



# **Wealth Management**

## **TD Wealth Management Services Inc.**

2005 Market Street, Suite 200  
Philadelphia, PA 19103  
(215) 282-4400

**Form ADV  
Part II  
Schedule H  
Managed Account Solutions Program**

**November 12, 2009**

**This brochure provides clients with information about TD Wealth Management Services Inc. and the Managed Account Solutions Program that should be considered before becoming a client of the Managed Account Solutions Program. This information has not been approved or verified by any governmental authority.**

## Table of Contents

|  |    |
|--|----|
| Introduction.....  | 3  |
| The Programs.....  | 4  |
| Fee Schedule .....                                       | 13 |
| Other Business Activities .....                          | 19 |
| Other Financial Industry Activities or Affiliations..... | 20 |
| TD Wealth Management Services Inc. Personnel.....        | 21 |
| IMPORTANT NOTICE TO CLIENTS .....                        | 22 |

## Introduction

TD Wealth Management Services Inc ("TD Wealth Management, TDWMSI or the "Firm"), provides investment advisory services to individuals (subject to minimum asset levels), endowments, foundations, qualified plans, and other institutions ("Clients") consisting of asset allocation and focused or completion strategies. Our services consist of asset management programs.

TDWMSI provides its Clients with the Managed Account Solutions Program ("Program"), which is subdivided into two distinct platforms consisting of the TD Wealth Management proprietary platform; and, the TD Wealth Management and Envestnet platform. Both are provided through Envestnet Asset Management, Inc. ("Envestnet"). Both of the platforms within the Program are offered through Envestnet's agreement with National Financial Services, LLC ("NFS"). TDWMSI's broker/dealer has a fully disclosed clearing arrangement with NFS.

### ***Establishment of Client Objectives***

The Investment Adviser Representative (IAR) will work closely with the client to assess the client's personal circumstances, particularly investment objective goals, time horizon, age, risk tolerance, and other relevant financial data. Based on the information gathered, the client's unique profile is developed and evaluated. Through this evaluation and analysis, the IAR will provide the client with a program recommendation that meets the client's specific circumstances.

### **TD Wealth Management proprietary platform consists of four (4) programs:**

- TD Wealth Management Mutual Fund Advisory Program
- TD Wealth Management Separately Managed Accounts Program
- TD Wealth Management Unified Management Accounts Program
- TD Wealth Advisor Managed Accounts Program

### **TD Wealth Management and Envestnet platform consists of seven (7) programs:**

- Separately Managed Account Program
- Multi-Manager Account Program
- Mutual Fund Wrap Fee Program
- ETF<sup>1</sup> Solution Wrap Fee Program
- Enhanced Portfolio Strategies—The Low Volatility Portfolio
- Enhanced Portfolio Strategies— The Structured Growth Portfolio
- Wrap Strategists Program.

Other services provided by TD Wealth Management may include:

- Assessment of the Client's investment needs and objectives
- Development of an asset allocation strategy designed to meet the Client's objectives
- Recommendations on suitable style allocations
- Identification of appropriate managers and investment vehicles suitable to the Client's goals
- Evaluation of asset managers and investment vehicles meeting style and allocation criteria
- Engagement of selected asset managers and investment vehicles on behalf of the Client
- Ongoing monitoring of individual asset manager's performance and management (for approved SMA managers, ETFs and mutual funds only)
- Review of Client accounts to ensure adherence to policy guidelines and asset allocation

---

<sup>1</sup> Exchange-Traded Funds

- Recommendations for account rebalancing, if necessary.
- Fully integrated integrated back office support systems to clients, including custody, trade execution, and confirmation and statement generation, through our fully-disclosed clearing arrangement with NFS.

## The Programs

For ***TD Wealth Management Proprietary Programs***, the Client and the IAR compile pertinent financial and demographic information to develop an investment program that will meet the Client's goals and objectives. The types of clients that TDWMSI provides advice to includes: individuals (subject to minimum asset levels); pension and profit sharing plans; trusts, estates, or charitable organizations; and, corporations, or business entities other than those listed herein.

The IAR will review and analyze the Client's information and recommend an appropriate strategy based on the Client's needs and objectives, investment time horizon, risk tolerance and any other pertinent factors.

Investment personnel review the Management Accounts Solutions Program quarterly to ensure account activity meets investment objectives, and yearly to determine if there have been any changes in client's financial circumstances or investment objectives.

Clients of our Managed Accounts Solutions Program receive monthly statements from their clearing firm showing monthly activity and ending values (unless the client expressly requests the clearing firm not to send monthly statements - then at least quarterly statements are sent to the client). Moreover, the Managed Accounts Solutions Program provides comprehensive quarterly performance reports to all clients.

If the client should experience any changes to their financial situation or investment objectives that would require a modification to their Client Profile, the IAR should be notified. The IAR will then communicate appropriate modifications to the Program Managers. TDWMSI's research team uses a number of proprietary analytical tools and commercially available optimization software applications in developing its asset allocation strategies. Among the factors considered in designing these strategies are historical rates of risk and return for various asset classes, correlation across asset classes and downside risk metrics. TDWMSI will then propose an overall strategy that includes asset allocation and investment portfolio recommendations for the asset classes. Within certain Programs, the Client may impose reasonable investment restrictions on the management of the account. Clients should contact their IAR for service issues related to the program. The IAR will then address issues directly with the Program Managers of TDWMSI and/or Envestnet on behalf of the client.

For ***Envestnet Programs***, TDWMSI has entered into a co-advisory relationship with Envestnet to offer each Program. The Firm's IARs assist clients in reviewing information about the Programs, completing a client questionnaire to determine the client's risk tolerance and objectives, and selecting an investment strategy. Envestnet provides proprietary analytical tools, as well as monitoring and research of a large universe of independent money managers and mutual funds offered through the Program. TDWMSI representatives remain available to clients on an ongoing basis regarding their Program to determine if there have been changes in the client's financial situation that may affect the appropriateness of the client's particular portfolio. With any of the Envestnet Programs, the client may impose reasonable investment restrictions on the management of the account.

At least quarterly, with all Programs, TDWMSI (or Envestnet, depending on the Program) will notify the client in writing to contact its TDWMSI (or Envestnet) IAR if there have been any change in the client's financial situation or investment objectives, or if the Client wishes to impose any reasonable restrictions on the management of the Client's account or reasonably modify existing restrictions. Similarly, at least annually, TDWMSI (or Envestnet) will contact the Client to

determine if there have been changes in the Client's financial situation or investment objectives, and whether the Client wishes to impose any reasonable restrictions on the management of the account or reasonably modify existing restrictions.

## ***TD Wealth Management Proprietary Programs***

### ***TD Wealth Management Mutual Fund Advisory Program ("TDWM MFAP")***

The Mutual Fund Wrap Program consists of the TDWM MFAP. For Clients in the MFAP, TDWMSI will select mutual funds based on TDWMSI's recommended investment strategy. MFAP is a fully discretionary, mutual fund wrap program offering a series of model portfolios positioned at various points along the risk/return spectrum. The Client is provided with an initial allocation that corresponds to the Client's goals and objectives. Once the Client's assets are invested, TDWMSI may add, remove or replace mutual funds in these model portfolios at its discretion.

### ***TD Wealth Management Separately Managed Accounts Program ("TDWM SMA")***

Clients in the SMA are offered access to a single actively managed investment vehicle or a combination of several actively managed investment vehicles through models. The managers are chosen from a roster of independent asset managers from a variety of disciplines. Unlike a mutual fund, where the funds are commingled, a separately managed account is a portfolio of individually owned securities that can be tailored to fit the Client's investing preferences. TDWMSI will recommend individual asset managers and investment vehicles that correspond to the proposed asset classes and styles; this list will be known as the "Recommended List". Please refer to "TD Wealth Management Services Inc. Personnel" section for a listing of the individuals that are part of the team that may perform the Program reviews.

### ***TD Wealth Management Unified Managed Account Program ("TDWM UMA")***

Clients in the UMA are offered a single portfolio that accesses multiple asset managers, mutual funds and ETFs representing various asset classes, customized by the Client's IAR. This investment model delivers the benefits of a traditional separately managed account in a single broadly-diversified portfolio. The asset allocation models for UMA are defined by TDWMSI; however, in the UMA, the Client's IAR customizes the portfolio by selecting the specific, underlying investment vehicles in the appropriate model to meet the Client's needs. For UMA accounts, TDWMSI is responsible for determining the target asset mix and provides overlay management by managing the asset allocation of the account and coordinate trading across investment sleeves.

### ***TD Wealth Advisor Managed Account ("TDW AMA")***

As part of the Program, TDWMSI offers our IARs the ability to create their own model portfolios for Clients. For Clients using the TDW AMA, TDWMSI, as a firm, acts in the role as a sponsor to this program. The IAR, acting as the portfolio manager, shall recommend the selection of specific investment choices made within the TDW AMA program. TDW AMA is designed to offer Clients a diversified, long-term approach to their personal investment goals and objectives through asset allocation, portfolio review and consolidated reporting. TDWMSI's IARs help Clients design an investment strategy by identifying the Client's financial circumstances, investment horizon, needs, and objectives. Clients will have the ability to maintain an account that may contain stocks, bonds, options, unit investments trusts ("UIT's"), brokered CDs, closed-end mutual funds, ETFs and no-load or load waived mutual funds. IARs will gather information on a Client's financial history, goals, objectives and financial concerns and assist the Client in developing an asset allocation strategy. The analytical tools used by the IAR to identify investment opportunities, make well-informed recommendations, and manage their clients' portfolios may include, but is not

limited to, the suite of research, market place and economic reports offered through NFS. Quarterly fees, minimum account fees, and other cost for participation in TDW AMA are described below under the heading "Fee Schedule".

## ***TD Wealth Management and Envestnet Programs***

### ***The Separately Managed Account Program ("SMA")***

Under the SMA Program, TD Wealth Management and Envestnet act as co-advisers in designing and implementing an asset allocation strategy for the Client using separately managed accounts. TD Wealth Management's IARs help Clients design an investment strategy adequate to each Client by identifying the Client's financial circumstances, investment horizon, needs, objectives, and other relevant factors. Using Envestnet's analytical tools, the Program then develops an asset allocation strategy appropriate for the Client. The Client and the TD Wealth Management IAR then work together to select individual money managers to manage the Client's assets from a list of pre-screened independent investment advisers. The Firm and Envestnet then evaluate and monitor the investment managers and investment vehicles selected for the Client on a regular basis. For a further description of approved and available managers, please see the "Manager Evaluation" section below. To participate in the SMA Program, the recommended minimum initial investment amount is \$250,000; however, for Clients that have a well diversified portfolio and are looking to augment that portfolio with an individual manager within the Program, the minimum may be as low as \$100,000. The Manager Fee range shown in the fee schedule for the SMA Program is representative of the fees charged by the managers used in the SMA Program. While the Manager Fee may be higher or lower, at no time will the Maximum Client Fee be greater than the percentage shown. SMA Clients also pay any applicable fees charged by any mutual funds and ETFs that are included in the portfolio. Please see the specific mutual fund or ETF prospectus for detailed information regarding fees. The total cost of participating in the Program may be more or less than the total cost of purchasing similar services separately.

### ***The Multi-Manager Account Program ("MMA")***

Under the MMA Program, TD Wealth Management and Envestnet act as co-advisers in designing and implementing an asset allocation strategy for the Client using a single fully-diversified portfolio. TD Wealth Management IARs help Clients design an investment strategy adequate to each Client by identifying the Client's financial circumstances, investment horizon, needs, and objectives. Using Envestnet's analytical tools, the Program then develops an asset allocation strategy and recommends asset managers that it considers the most appropriate to manage each portion of the Client's assets based on the Client's investment needs and risk tolerance. Envestnet provides overlay management services for MMA accounts and the client directly owns the underlying securities in the portfolio. Asset managers are selected from a list of pre-screened independent investment advisers. The Firm and Envestnet then evaluate and monitor the investment managers and investment vehicles selected for the Client on a regular basis. To participate in the MMA Program, the minimum initial investment amount is \$250,000.

### ***The Mutual Fund Wrap Fee Program ("Wrap Fee")***

Under the Wrap Fee Program, TD Wealth Management and Envestnet act as co-advisers in designing and implementing an asset allocation strategy for the Client using mutual funds. TD Wealth Management IARs use Envestnet's proprietary analytical tools to help Clients design an investment strategy adequate to each Client by identifying the Client's financial circumstances, investment horizon, needs, and objectives. Utilizing the Wrap Fee Program the IAR then develops an asset allocation strategy and recommends a portfolio of mutual funds that he/she considers the most appropriate for the Client. The Firm then evaluates and monitors the mutual funds selected for the Client on a regular basis. Envestnet provides rebalancing and reallocation services on a discretionary basis. To participate in the Mutual Fund Wrap Fee Program, the

minimum initial investment amount is \$50,000. Clients also pay any applicable fees charged by the mutual funds and ETFs that are included in the portfolio. Please see the specific mutual fund or ETF prospectus for detailed information regarding fees. The total cost of participating in the Program may be more or less than the total cost of purchasing similar services separately.

### ***The ETF Solution Wrap Fee Program (“ETF Wrap”)***

Under the ETF Wrap, TD Wealth Management and Envestnet act as co-advisers in designing and implementing an asset allocation strategy for the Client using a variety of discretionary portfolios constructed of exchange-traded funds. TD Wealth Management IARs use Envestnet’s proprietary analytical tools to help Clients design an investment strategy adequate for each Client by identifying the Client’s financial circumstances, investment horizon, needs, and objectives. Afterwards, they can select from seven portfolios along the risk/return spectrum, ranging from conservative to aggressive. Envestnet oversees the portfolios, selecting investments, monitoring performance and rebalancing to maintain the desired allocation. Account minimums for the ETF Wrap begin at \$50,000. Clients also pay any applicable fees charged by the mutual funds and the ETFs that are included in the portfolio. Please see the specific mutual fund or ETF prospectus for detailed information regarding fees. The total cost of participating in the Program may be more or less than the total cost of purchasing similar services separately.

### ***Enhanced Portfolio Strategies—The Low Volatility Portfolio***

Under the Low Volatility Portfolio, TD Wealth Management and Envestnet act as co-advisers in designing and implementing an asset allocation strategy for the Client using a program that has the characteristics of alternative investments in the form of a portfolio of mutual funds. By employing a tactical active management style that seeks to provide attractive risk-adjusted returns while preserving capital in different market environments, the portfolio strives for low volatility and consistent returns by emphasizing exposure to attractively valued asset allocations. This strategy is designed to produce consistent risk-adjusted returns over a complete market cycle with less volatility than traditional fixed income investments and to have a very low correlation to equity and fixed income markets. The portfolio will be rebalanced periodically in order to maintain its unique characteristics. The account minimum investment is \$50,000 and there is no “accredited investor” requirement. Clients also pay any applicable fees charged by the mutual funds and ETFs that are included in the portfolio. Please see the specific mutual fund or ETF prospectus for detailed information regarding fees. The total cost of participating in the Program may be more or less than the total cost of purchasing similar services separately.

### ***Enhanced Portfolio Strategies—The Structured Growth Portfolio***

Under the Structured Growth Portfolio, TD Wealth Management and Envestnet act as co-advisers in designing and implementing an asset allocation strategy for the Client using a program that has the characteristics of alternative investments in the form of a portfolio of mutual funds. The primary attributes of the Structured Growth portfolio are favorable return/risk profile; little or no correlation with public equities and fixed income markets; and the ability to enhance overall portfolio diversification. The portfolio will be rebalanced periodically in order to maintain its unique characteristics. The account minimum investment is \$50,000 and there is no “accredited investor” requirement.

### ***Wrap Strategists Program***

Under the Wrap Strategist Program, TD Wealth Management and Envestnet act as co-advisers in designing and implementing an asset allocation strategy for the Client using a program that features the mutual fund or ETF portfolios of three well-known wrap strategists, Morningstar Investment Services Inc., ICON and Standard & Poor’s Investment Advisory Services, LLC. TD Wealth Management IARs help Clients design an investment strategy to invest their assets in tailored portfolios managed by the aforementioned wrap strategists. The Wrap Strategists

program includes investor profiling, account monitoring, portfolio rebalancing and quarterly performance reporting. The account minimum investment is \$50,000. Clients also pay any applicable fees charged by the mutual funds and ETFs that are included in the portfolio. Please see the specific mutual fund or ETF prospectus for detailed information regarding fees. The total cost of participating in the Program may be more or less than the total cost of purchasing similar services separately.

### ***Discretionary Investment Authority***

Clients that participate in the Programs are required to grant full discretionary investment authority to TDWMSI and Envestnet to invest, reinvest, sell, exchange, and otherwise deal with Program assets in their discretion, including without limitation the authority to select, allocate, and reallocate the Program Assets in client's accounts to different managers and to delegate such discretion to such managers, but as noted above, the Client may impose reasonable investment restrictions on the management of the account regardless of the discretionary nature of the relationship. TDWMSI and Envestnet will generally limit the exercise of their discretionary authority to the following circumstances:

### **Investment or Brokerage Discretion**

Subject to each client's established guidelines, limitations or restrictions, the Firm or the investment managers selected by us for the clients, generally have the authority to determine for each client:

- (a) Which securities are to be bought or sold;
- (b) The total amount of securities to be bought or sold;
- (c) Through which broker(s) or dealer(s) those securities are to be bought or sold; and
- (d) The commission rates or spreads to be paid for each transaction.

### **Best Execution**

In placing orders for purchase and sale of securities and selecting broker-dealers to effect these transactions, the Firm's primary objective is to obtain prompt execution of orders at the most favorable prices reasonably obtainable. In doing so, the Firm considers a number of factors, including, without limitation, the overall direct net economic result to the client (including commissions, which may not be the lowest available but which ordinarily will not be higher than the generally prevailing competitive range), the financial strength, reputation and stability of the broker, the efficiency with which the transaction is effected, the ability to effect the transaction at all, the availability of the broker to stand ready to execute possibly difficult transactions in the future and other matters involved in the receipt of brokerage and research services. The Firm has no obligation to deal with any particular broker-dealer in the execution of transactions in portfolio securities.

### **Aggregation of Trades**

The Firm or the investment managers selected by us for the clients may aggregate orders for two or more clients (an "Aggregated Trade"). The Firm will aggregate trades only when it believes that doing so will result in a more favorable overall execution for all participating accounts. Aggregated Trades filled at different intervals or prices during the day will be allocated at the average price obtained. Partially filled orders will be allocated pro rata based on the size of the order placed by each client account.

- For SMA, TDWMSI and Envestnet generally will only use this grant of discretion to replace investment vehicles, including sub-managers ("Sub-Managers"), when it deems such a change is necessary; to rebalance a Client's account as agreed between the Client and



TDWMSI; and to liquidate sufficient assets to pay the Client Fee when necessary and advisable. However, there may be situations in which TDWMSI will fully utilize this grant of discretion, such as to liquidate a position.

- For MFAP, TDWMSI and Envestnet will generally use this grant of discretion to invest in, hold and sell shares in various mutual funds; to liquidate any “in kind” assets that are transferred into the MFAP program; and to liquidate sufficient assets to pay the Client Fee when necessary and advisable.
- For UMA, TDWMSI and Envestnet generally will only use this grant of discretion as described in the previous circumstances for SMA and MFS.

### ***Third Party Model Portfolios***

In addition to the Programs, which use Envestnet’s proprietary investment models, Envestnet has retained sub-advisors for the purposes of creating asset allocation model portfolios (“Third Party Model Portfolios” or “Third Party Asset Allocation Strategists”). Such sub-advisors shall be referred to herein as “Model Providers.” Envestnet may, from time to time, replace existing Model Providers or hire others to create Third Party Model Portfolios. Clients acknowledge that Envestnet cannot guarantee the continued availability of Third Party Model Portfolios created by particular Model Providers.

The Model Providers are responsible for all investment selections made for the portfolios they create. It is up to the investor to select a Third Party Model Portfolio. Unless Envestnet affirmatively cites the Model Providers as “Approved”, Envestnet does not collect and report data on investment style and philosophy, past performance, and personnel of Model Providers (“Due Diligence”). Model Providers that are not listed as Approved are recommended to a client based on that client’s financial advisor’s independent research and determination. Envestnet does not represent or warrant that the performance of the Third Party Model Portfolios will match or exceed the performance of the models created by Envestnet or any benchmark index.

Model Providers may add or remove securities from their Third Party Model Portfolios from time to time in their sole discretion. The Model Providers will select and monitor the performance of the investments in their Third Party Model Portfolios and will periodically adjust and rebalance the Third Party Model Portfolios in accordance with their investment strategies.

### ***Program Investments***

#### ***TD Wealth Management***

For the Programs, TDWMSI selects and monitors the Recommended List of Sub-Managers that makes investment decisions. TDWMSI evaluates managers specializing in each of the asset categories listed, including equities (both domestic and foreign); fixed income (corporate and government debt); mutual funds.

TDWMSI will recommend an asset allocation (and managers within an asset category) based upon the Client’s needs and objectives. In some cases, Sub-Managers will supply TDWMSI with an investment model portfolio, and TDWMSI will invest Client assets accordingly.

### ***Envestnet***

TDWMSI has contracted with Envestnet to utilize the Envestnet technology platform to support performance reporting, fee calculation and billing, and to generate rebalancing trades for the asset allocation models managed by TDWMSI, as well as to provide TDWMSI’s clients with access to Managers as part of the Program. For clients in the Program, TDWMSI will recommend Managers and investment vehicles that correspond to the proposed asset class and styles after reviewing a proposal generated via the Envestnet platform. Envestnet has established relationships with various managers and may establish relationships with new

Managers from time to time. Envestnet evaluates Managers specializing in asset categories which include equities (both domestic and foreign), corporate debt; commercial paper, certificates of deposit, municipal securities, mutual funds, real estate investment trusts, government securities, options, and futures. Investors acknowledge that Envestnet and TDWMSI cannot guarantee the continued availability of Managers under the program.

In addition to Envestnet's proprietary investment models, Envestnet may retain other Managers for the purposes of creating asset allocation model portfolios ("Model Portfolios") for the Programs. Envestnet may, from time to time, replace existing asset allocation managers or hire others to create Model Portfolios for the Programs. In some cases, Sub-Managers will supply Envestnet with an investment model portfolio, and Envestnet will invest Client assets accordingly.

Envestnet reviews the investment strategies and performance of a wide range of managers. From time to time, managers of non-traditional or alternative investment strategies will be recommended to Clients meeting the appropriate suitability criteria. Examples of such investments include so-called "hedge" products and private equity placements.

All client contact and communications regarding participation in the Programs will occur through TDWMSI. TDWMSI will forward the completed client applications and investment information to Envestnet and Envestnet will forward the applications and client account information, including any investment restrictions, to applicable Managers for processing. TDWMSI will promptly advise Envestnet of changes to client's investment objectives and financial situation. Envestnet will promptly communicate any changes to the Managers. TDWMSI may ask Managers to attend meetings with TDWMSI and clients, however, Managers are under no obligation to attend any such meeting.

Clients participating in the Programs are required to authorize TDWMSI and Envestnet to designate National Financial Services, LLC ("NFS") to provide trade execution, trade clearing and custodial services with respect to Program assets.

### ***Research Methods***

Envestnet and TDWMSI's research team has responsibility for two primary areas pertaining to investment advice: (i) asset allocation and portfolio construction and (ii) asset manager and investment vehicle evaluation.

With respect to asset allocation and portfolio construction, Envestnet and TDWMSI use demographic and financial information provided by the Client and IAR to assess the Client's risk profile and investment objectives in determining an appropriate plan for the Client's assets. The research teams use proprietary analytical tools and commercially available optimization software applications to develop its asset allocation strategies. Factors used as inputs in the asset allocation process include historical rates of risk and return on various asset classes, correlation across asset classes, and downside risk metrics, among others.

### ***Manager Evaluation***

#### ***TD Wealth Management***

The investment professionals at the investment management firms are a primary source of information to TDWMSI, providing quantitative and qualitative information. In addition, TDWMSI employs publicly available databases from independent sources, including but not limited to Morningstar Principia, Morningstar Direct and Bloomberg.

Regarding asset management and investment vehicle evaluation, TDWMSI employs a multi-phase approach to researching and selecting managers and funds suitable for participation in its

investment programs ("Recommended List"). This approach searches for funds and managers that tend to stand out from their peers in terms of above average historical performance, consistency of returns, intelligent strategies and deep manager and analyst support. The overall analysis is based on sophisticated quantitative measures as well as an in-depth qualitative assessment.

***Quantitative Information:***

The evaluation of a wide range of quantitative factors underpins the research process. This process involves analyzing several risk and return measures, including: peer group ranking, trailing return history, performance and style consistency and volatility measures. We use performance information - discrete and compound performance, risk adjusted, upside/downside capture ratios, volatility and tracking error measures are examples - to screen and sort the product universe down to those we feel demonstrate positive characteristics suitable to supporting a recommendation.

***Qualitative Information:***

Quantitative and performance screening however, is just the first step of our review process. Qualitative factors are the most important aspects of our product/manager reviews. The qualitative stage of the analysis relies upon an in-depth investigation of the style, strategy, processes and methodology used by a manager to build and maintain portfolios. Some of the qualitative characteristics that are reviewed include: manager tenure and experience, portfolio management discipline, research capabilities and organizational strength.

The team reviews qualitative factors that are expected to influence portfolio returns. This includes a review of the manager's investment style or approach, the strategy they apply and their underlying investment philosophy. We then review these aspects in the context of the tools, infrastructure and support resources that can be applied to support or drive the investment process. These range from information databases, computer systems, and analyst teams supporting portfolio managers.

Data sources that we rely on for our broad screening are commercial and broadly available – largely from Morningstar Inc. and subsidiaries. We regularly source data directly from the investment management firms themselves as a check on accuracy and to allow us to perform advanced analytics. Performance data for retail mutual funds provided by Morningstar is GIPS compliant, as defined by the CFA Institute.

TDWMSI seeks managers with a variety of investment strategies in an effort to make a wide range of investment strategies available. Some strategies may be high-risk strategies. Such strategies usually have the potential for substantial returns; however, there are correspondingly significant risks involved in the strategies. Such strategies are not intended for all investors. Clients who choose to follow high-risk strategies should be aware that there is the possibility of significant losses up to and including the possibility of the loss of all assets placed in the strategies. It is strongly recommended that Clients diversify their investments and do not place all of their investments in high-risk investment strategies.

***Envestnet***

Regarding asset management and investment vehicle evaluation, TDWMSI primarily utilizes information gathered by Envestnet through its initial and ongoing research and due diligence process. Envestnet employs a rigorous multi-phase approach to researching and selecting managers suitable for participation in its investment programs ("Approved Sub-Managers"). Approved Sub-Managers are evaluated using data and information from several sources, including the manager and independent databases. Among the types of information analyzed are historical performance, investment philosophy, investment style, historical volatility and

correlation across asset classes. Also reviewed are the manager's Form ADV Part II, as well as portfolio holdings reports that help demonstrate the manager's securities selection process. To ensure accuracy Envestnet attempts to verify information by comparing it to publicly available sources.

The investment professionals at the investment management firms are a primary source of information to Envestnet, providing quantitative and qualitative information. In addition, Envestnet employs several publicly available databases from independent sources, including but not limited to Nelson's Directory of Investment Managers, the Mobius M-Search database, Morningstar's Principia application, Bloomberg and Russell Mellon. These databases are used to verify the information provided by the managers.

Before offering services provided by independent Sub-Managers to Clients, TDWMSI reviews Envestnet's evaluations of these Sub-Managers, the Sub-Manager's Form ADV Part I and Part II, and may request additional information from Envestnet or the Sub-Managers to evaluate the competence and experience of Sub-Managers before offering their services to TDWMSI's clients. At least annually, TDWMSI will review any updates to this information to determine if the Sub-Manager is still suitable for TDWMSI's clients.

In rare instances, Envestnet may terminate the contractual relationship with the Sub-Manager, and TDWMSI will remove the Sub-Manager from client portfolios and cease to offer the Sub-Manager to new clients. This will typically occur with Sub-Managers who have encountered material regulatory or compliance related problems.

Envestnet seeks managers with a variety of investment strategies in an effort to make a wide range of investment strategies available. Some strategies may be high-risk strategies. Such strategies usually have the potential for substantial returns; however, there are correspondingly significant risks involved in the strategies. Such strategies are not intended for all investors. Clients who choose to follow high-risk strategies should be aware that there is the possibility of significant losses up to and including the possibility of the loss of all assets placed in the strategies. It is strongly recommended that Clients diversify their investments and do not place all of their investments in high-risk investment strategies.

### **Account Statements**

Client will receive a monthly statement (a quarterly statement if there is no activity in a given month) from the clearing firm providing a detailed list of holdings with valuations and all account activity, including all transactions made on behalf of the account, all contributions and withdrawals made by the Client, all fees and expenses charged to the account, as well as confirmations of all securities transactions from the clearing firm. In addition, the Client will receive a quarterly report showing the allocation of the assets in the account as well as the performance of the account during the previous quarter.

### **Account Review**

TDWMSI provides reviews on accounts participating in its asset management Programs. Reviews are conducted to ensure conformity to investment policy guidelines, established asset allocation strategies and the stated needs of and objectives of the individual client. TDWMSI reviews all of its managed accounts annually; and, we review selected accounts at least quarterly. Clients are also provided with a quarterly performance report. TDWMSI's, Investment Services Team will review performance information provided by Managers for model portfolios, but will not verify the accuracy of the information provided. TDWMSI utilizes the performance reporting service provided by Envestnet to monitor individual account performance for custom managed

accounts and model portfolio performance for the Programs in aggregate. Performance reporting provided by Envestnet is calculated according to industry standards and is applied to each account or combination of several related accounts for a household's or family's assets or to groups of accounts in each asset allocation model for internal composite purposes.

The Programs are intended to comply with Rule 3a-4 under the Investment Company Act of 1940. Each client's account is managed on the basis of the Client's individual financial situation. Each Client has the opportunity to select the account's investment objective and impose reasonable restrictions on the management of assets in the account. In addition, clients will be contacted annually and notified quarterly, in order to confirm the accuracy of information regarding this client.

## Fee Schedule

Clients in the Program pay a Client Fee (each, a "Client Fee") from which the sponsor, the adviser, Sub-Managers and any third-party service providers is paid. The Client Fee also includes investment management services comprised of Client profiling, strategic asset allocation, style allocation, research and evaluation of asset managers, ongoing monitoring of manager and account performance, asset manager hiring and termination, account rebalancing, account reporting, and other operational and administrative services.

The standard fee schedule for the Program's services is as follows, but may be negotiable in individual cases:

- **The annual Program/Platform Fees for the TD Wealth Management Mutual Fund Advisory Program (MFAP) are based on the following blended fee schedule:**

| <b>TDWM MFAP</b>                  | <b>Sponsor Fee</b> | <b>TD Wealth Management Adviser Fee Maximum</b> | <b>Maximum Total Client Fee</b> |
|-----------------------------------|--------------------|---|---------------------------------|
| The First \$1 to \$250,000        | 0.30%              | 2.00%   | 2.30%                           |
| The Next \$250,001 to \$500,000   | 0.30%              | 1.85%   | 2.15%                           |
| The Next \$500,001 to \$1,000,000 | 0.30%              | 1.70%   | 2.00%                           |
| Funds over \$1,000,001            | 0.24%              | 1.51%   | 1.75%                           |

**The annual Program/Platform Fees for the TD Wealth Management SMA Program are based on the following blended fee schedule:**

| <b>TDWM SMA-- Equity</b>            | <b>Sponsor Fee</b> | <b>Manager Fee</b> | <b>TD Wealth Management Adviser Fee Maximum</b> | <b>Maximum Total Client Fee</b> |
|-------------------------------------|--------------------|--------------------|---|---------------------------------|
| The First \$1 to \$250,000          | 0.45%              | 0.42%-0.75%        | 1.93%   | 2.80%                           |
| The Next \$250,001 to \$500,000     | 0.325%             | 0.42%-0.75%        | 1.76%   | 2.50%                           |
| The Next \$500,001 to \$1,000,000   | 0.25%              | 0.36%-0.75%        | 1.64%   | 2.25%                           |
| The Next \$1,000,001 to \$2,000,000 | 0.22%              | 0.30%-0.75%        | 1.23%   | 1.75%                           |
| The Next \$2,000,001 to \$5,000,000 | 0.19%              | 0.30%-0.75%        | 1.01%   | 1.50%                           |
| Balances Over \$5,000,001           | 0.16%              | 0.30%-0.75%        | 0.79%   | 1.25%                           |

| <b>TDWM SMA—Fixed Income</b>        | <b>Sponsor Fee</b> | <b>Manager Fee</b> | <b>TD Wealth Management Adviser Fee Maximum</b> | <b>Maximum Total Client Fee</b> |
|-------------------------------------|--------------------|--------------------|---|---------------------------------|
| The First \$1 to \$250,000          | 0.37%              | 0.27%-0.75%        | 1.26%   | 1.90%                           |
| The Next \$250,001 to \$500,000     | 0.32%              | 0.27%-0.75%        | 1.26%   | 1.85%                           |
| The Next \$500,001 to \$1,000,000   | 0.32%              | 0.26%-0.75%        | 1.21%   | 1.80%                           |
| The Next \$1,000,001 to \$2,000,000 | 0.22%              | 0.26%-0.75%        | 1.18%   | 1.66%                           |
| The Next \$2,000,001 to \$5,000,000 | 0.19%              | 0.20%-0.75%        | 1.16%   | 1.55%                           |
| Balances Over \$5,000,001           | 0.16%              | 0.20%-0.75%        | 1.14%   | 1.50%                           |

- **The annual Program/Platform Fees for the TD Wealth Management UMA Program are based on the following blended fee schedule:**

| <b>TDWM UMA</b>     | <b>Sponsor Fee</b> | <b>TD Wealth Management Adviser Fee Maximum</b> | <b>Maximum Total Client Fee</b> |
|---------------------|--------------------|---|---------------------------------|
| The First \$500,000 | 0.80%              | 1.70%   | 2.50%                           |
| Next \$500,000      | 0.70%              | 1.60%   | 2.30%                           |
| Next \$1,000,000    | 0.65%              | 1.55%   | 2.20%                           |
| Next \$3,000,000    | 0.60%              | 1.45%   | 2.05%                           |
| Next \$5,000,000    | 0.55%              | 1.45%   | 2.00%                           |

- The annual Program/Platform Fees for the TD Wealth Advisor Managed Accounts Program are based on the following blended fee schedule:

| <b>TDW AMA</b>             | <b>Sponsor Fee</b> | <b>TD Wealth Management Adviser Fee Maximum</b> | <b>Maximum Total Client Fee</b> |
|----------------------------|--------------------|---|---------------------------------|
| \$50,000 -- \$500,000      | 0.50%              | 1.80%   | 2.30%                           |
| \$500,001 -- \$1,000,000   | 0.50%              | 1.65%   | 2.15%                           |
| \$1,000,001 -- \$2,000,000 | 0.45%              | 1.55%   | 2.00%                           |
| \$2,000,001 -- \$5,000,000 | 0.41%              | 1.34%   | 1.75%                           |
| \$5,000,001 and above      | 0.37%              | 1.28%   | 1.65%                           |
|                            |                    |   | .                               |

- The annual Program/Platform Fees for the SMA Program are based on the following blended fee schedule:

| <b>SMA-- Equity</b>                 | <b>Sponsor Fee</b> | <b>Manager Fee</b> | <b>TD Wealth Management Adviser Fee Maximum</b> | <b>Maximum Total Client Fee</b> |
|-------------------------------------|--------------------|--------------------|---|---------------------------------|
| The First \$1 to \$250,000          | 0.45%              | 0.42%-<br>0.75%    | 1.06%   | 2.80%                           |
| The Next \$250,001 to \$500,000     | 0.325%             | 0.42%-<br>0.75%    | 0.86%   | 2.50%                           |
| The Next \$500,001 to \$1,000,000   | 0.25%              | 0.36%-<br>0.75%    | 0.74%   | 2.25%                           |
| The Next \$1,000,001 to \$2,000,000 | 0.22%              | 0.30%-<br>0.75%    | 0.53%   | 1.75%                           |
| The Next \$2,000,001 to \$5,000,000 | 0.19%              | 0.30%-<br>0.75%    | 0.31%   | 1.50%                           |
| Balances Over \$5,000,001           | 0.16%              | 0.30%-<br>0.75%    | 0.27%   | 1.25%                           |

| <b>SMA—Fixed Income</b>             | <b>Sponsor Fee</b> | <b>Manager Fee</b> | <b>TD Wealth Management Adviser Fee Maximum</b> | <b>Maximum Total Client Fee</b> |
|-------------------------------------|--------------------|--------------------|---|---------------------------------|
| The First \$1 to \$250,000          | 0.37%              | 0.27%-<br>0.75%    | 1.06%   | 1.75%                           |
| The Next \$250,001 to \$500,000     | 0.32%              | 0.27%-<br>0.75%    | 0.86%   | 1.50%                           |
| The Next \$500,001 to \$1,000,000   | 0.25%              | 0.26%-<br>0.75%    | 0.74%   | 1.30%                           |
| The Next \$1,000,001 to \$2,000,000 | 0.22%              | 0.26%-<br>0.75%    | 0.53%   | 1.00%                           |
| The Next \$2,000,001 to \$5,000,000 | 0.19%              | 0.20%-<br>0.75%    | 0.31%   | 0.75%                           |
| Balances Over \$5,000,001           | 0.16%              | 0.20%-<br>0.75%    | 0.27%   | 0.70%                           |

- The annual Program/Platform Fees for the MMA Program are based on the following blended fee schedule:

| <b>Multi-Manager Account Program<br/>“MMA”</b> | <b>Sponsor &amp;<br/>Manager Fee</b> | <b>TD Wealth<br/>Management<br/>Adviser Fee<br/>Maximum</b> | <b>Maximum<br/>Total Client<br/>Fee</b> |
|--|--------------------------------------|---|---|
| The First \$1 to \$250,000                     | 0.95%                                | 1.85%   | 2.80%                                   |
| The Next \$250,001 to \$500,000                | 0.825%                               | 1.675%  | 2.50%                                   |
| The Next \$500,001 to \$1,000,000              | 0.70%                                | 1.55%   | 2.25%                                   |
| The Next \$1,000,001 to \$2,000,000            | 0.61%                                | 1.14%   | 1.75%                                   |
| The Next \$2,000,001 to \$3,000,000            | 0.52%                                | 0.98%   | 1.50%                                   |
| Balances over \$5,000,001                      | 0.32%                                | 0.93%   | 1.25%                                   |

- The annual Program/Platform Fees for the Mutual Fund Wrap Program are based on the following blended fee schedule:

| <b>Mutual Fund Wrap</b>           | <b>Sponsor<br/>Fee</b> | <b>TD Wealth<br/>Management<br/>Adviser Fee<br/>Maximum</b> | <b>Maximum<br/>Total Client<br/>Fee</b> |
|-----------------------------------|------------------------|---|---|
| The First \$1 to \$250,000        | 0.22%                  | 1.28%   | 1.50%                                   |
| The Next \$250,001 to \$500,000   | 0.22%                  | 1.03%   | 1.25%                                   |
| The Next \$500,001 to \$1,000,000 | 0.20%                  | 0.80%   | 1.00%                                   |
| Funds over \$1,000,001            | 0.19%                  | 0.56%   | 0.75%                                   |

- The annual Program/Platform Fees for the ETF Wrap Program are based on the following blended fee schedule:

| <b>ETF Wrap</b>                   | <b>Sponsor<br/>Fee</b> | <b>TD Wealth<br/>Management<br/>Adviser Fee<br/>Maximum</b> | <b>Maximum<br/>Total Client<br/>Fee</b> |
|-----------------------------------|------------------------|---|---|
| The First \$1 to \$250,000        | 0.25%                  | 1.25%   | 1.50%                                   |
| The Next \$250,001 to \$500,000   | 0.25%                  | 1.00%   | 1.25%                                   |
| The Next \$500,001 to \$1,000,000 | 0.20%                  | 0.80%   | 1.00%                                   |
| Funds over \$1,000,001            | 0.17%                  | 0.58%   | 0.75%                                   |

- The annual Program/Platform Fees for The Low Volatility Portfolio are based on the following blended fee schedule:

| <b>The Low Volatility Portfolio</b> | <b>Sponsor<br/>Fee</b> | <b>TD Wealth<br/>Management<br/>Adviser Fee<br/>Maximum</b> | <b>Maximum<br/>Total Client<br/>Fee</b> |
|-------------------------------------|------------------------|---|---|
| The First \$1 to \$250,000          | 0.50%                  | 1.28%   | 1.78%                                   |
| The Next \$250,001 to \$500,000     | 0.50%                  | 1.03%   | 1.53%                                   |
| The Next \$500,001 to \$1,000,000   | 0.50%                  | 0.80%   | 1.10%                                   |
| Balances over \$1,000,001           | 0.50%                  | 0.56%   | 1.06%                                   |



- The annual Program/Platform Fees for The Structured Growth Portfolio are based on the following blended fee schedule:

| The Structured Growth Portfolio   | Sponsor Fee | TD Wealth Management Adviser Fee Maximum | Maximum Total Client Fee |
|-----------------------------------|-------------|--|--------------------------|
| The First \$1 to \$250,000        | 0.50%       | 1.28%                                    | 1.78%                    |
| The Next \$250,001 to \$500,000   | 0.50%       | 1.03%                                    | 1.53%                    |
| The Next \$500,001 to \$1,000,000 | 0.50%       | 0.80%                                    | 1.10%                    |
| Balances over \$1,000,001         | 0.50%       | 0.56%                                    | 1.06%                    |

- The annual Program/Platform Fees for The Wrap Strategists Portfolio are based on the following blended fee schedule:

| Wrap Strategist Program           | Sponsor Fee | Manager Fee | TD Wealth Management Adviser Fee Maximum | Maximum Total Client Fee |
|-----------------------------------|-------------|-------------|--|--------------------------|
| The First \$1 to \$250,000        | 0.25%       | 0.15%-0.25% | 1.28%                                    | 1.78%                    |
| The Next \$250,001 to \$500,000   | 0.25%       | 0.15%-0.25% | 1.03%                                    | 1.53%                    |
| The Next \$500,001 to \$1,000,000 | 0.20%       | 0.15%-0.20% | 0.80%                                    | 1.20%                    |
| Funds over \$1,000,001            | 0.16%       | 0.15%-0.16% | 0.56%                                    | 0.88%                    |

There is a minimum annual Client Fee charged per Account for participation in the Program.

**Minimum Account Fee Definition:** On a quarterly and per account basis, if the Total Fee is less than the quarterly minimum fee (determined by dividing the Minimum Account Fee by the number of days in the year and multiplying that by the number of days in the quarter), then the quarterly minimum fee is applied as follows:

| Program  | Minimum Quarterly Account Fee         |
|--|---------------------------------------|
| TD Wealth Management Mutual Fund Advisory Program                      | \$220                                 |
| TD Wealth Management Separately Managed Accounts Program (SMA)         | \$845                                 |
| TD Wealth Management Unified Management Accounts Program (UMA)         | \$270<br>Per separate account manager |
| TD Wealth Advisor Managed Account (AMA)                                | \$220                                 |
| Separately Managed Account Program (Equity and Balanced; Fixed Income) | \$845                                 |
| Multi-Manager Account Program  | \$545                                 |

|  |       |
|--|-------|
| Mutual Fund Wrap Fee Program                                   | \$220 |
| ETF <sup>2</sup> Solution Wrap Fee Program                     | \$135 |
| Enhanced Portfolio Strategies—The Low Volatility Portfolio     | \$220 |
| Enhanced Portfolio Strategies— The Structured Growth Portfolio | \$220 |
| Wrap Strategists Program                                       | \$220 |

Other costs that may be assessed to the Client that are not part of the Client Fee include fees for portfolio transactions executed away from clearing firm, dealer mark-ups, electronic fund and wire transfers, spreads paid to market-makers, dealer mark-ups, market maker spreads and exchange fees, among others.

Client Fees charged are calculated as an annual percentage of assets based on the market value of the account at the end of the quarter or as an average market value for the preceding quarter. Client Fees are charged on a calendar quarter basis in advance and prorated to the end of the quarter upon inception of the account or may be charged in arrears if using the average market value for the quarter. The level of the Client Fee will vary with the amount of assets under management and the particular investment styles and investment options chosen or recommended. Clients may receive comparable services from other sources for fees that are lower or higher than those charged by TDWMSI.

If there is insufficient cash in the Accounts at the time the Client Fee is to be debited from the Accounts, the Client understands and acknowledges that Program Managers or Sub-Managers may sell an amount of Program Assets to generate sufficient cash to pay the Client Fee. This may create a taxable gain or tax loss for the Client. If Program Assets are illiquid and Program manager or a designated Sub-Manager determines that the sale of Program Assets to pay the Client Fee is not feasible, the Client will be sent an invoice for the Client Fee for the quarter. For reporting-only accounts or any other account that necessitates it, another designated Client account will be billed for the Client Fee. The Client agrees to pay this invoice within ten (10) days of receipt.

### **Other Issues Relating to Fees**

The cost of investment advisory services provided through the Programs may be more or less than the cost of purchasing similar services separately. The factors impacting the relative cost of the program to a particular Client include, for example, the size of the account; the type of account (*i.e.*, equity or fixed income); the size of the assets devoted to a particular strategy; and the managers selected.

In some cases, IARs who recommend the Program to their Clients may receive compensation from TDWMSI as a result of their Clients' participation in the program. This compensation may be more than what the IAR would receive if the Client participated in other programs or paid separately for investment advice, brokerage and other services. Such individuals may therefore have a financial incentive to recommend the Program over other programs or services. However, the Client Fees have not been increased to cover fees paid to those IARs. IARs are paid a percentage of the Advisory Fee, which will vary based on the program that is recommended.

**Additional Compensation:**

TDWMSI does not have any arrangements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients.

There is a minimum annual Client Fee charged per Account for participation in the Program. Other costs that may be assessed to Client and that are not part of the Client Fee include fees for portfolio transactions executed away from Clearing Firm, dealer mark-ups, electronic fund and wire transfer fees, market maker spreads, exchange fees and brokerage/clearing firm fees, among others. Mutual funds, ETFs and alternative investments may charge their own fees, including contingent deferred sales charges, for investing the pool of assets in the respective investment vehicle. Please see the prospectus or related disclosure document for information regarding these fees. These fees will also be applicable on cash and money market funds. In certain interest rate environments, the fees charged on money market and cash holdings may exceed the rate of return/interest for that segment of the program. The fee charged also depends on manager(s) selected. Fees are calculated on a per account basis. Mutual funds charge their own fees for investing the pool of assets in the respective investment vehicle. Please see the prospectus or related disclosure document for information regarding these fees. TDWMSI may receive 12b-1 fees from affiliated and/or non-affiliated mutual funds in which the Clients invest.

At TDWMSI's discretion, we may consider a lower negotiated fee, based on the client relationship, and the level of service required to manage the program.

**Proxy Voting Policy**

TDWMSI delegates proxy voting to the Sub-Managers to whom it allocates client assets. Envestnet shall maintain copies of the Sub-Managers' proxy voting procedures on file for so long as TDWMSI has clients whose assets are being managed by such asset managers.

Depending on the program selected, Envestnet or a Sub-Manager, as applicable, will vote proxies in accordance to their own proxy voting policies. It will be the responsibility of the Client to vote any proxies relating to assets invested in the advisor directed model program. Client has the right at any time to vote proxies for any of the programs upon notice provided to the custodian. In the unlikely event that Envestnet becomes responsible for voting proxies relating to securities held by TDWMSI clients, Envestnet have developed appropriate principles, policies and procedures to ensure that such proxies are voted in the best interests of TDWMSI's clients. These principles, policies and procedures are relatively general in nature to allow Envestnet the flexibility and discretion to use its business judgment in making appropriate decisions with respect to client proxies. Clients may direct questions relating to proxy voting to their IAR.

**Other Business Activities**

Although it primarily provides investment advisory services, TDWMSI also provides other products and services to its Clients.

While TD Wealth Management Services Inc. is dually registered as an investment adviser and broker-dealer with the Securities and Exchange Commission ("SEC") and Financial Industry Regulatory Authority ("FINRA"), the Firm spends its time primarily engaged in broker-dealer activities.

## **Other Financial Industry Activities or Affiliations**

Investment products are offered through TDWMSI, a separate, wholly-owned, non-bank subsidiary of TD Bank, N.A. TD Bank, N.A., is a wholly-owned subsidiary of TD Bank US Holding Company, a multi-bank holding company headquartered in Portland, ME. The Toronto-Dominion Bank ("TD") is headquartered in Toronto, Canada, and its subsidiaries are collectively known as TD Bank Financial Group ("TDBFG"). Insurance products are offered through TDWMSI, TD Bank, N.A. may act as custodian for Client assets. TDWMSI is also a registered broker-dealer, a member of FINRA and the Securities Investor Protection Corporation ("SIPC"). Its representatives are all licensed to sell securities and may affect securities transactions for compensation for any Client. TDWMSI is not a bank and is a distinct legal entity from its bank affiliates. Securities products purchased or sold by TDWMSI for a Client are not insured by the Federal Deposit Insurance Corporation, are not deposits or other obligations of TD Bank, N.A., TD Bank US Holding Company, TD or TDBFG and are not guaranteed by any of such institutions. Any securities products purchased or sold by TDWMSI for a Client are subject to investment risks which may include loss of the principal invested.

### ***Potential Conflicts***

Since the Firm is a registered broker-dealer, its representatives may affect securities transactions for any Client. If TDWMSI representatives are involved in the executions of securities transactions, the broker-dealer must be the Firm. Transactions for Clients participating in the Programs are affected through accounts at National Financial Services ("NFS"), with which TDWMSI maintains a fully-disclosed clearing arrangement. Based on TDWMSI's relationship with NFS, certain sponsor and manager fees may be reduced based on the volume of client assets under management.

TDWMSI may charge commissions for each transaction in the Programs, only with respect to transferred assets liquidated by TDWMSI prior to being transferred to the sub-managed accounts.

TDWMSI employees or related persons may have accounts with investment managers that TDWMSI recommends to Clients as part of its investment programs. This means that TDWMSI employees or related persons may buy or sell securities that Clients also own in their accounts. Investment decisions for TDWMSI personnel may not be made at the same time or in the same manner as those made for Clients.

### **TD Code of Conduct and Ethics**

TDBFG has established and adopted a Code of Conduct and Ethics for Employees and Directors (the "TDBFG Code"), which applies to every employee and director of all TDBFG wholly-owned subsidiaries around the world. The Board of Directors of TD Bank US Holding Company has established and adopted a U.S. Code of Conduct and Ethics (the "TDBN Code"). The TDBN Code sets forth certain specialized rules for business conduct and guidelines for its employees in the United States.

If you would like a copy of the TDBFG Code or TDBN Code, please send a written request to TD Wealth Management Services Inc., Attention: Chief Compliance Officer; 2005 Market Street, Suite 200, Philadelphia, PA 19103.

The Code addresses issues including but not limited to

1. Compliance with Laws, Rules and Regulations,
2. Recognizing and Avoiding Conflicts of Interest
3. Conducting Outside Activities and Managing Personal Finances – including but not limited to, Political Activity and Insider Trading,
4. Safeguarding Internal Records, Safeguarding Proprietary Information, Data Security, and
5. Maintaining Financial Records and Reports - including Books and Records.

Moreover, TD Wealth Management requires each officer and employee of the Firm with access to the investments or portfolio information of the Firm's Clients (each an "Access Person") to report quarterly and annually theirs and their immediate family member's securities holdings and transactions to the Firm's Compliance Department. Upon hire, and as necessary during employment, each Access Person and their immediate family member, who holds a securities' account at a broker-dealer or other financial institution shall notify the Compliance Department of the existence of such account. The Compliance Department personnel will send a Broker Confirmation Letter to each such broker-dealer or other financial institution directing them to provide TD Wealth Management with a duplicate copy of each confirmation and periodic account statement issued to such Access Person. Access Persons and their immediate families (parents, spouse, children, in-laws, and siblings) are prohibited from purchasing IPOs. Access Persons requesting approval to engage in private securities transactions must complete the Private Securities Transaction Request Form and submit it to Compliance prior to engaging in the transaction. Access Persons are not permitted to engage in private securities transactions (as defined by the FINRA), whether or not there is compensation paid for effecting the transaction without prior written approval from management.

## **TD Wealth Management Services Inc. Personnel**

In order to ensure that Clients receive the highest standard of service, representatives of the Firm who are involved in the process of providing investment advice to Clients must have at least an undergraduate degree or equivalent work experience in the financial services industry.

The Firm requires that its IARs be in good standing with Firm and have the appropriate licenses and registrations. The Firm conducts training that satisfies all applicable regulatory requirements.

### **Marvin S. Daley – President**

Marvin joined TD Wealth Management Services Inc in 2008. Prior to joining the Firm, Marvin was a Vice President of Business Development at TD Waterhouse Discount Brokerage from 2006-2008. He has also held positions at increasing leadership capacities at TD Bank since 1991. Marvin was born in 1968 and graduated with an Honors Bachelor of Commerce from the University of Windsor. Marvin holds his S-7, S-24, and S-63 securities licenses.

### **Sid Vaidya, CFA, CAIA -- Senior Manager, Investment Management Services**

Sid joined TD Bank Financial Group in November 1996 and the Investment Management Services group in September 1999 as a Mutual Fund Analyst. Sid leads a team that is accountable for identifying, recommending and monitoring top portfolio management talent and investment companies for use in the construction of significant revenue generating managed products and services on TD's wealth management platforms. His is primarily responsible for the due diligence, oversight and investment advisers support for TD's Separately Managed Account Wrap and Unified Managed Account platforms. Sid graduated with a Bachelor of Commerce from the University of Toronto in 1995, earned the Chartered Financial Analyst designation in 2001 and the Chartered Alternative Investment Analyst designation in 2008. Sid was born in 1973

### **Lori Stewart, CFA -- Senior Manager, Investment Management Services**

Lori joined TD Bank Financial Group in July 1999 as part of the Investment Management Services as a Mutual Fund Analyst. Lori leads a team that is accountable for providing ongoing due diligence and monitoring for investment products for TD Mutual Funds and TD Waterhouse Private Investment Council. She is primarily responsible for the due diligence, oversight and investment advisers support for TD's Mutual Fund Account Wrap and Unified Managed Account platforms. Lori graduated with a HBA from the University of Western Ontario in 1993, earned the Chartered Financial Analyst designation in 1997. Lori was born in 1970.

### **Thierry Vallée, CFA - Senior Manager, Investment Management Services**

Thierry joined TD Bank Financial Group in February 1998 as part of the Investment Management Services as a Senior Analyst. Thierry is responsible and accountable for providing asset allocation research and portfolio construction recommendations using mutual funds, separately managed accounts and exchange-traded funds for the various channels of TD Wealth Management Inc. Thierry graduated with a M.Sc. Finance from the Université de Sherbrooke in 1994, earned the Chartered Financial Analyst (CFA) designation in 1998. Thierry was born in 1971.

### **Eric Kaitola, CFA - Associate Vice-President, Investment Management Services**

Eric joined TD Bank Financial Group in 1998 following an early career in private investment management. Eric is responsible for overseeing the investment manager research team within TD Wealth Management. The team is responsible for the day-to-day oversight and management of investment managers on the Wealth distribution platforms within TD Bank Financial Group. The team covers products ranging from mutual funds and segregated strategies, to hedge funds; encompassing proprietary and third-party offerings. The team also extensively supports overall platform distribution strategies including the provision of sales channel support and consulting-type services where required. Key support partners include TD Mutual Funds, TD Waterhouse Discount Brokerage, TD Waterhouse Financial Planning, TD Waterhouse Private Investment Advice, TD Waterhouse Private Trust, and Wealth Management USA. He holds an M.A. in Economics from the University of Western Ontario, an MBA in Finance from York University, and has been awarded the Certified Investment Manager and Chartered Financial Analyst designations. Eric was born in 1968.

## **IMPORTANT NOTICE TO CLIENTS**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask you for your name, address, date of birth and other information that will allow us to identify you. We may ask to see your driver's license or other identifying documents. Similarly, we will ask for identifying information and/or documents for accounts opened on behalf of an entity, rather than an individual (e.g. trusts, corporations). If you cannot provide the information or documentation we require, we may be unable to open an account or effect a transaction for you.

## **Privacy & Security**

### **Strong protection for your information**

#### **Protecting Your Privacy**

Through our subsidiary bank and financial service companies, we provide a comprehensive line of banking, investment and insurance services. As a company, we are committed to protecting the confidentiality of personal information you provide to any of our subsidiary companies.<sup>1</sup> At the same time, the information you provide can help us introduce you to other products and services that we offer to help you meet your financial goals.

#### **Information We Collect**

The type of information we collect depends on the type of product or service you obtain from us. We may collect "nonpublic personal information" about you. "Nonpublic personal information" is information about you, which is not available from public sources, obtained in connection with

providing you with a financial product or service. For example, nonpublic personal information includes information regarding your account balance, payment history and deposit account activity. It also includes your Social Security Number, account number and other information associated with you in particular through one or more identifiers. We may collect this nonpublic personal information from the following sources:

- Information we receive from you on applications or other forms you may complete and provide to us, such as your name, address, Social Security Number, date of birth, assets, income and, in the case of applications for insurance, health and medical information;
- Information about your transactions with us, with members of our corporate family or others, such as your account balance, payment history, products and services used, credit card usage; and
- Information such as your creditworthiness, payment history, and other information that we receive from outside companies or third parties, such as credit bureaus, that we require in order to provide the products or services you have requested.

In some cases, we may obtain “protected health information” about you. “Protected health information” is information provided by a third party such as an insurer, health plan, employer or health care provider that identifies you and relates to your health or health care, including payment for that care. Among other things, our insurance subsidiaries may obtain information regarding your medical condition if you apply for insurance coverage, and we may obtain information regarding medical treatment that you have received in the course of processing payments for that treatment.

## **Information We Disclose**

We share information with our affiliates<sup>2</sup> about our experiences or transactions with you or your account in order to help you complete financial transactions or make you aware of services and products from which you may benefit. The personal information we collect and share with affiliates may include your name, address, Social Security Number, policy number, account number, telephone number, account balance, payment history and deposit account activity.

Except as permitted by law, we do not disclose nonpublic personal information that we have obtained from other sources to any of our affiliates.

Under certain circumstances, we disclose personal information about you to “nonaffiliated third parties” (i.e., third parties that are not our affiliates or part of our corporate family). For example, we disclose personal information about you to third parties\* to assist us in servicing your account, to government entities as required by law or regulation, or in response to subpoenas, and to credit bureaus. We will not disclose any nonpublic personal information about you to any other third parties, except as permitted by law.

We may disclose all of the information we collect as described above, except protected health information, to companies that perform marketing services for us, financial institutions with which we have joint marketing agreements, or companies with which we jointly offer products or services such as credit cards or credit insurance.

We will also provide nonpublic personal information to affiliates and other parties if you request us to do so or you give us your permission.

If you decide to close your account(s) or become an inactive customer, we will continue to adhere to the privacy policies and practices described in this notice.

\* NFS and Envestnet

## Medical Information

*This notice describes how medical information about you may be used and disclosed and how you can get access to this information. Please review it carefully.*

We do not frequently hold protected health information, but, for example, we may receive protected health information from a health care provider to assist in processing payments to that provider. Or, our insurance subsidiaries may collect protected health information and provide it to an insurer to assist in processing an insurance claim, or if you enroll to be a participant in a health plan. We are required to maintain the privacy of protected health information in accordance with the law and this notice, and to provide you with notice (including a paper notice upon request) of our legal duties and practices with respect to such information. We do not share protected health information among our affiliates or with third parties except to process transactions or to provide services you have requested or initiated. We may use or disclose protected health information in connection with the payment or collection of health care costs or insurance premiums, or for purposes of insurance claim processing, enrollment or underwriting. We will not use or disclose your protected health information for any other purpose without your written authorization, which you may revoke, or as otherwise required or permitted by law.

You have the right to request restrictions on our use or disclosure of your protected health information, although we are not required to agree to a requested restriction. You have the right to request that we communicate your protected health information to you in a confidential manner. You have the right to inspect, copy and, if it is erroneous, amend your protected health information. And, you have the right to receive an accounting of disclosures of your protected health information, although that right does not apply to disclosures to you or for purposes of treatment, payment or health care operations.

You may make any complaint about our use or disclosure of protected health information directly to us, or to the Secretary of Health and Human Services, and you will not be retaliated against for filing a complaint. If you wish to complain to us, or if you have any questions, please contact us as follows:

***TD Bank, Attention: Compliance Department,  
2059 Springdale Road, Cherry Hill, NJ 08003  
Tel: 888-751-9000***

or

***TD Bank US Holding Company, Attention: Privacy Officer/Risk Contingency Management,  
P.O. Box 9540, Portland, ME 04112-9540  
Tel: 800-211-1979***

## Our Security Procedures

Access to your personal and account information is restricted to those employees who need to know that information as part of their job, to service your account or to provide products and services to you. We maintain physical, electronic and procedural safeguards that are reasonably designed to guard your nonpublic personal information.

## Accuracy of Customer Information

We recognize that the accuracy of your personal and account information is critical to you and, to that end, we follow procedures to reasonably ensure the accuracy of your information. If you find that any information we have on file or have reported to another party does not appear to be accurate, please write to us at:



***TD Bank, Attention: Customer Service Center,  
P.O. Box 5400, Cherry Hill, NJ 08034-5400***

or

***TD Banknorth, Attention: Loan and Account Research,  
32 Chestnut St., Lewiston, ME 04240***

Please include your account or policy number.

## **Internet Banking Privacy**

Safeguarding your personal information when interacting with us via the Internet is also extremely important. We apply the standards discussed above in caring for your personal information. When browsing our website, personal information, such as your e-mail address, is not collected. Some areas of our website require information, such as your e-mail address or your account number, to enable you to perform certain tasks (e.g., to review your accounts or correspond with us). In these cases, we collect the information necessary to interact with you.

If you visit us on the Internet, we may place a "cookie" on your browser that records the number of visits made to our various web pages; however, personal information is not collected. If you use our Online Banking or eBillPay programs, you may receive additional cookies which contain your unique identifier, allowing you to view and manage your accounts. These cookies may be linked to personally identifiable information.

E-mail sent within our online banking system is secure. The secure online transmission of information to us is only available from within your online banking account after you have established a secure connection using Secure Socket Layer (SSL) encryption. You may also contact us by phone, postal mail or in person.

We preserve the content of your e-mail, your e-mail address and our response, so that we can more efficiently respond to any follow-up questions from you. We also retain this information to meet legal and regulatory requirements.

## **Regular Internet E-mail is Not Secure**

Please do not send confidential information such as Social Security Numbers or account numbers to us via regular e-mail. In instances where e-mail addresses are provided, they are provided for information inquiries of a non-sensitive and non-confidential nature. Since an Internet e-mail response back to you would not be secure, we will not include confidential information in an e-mail response.

## **Protecting Children Online**

In accordance with the Children's Online Privacy Protection Act, we will not knowingly collect, store, use or disclose personal information from children. We define children as persons under the age of 13.

We do not accept applications directly from children, knowingly collect nor share personal information about them, unless the information has been provided by an adult in connection with opening a deposit account for or with the child. We won't send any unsolicited promotions to users who indicate they are less than 13 years of age unless the solicitation is in connection with an account opened by an adult.

This does not prevent parents from opening deposit accounts on behalf of their children. We will obtain parental consent prior to the creation of an account on behalf of a child.

## Questions

We're strongly committed to our relationship with you and want to be sure you understand the steps we have taken to protect your personal information. If you have any questions or comments, please call us at the appropriate number listed at the end of this document.

## The Problem of Identity Theft

Identity theft is a growing crime in our country. Each day, thousands of people become victims of identity theft. Identity theft occurs when someone steals your personal information and uses it to establish credit, charge items, or borrow money using your name.

## Protect Your Identity

- Shred unused credit offers and other documents containing personal or financial information before discarding them.
- Guard your Social Security Number.
- Don't release information to people you do not know, especially over the phone or Internet.
- Review bank statements for accuracy.
- If you are denied credit for no apparent reason, obtain a copy of your credit report.

## If You Become a Victim

- Contact your bank and all others with whom you have a financial relationship.
- File a police report if you have had a loss.
- Report the fraud to the major credit bureaus:
  - Equifax 800-525-6285
  - Experian 888-397-3742
  - Trans Union 800-680-7289

For additional help, call the Federal Trade Commission at 1-877-ID-THEFT or visit their website at: [www.ftc.gov/idtheft/](http://www.ftc.gov/idtheft/).

More information can be found at <http://www.TDBank.com>

## It's Your Choice

Federal law gives you the right to limit some, but not all, marketing from our affiliates. Federal law also requires us to give you this notice to tell you about your choice to limit marketing from our affiliates.

You may limit our affiliates<sup>2</sup> — which include, but are not limited to, banking, leasing, insurance, wealth management, securities brokerage and investment advisory affiliates — from marketing their products or services to you based on personal information that we may collect about you and share with them. This information includes your account history with us. Your choice to limit marketing offers from our affiliates will apply until you tell us to change your choice. You can opt back in at any time.

To limit affiliate marketing offers, contact us either by:

- Phone: **888-937-1050**
- Web: <http://www.TDBank.com/opt>
- Mail: Complete and return the Opt-Out form provided in your Privacy Statement. To obtain a copy, please visit any TD Bank location or call 1-888-751-9000.

**If you have previously informed us of your preference, you do not need to do so again.**

*Note: Your preference will be processed within 30 days of receipt and will remain in place until you change your option. Please note your preference may not prevent you from being solicited with information that the affiliate had on file prior to the processing of your preference. Your selection(s) will be applied to your entire household, so if you opt-out, no one in your residence will receive notifications of special discounts, offers and promotions that are available.*

This privacy statement applies to the following entities within the TD Bank US Holding Company family, including TD Bank USA, N.A., TD Bank, N.A. and its divisions and subsidiaries listed below.

## **TD Bank USA, N.A.**

### **TD Bank, N.A. Divisions**

- TD Bank US Holding Company (as of November 1, 2009)
- TD Bank Mortgage
- TD Retail Card Services
- Shoppers Charge Accounts Co.

### **TD Bank, N.A. Subsidiaries**

- Bancnorth Investment Planning Group, Inc.
- Bancnorth Investment and Insurance Agency, Inc.
- TD Aviation Finance, LLC
- TD Equipment Finance, Inc.
- TD Insurance Agency
- TD Insurance, Inc.
- TD Wealth Management Services Inc.

<sup>1</sup> A list of our divisions and subsidiaries is noted above.

<sup>2</sup> Our affiliates include those companies that control, are controlled by or are under common control with TD Bank US Holding Company or The Toronto-Dominion Bank, including TD AMERITRADE, Inc., among others.

This privacy statement applies to individuals and not to business entities or business transactions. It is effective upon publication. We reserve the right to make changes to this statement. A current version of this statement will be issued at least annually and can be requested at any time. This statement is for general guidance and does not constitute a contract, nor does it modify or amend any agreements we have with you.