

Important Information Regarding TD AMERITRADE's Financial Strength and Stability

We recognize that the current economic environment continues to be a source of concern for you. Many of you have questions about recent events, along with concerns about ongoing market volatility and what it means for your investments.

If you'd like to gain a better understanding of TD AMERITRADE's financial strength and stability in light of the industry-wide issues of subprime market risk and liquidity, please read below.

Does TD AMERITRADE have liquidity issues?

- TD AMERITRADE's capital structure and liquidity are strong and stable.
- TD AMERITRADE has no exposure to the U.S. housing market and the associated complex financial structures that are at the root of the current liquidity crisis.
- The collateral backing our liquidity is in cash or U.S. securities, which are available and marked-to-market daily, and not housing-related securities.
- The credit and liquidity issues currently impacting other firms have not impacted our liquidity structure, which we monitor daily.
- In addition TD AMERITRADE does not take proprietary risk on its balance sheet. Our clear, transparent business model and commitment to conservative fiscal management have helped us avoid the recent troubles other firms have experienced from investment risks.

Does the recent buy out of Bear Stearns by JP Morgan affect TD AMERITRADE?

- It does not affect the firm financially or otherwise. Our capital structure and liquidity are strong and stable.

Does TD AMERITRADE invest in or have exposure to risks in the subprime market?

- TD AMERITRADE **does not** own securities in the subprime and Structured Investment Vehicles (SIV) markets.
- In addition, we keep our own assets separated from our clients' assets. This means your investments with TD AMERITRADE are not exposed to any hypothetical risks associated with our firm's investments.
- Please note, however, that every investment has risk and TD AMERITRADE can't offer an opinion as to whether the investments made in **self-directed accounts** are exposed to additional risk as a result of the current market climate.

Are the money market funds available through TD AMERITRADE safe?

- If the available cash in your TD AMERITRADE account is invested into money market funds, the money is invested in either the TD Asset Management USA funds or The Reserve funds.
- Both of these investment companies have provided statements regarding their respective funds' exposure to the subprime market, SIVs and asset-backed conduits that focus on the subprime asset class.
- If available cash in a TD AMERITRADE account is invested in a Money Market Deposit Account (MMDA) when it isn't currently invested in securities, that money is held at TD Bank USA and is FDIC insured. In addition, please note that TD Bank USA does not invest in the subprime and SIV markets.

Before investing in any mutual fund, be sure to carefully consider the security's investment objectives, risks, charges, and expenses. For a prospectus containing this and other important information, contact the investment company or TD AMERITRADE at 800-431-3500. Please read the prospectus carefully before investing.

An investment in a money market fund is not insured 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.

What protection does TD AMERITRADE provide to client accounts?

- TD AMERITRADE is a member of the Securities Investor Protection Corporation. SIPC protects securities customers of its members up to \$500,000 (including \$100,000 for claims for cash). An explanatory brochure is available on request, or at www.sipc.org. The SIPC phone number is (202) 371-8300.
- In addition, TD AMERITRADE carries "excess SIPC" insurance through London insurers. Customers are protected up to an additional \$149.5 million per customer (including \$900,000 in cash) up to an aggregate of \$250 million.