disclosure requirements of FINRA Notice to Members 03-68. Accordingly, this Addendum contains certain information to assist you in making an informed determination as to whether participation in the Program is appropriate for your Account. For the purposes of this Addendum, the term “Agent” means your Advisory Firm or other individual named in your Account Application as your agent and attorney-in-fact. Capitalized terms in this Addendum have the same meanings as in your Client Account Agreement unless otherwise defined in this Addendum. If any of the terms of this Addendum conflict with those of your Account Application or the Client Account Agreement, as may be amended from time to time, this Addendum will control.

This Addendum will become effective, and the ABF will become applicable to your Account, upon TD Ameritrade’s acceptance of this Addendum, following both your submission of it and the submission of the applicable documents by your Agent.

In consideration for TD Ameritrade’s services to be rendered as described herein and its acceptance of your Account into the Program, you acknowledge and agree as follows:

1. TD Ameritrade will effect transactions for account number: _____ upon instructions of your Agent. In effecting these transactions, TD Ameritrade will act solely as a broker-dealer and not as an investment advisor with respect to the Account.
2. The ABF will be based on the amount of assets in the Account to which such asset-based pricing applies (the “Eligible Assets”). The Eligible Assets include all assets in the Account except for assets held in money market funds and non-transaction-fee mutual funds.
3. The annual ABF will be determined in accordance with the Schedule provided below by multiplying the amount of Eligible Assets by the annual asset-based price percentage rate (“Annual Percentage Rate”). The Annual Percentage Rate depends on the amount of Eligible Assets in an Account (the “Asset Range”).

Asset Range	Annual Percentage Rate

TD Ameritrade, in its sole discretion, determines the Annual Percentage Rate that applies to each Asset Range in the Account. The ABF will appear in TD Ameritrade’s statements of your Account, under the “Account Details” column as “ABF.”

4. The ABF will be calculated and charged quarterly for each Account as follows:
 - The ABF will be computed for each of my accounts in the Program for each calendar quarterly billing period and charged on a quarterly basis in arrears.
 - TD Ameritrade will calculate and charge the ABF to each of my accounts in the Program shortly after the last day of the billing period. The billing periods match calendar quarters (ex., March, June, September, and December).
 - At the end of each billing period, TD Ameritrade will multiply each of the previous three months, “end of the month” balances by the amount of tier-chargeable assets for each tier by the corresponding annual rate and apply the resulting amounts to each of the applicable remaining tiers.
 - The ABF for the billing period is calculated by adding each month’s proceeding amount from the resulting tiered fee.
 - If an account opens in the middle of the month, that month’s monthly ABF for the account will be prorated for the number of days in the month that the account was in existence.
 - If an account closes before the end of a month, the end of the month balance will be considered the Eligible Assets in the account at the close of business the day before the account was closed for purposes of determining the monthly ABF. The monthly ABF for that month will be prorated for the number of days in the month the account was in existence.

For example, an Account whose Eligible Assets are \$5,000,000 the first month, \$5,500,000 the next month, and \$6,000,000 the final month of the quarter have a rate of 15 basis points for up to \$2,000,000 of Eligible Assets, 12 basis points for up to \$4,000,000, and 10 basis points if Eligible Assets are in excess of \$4,000,000.



The Quarterly ABF charged the Account would be \$1,725. Month 1 ABF = $(\$2,000,000 \times 0.15\%)/12 = \$250 + (\$2,000,000 \times 0.12\%)/12 = \$200 + (\$1,000,000 \times 0.10\%)/12 = \83.33 for a total month 1 fee of \$533.33; Month 2 ABF = $(\$2,000,000 \times 0.15\%)/12 = \$250 + (\$2,000,000 \times 0.12\%)/12 = \$200 + (\$1,500,000 \times 0.10\%)/12 = \125 for a total month 2 fee of \$575; Month 3 ABF = $(\$2,000,000 \times 0.15\%)/12 = \$250 + (\$2,000,000 \times 0.12\%)/12 = \$200 + (\$2,000,000 \times 0.10\%)/12 = \167.67 for a total month 3 fee of \$616.67. Month 1 ABF + Month 2 ABF + Month 3 ABF = Quarterly ABF.

Using the same scenario above, if the account was subject to an annual maximum ABF of \$4,000 and assuming that the account was charged \$1,725 in the first quarter, \$1,500 in the second quarter and \$775 in the third quarter. If the calculated ABF charge for the fourth quarter was \$750 the actual ABF charge for the fourth quarter would be \$0 because the account had already reached the annual maximum fee during the third quarter.

Using the same scenario above, if the account was subject to an annual minimum ABF of \$5,000 and assuming that the account was charged \$1,725 in the first quarter, \$1,500 in the second quarter and \$775 in the third quarter. If the calculated ABF charge for the fourth quarter was \$750 the actual ABF charge for the fourth quarter would be \$1,000 because the account had not reached its annual minimum fee during the fourth quarter.

5. For the purpose of calculating the ABF, TD Ameritrade will compute the value of the Eligible Assets in your Account in a manner determined in good faith by TD Ameritrade in its sole discretion to reflect market value. TD Ameritrade may use prices obtained from third-party vendors. While TD Ameritrade believes these sources to be reliable, TD Ameritrade's valuation of Eligible Assets for purposes of this Addendum should not be considered a guarantee of any kind whatsoever of the value of any assets in your Account. The actual prices at which securities may be bought and sold may be different from those used for the purposes of this Addendum.

6. You authorize TD Ameritrade, without notice to you, to liquidate or withdraw the securities and other property in the Account and to determine which securities and other property are to be sold in order to pay the ABF and any other fees due to TD Ameritrade under this Addendum. Payment of fees, including the ABF, generally will be made first from free credit balances, next from the liquidation of shares of money market funds, and finally from the liquidation of any remaining securities or other property.

7. The ABF covers most brokerage services provided by TD Ameritrade to your Account. However, the ABF does not pay for any of the following services, for which fees may be charged to the Account in addition to the ABF: brokerage and execution costs associated with Non-Eligible Assets held in the Account or with securities and other property held outside of the Account; certain transfer taxes, SEC fees, exchange fees, electronic fund and wire transfer fees, auction fees, debit balances, margin interest, certain odd-lot differentials and mutual fund short-term redemption fees; services provided by broker-dealers other than TD Ameritrade (which may include affiliates of TD Ameritrade) for transactions executed or effected by or through them that settle into or from your Account; TD Ameritrade's (or an affiliate's) services in connection with transactions in which TD Ameritrade (or an affiliate) receives other compensation in lieu of transaction fees, including, without limitation, any fees charged by TD Ameritrade for its Prime Brokerage Services or its Trade Away Services; custody fees for Non-Traditional Assets (for purposes of this Addendum, "Nontraditional Assets" shall include, but shall not be limited to, nonpublicly traded limited partnership or limited liability company interests, foreign securities and nonmarketable securities); and any other similar costs or charges. You will be responsible for any such costs and charges.

Trades in the Account will be executed on an agency basis only. Accordingly, TD Ameritrade will not receive additional compensation or other benefits as a result of principal trades in the Account.

8. TD Ameritrade reserves the right to disallow an ABF for the Account if it determines that the trading activity in the Account is excessive or if it determines that the trading activity for the Account is too low to justify an ABF. If TD Ameritrade disallows an ABF for either of these reasons, you will be given written notice by TD Ameritrade, and after such notice, your Account will be charged a commission for each transaction.

9. The Program and the ABF described herein are not right for everyone. In determining whether to agree to these arrangements, you and your Agent should consider, among other things, your and your Agent's investment strategies and trading patterns (including the frequency of trading and the number and size of the transactions that your Agent orders for your Account), the costs and potential benefits of this arrangement as compared to paying commissions on a per-trade basis, and your investment objectives and goals. This Program may not be appropriate if you are a "Buy and Hold" investor or if you otherwise anticipate engaging in a lower level of trading activity, as substantially greater transaction cost savings might be realized in the context of a traditional pay-per-trade commission structure.

This Program may be appropriate for you if you place value on considerations such as links to other accounts that are already in the Program or other features that may not be available in other programs. Depending on the circumstances, the brokerage and execution services offered through the Program may be available for less money than if you paid commissions and execution costs on a per-trade basis assuming a moderate to high level of trading activity in the Account. Furthermore, an ABF may allow you to better align your interests with the financial interests of your broker because your broker's revenues from the Account will be tied to the value of the Account. Finally, an ABF provides consistent and explicit monthly charges.

10. In connection with the Program, you should also consider the following:

- (a) **TD Ameritrade is not responsible for determining that the Asset-Based Fee Program is appropriate for your Account, nor is it responsible for monitoring future trading activity in your Account to determine whether ABFs and the Program are or remain appropriate for you. Rather, that determination, and any monitoring, is solely yours and your Agent's responsibility.**

Your Agent has agreed to make a determination as to whether it believes your Account is appropriate for the Program before TD Ameritrade will enroll your Account in the Program. In addition, your Agent has agreed to continue to monitor, at least annually, whether the Program continues to be appropriate for your Account. You should discuss these matters with your Agent.

- (b) TD Ameritrade is not acting as an investment advisor with respect to your Account, and the ABF is not charged for any investment advice.

- (c) TD Ameritrade is not a fiduciary as defined under the U.S. Employee Retirement Income Security Act of 1974, as amended, with respect to any Account's decision to enroll in the Program.
- (d) Because you will pay TD Ameritrade's ABF in addition to any commissions and/or other charges paid to broker-dealers other than TD Ameritrade who execute transactions for your Account, your Agent may have an incentive to execute most transactions for your Account through TD Ameritrade. This incentive could, in some circumstances, conflict with the Agent's duties to obtain best execution of transactions for your Account.

11. Your Account is a TD Ameritrade brokerage account managed by your Agent. TD Ameritrade provides brokerage services not investment advisory services to your Account in accordance with the terms described herein. TD Ameritrade does not take investment discretion on your Account. Investment discretion may be granted by you to your Agent as directed in your Account Application.

12. As part of your Account Application, this Addendum and/or the Annual Percentage Rate schedule may be amended at any time by TD Ameritrade. It is your Agent's responsibility to inform you of any changes to the Annual Percentage Rate schedule that will apply to your Account. In addition, at all times you may find the maximum TD Ameritrade Annual Percentage Rates that TD Ameritrade may possibly apply to an ABF account on the TD Ameritrade website at advisorclient.com.

SIGNATURES

I have received and read, and I understand, the Program's terms and conditions as set forth in this Addendum, including the ABF. I agree that those terms and conditions apply to each of my accounts.

Please note: All Account Owners must sign.

Print Account Owner/Trader Name: _____ Date: _____

Signature Account Owner/Trustee: _____ Date: _____

Signature Additional Account Co-Owner/Co-Trustee: _____ Date: _____

Signature Additional Account Co-Owner/Co-Trustee: _____ Date: _____

Mailing Address:
TD Ameritrade Institutional
 PO BOX 919094
 San Diego, CA 92191-9094

Overnight Address:
TD Ameritrade Institutional
 5010 Wateridge Vista Drive
 San Diego, CA 92121-5775

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

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