



Important Money Market Updates

The serious issues taking place within the financial services industry continue to evolve as we learn more details and come to terms with their impact on the nation's financial markets. We are pleased to see that the U.S. Treasury Department and Congress have gotten involved to help retail investors reaffirm their faith and confidence in the stock market. We continue to work around the clock to protect our clients' assets and are focused on achieving resolutions that address their best interests.

We remind our clients, associates and shareholders that our capital structure and liquidity remain strong and stable. TD AMERITRADE continues to have no direct exposure to the U.S. real estate market and the associated complex financial securities that are at the root of this liquidity crisis.

1. **How will the Treasury Department's program for money market mutual funds work?**
 - On Sept. 19, 2008 the U.S. Treasury Department announced that it would establish a temporary program to guarantee money market mutual funds. The program would insure, for one year, all retail and institutional funds that comply with SEC Rule 2a-7. Participating funds must pay a fee to be eligible for insurance benefits.

2. **What is Rule 2a-7?**
 - Funds that comply with Rule 2a-7 invest only in high-quality money market instruments that present minimal credit risk, meet strict diversification requirements and mature in 13 months or less. Their portfolios also maintain a weighted average maturity of 90 days or less. Compliance with these requirements allows funds to seek a net asset value (NAV) of \$1.00 per share and provide daily liquidity to investors.
 - **Our current understanding is that assets invested as of Sept. 19, 2008 in each of the TD Asset Management USA Funds, Inc. (TDAM) money market mutual funds currently available through TD AMERITRADE's client cash sweep program would be eligible for coverage under the Treasury's proposal as all of these funds comply with Rule 2a-7. TDAM is affiliated with TD AMERITRADE.**

3. **There has been a lot of media regarding investments in The Reserve Primary Fund over the last week. How many clients have assets locked up in this fund, and what are you doing about it?**
 - While a small number of our client accounts (less than ½ a percent) have exposure to this fund, we are very much focused on this issue, working around the clock to protect our clients' assets and are focused on achieving resolutions that address their best interests.
 - When we were notified of the Primary Fund's issues last week we immediately initiated a redemption request on behalf of our clients. We are working with

clients on an individual basis to satisfy immediate needs for liquidity.

- While the details of the Treasury Department's proposed insurance program are still being worked out, our current understanding is that the Primary Fund does not meet the eligibility requirements set forth by this program.
- In unprecedented times such as these, it is vitally important that the retail investor's voice be heard in discussions with regulators and other federal officials. We are currently pursuing all possible options and are acting on behalf of our retail investors to ensure that our clients' assets held within this fund are fully protected and redeemed.

4. Do you have plans in place to join any of the existing lawsuits other firms have filed regarding the issue with The Reserve Primary Fund?

- This is a very fluid situation, and we want to ensure that we have considered all of the information and options available before we move forward with a decision.
- We are taking this issue very seriously, as it impacts our client assets. We are doing everything we can to protect these assets and will do what we believe is in the best interest of our clients, including making claims against The Reserve. We continue to work with The Reserve and various federal authorities and regulators, as well as other broker-dealers involved in similar situations, to bring this issue to a close as quickly and efficiently as possible.
- If you have specific questions about investments with The Reserve Fund products, please click [here](#).

5. What about other money market funds available to your clients? Is client money safe in those funds?

- We cannot predict the effects of recent market conditions on any security, including money market mutual funds.
- However, we can tell you that TD Asset Management USA Funds, Inc., which manages seven money market funds currently available as cash sweep options to TD AMERITRADE clients, can confirm that none of these funds had any exposure to Lehman Brothers Holdings Inc., Merrill Lynch, Washington Mutual or AIG as of Sept. 16, 2008.
- Over the past several months, the Adviser for these funds has shortened the average maturities of the funds' holdings and increased the funds' liquidity. The Adviser believes that these funds are well positioned in light of current market conditions. More information can be found [here](#).
- Please note that TD AMERITRADE does not manage any money market mutual funds. The funds available to clients at TD AMERITRADE are managed by affiliates or other third parties who maintain all decision-making authority for the funds and the management of the assets invested within them.
- In the midst of this unprecedented, challenging financial services environment, TD AMERITRADE has been vigilant in working with these firms to ensure that its clients' interests are well-represented and handled

appropriately. We will continue to work on our clients' behalf to help resolve these issues quickly and efficiently.

6. Do any of the events of the past few weeks affect TD AMERITRADE?

- Our capital structure and liquidity are strong and stable.
- It is unfortunate that a number of firms have failed, or have struggled, over the course of the last 18 months as the result of investments tied to the nation's struggling real estate markets.
- We do not hold Lehman Brothers, Merrill Lynch, AIG or Washington Mutual directly. We will continue to monitor our exposure as the ramifications of these events throughout the financial sector become clearer. In the meantime, we will continue to work with affected clients.

7. Does TD AMERITRADE have liquidity issues? Are you at risk to suffer any of the challenges that other financial services firms have suffered this year?

- TD AMERITRADE's capital structure and liquidity are strong and stable.
- TD AMERITRADE has no direct exposure to the U.S. real estate market and the associated complex financial securities that are at the root of this liquidity crisis.
- In addition, TD AMERITRADE does not take proprietary risk on its balance sheet. Our clear, transparent business model and commitment to conservative fiscal management has helped us avoid the troubles other firms have experienced from investment risks.

8. What is the current status of TD AMERITRADE's debt? Are you comfortable with your status?

- Our current debt stands at approximately \$1.4 billion. We have paid down approximately \$500 million from our original debt amount of \$1.9 billion. Our debt is in the form of bank loans, and not bonds.
- We view this debt as an attractive source of financing for us, and we are comfortable with the amount we are carrying, especially when we consider our ability to generate cash, as is evidenced by our financial results each quarter.

9. Who can I contact for more information?

- Please contact us at the numbers below for any individual questions you might have:

For clients: **800-431-3500**

For shareholders: **800-237-8692**

For media: **800-400-1336**