Reference

TD Ameritrade Institutional

Model Market Center™

Frequently Asked Questions

Model Market Center offers you access to a vast selection of affiliated and unaffiliated third-party models to select from and can help you save time and gain efficiency with your portfolio construction processes.

- General Questions
- Using Model Market Center
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General Questions

What is Model Market Center?

Model Market Center is an offering of TD Ameritrade, Inc., Registered Investment Advisor (RIA), that when leveraged with iRebal® on Veo One® can provide a potentially lower-cost option to traditional money management—while allowing you more flexibility over trading decisions.

Model Market Center allows you to tap into a vast selection of asset allocation models from many different affiliated and unaffiliated third-party asset managers. You can pick a model and even combine it with your own models to build your clients' portfolios based on their unique needs, leveraging iRebal on Veo One. All this can help you keep your rebalancing strategy and investment philosophy intact.

How do I access Model Market Center?

Model Market Center is accessible from within iRebal on Veo One, the powerful rebalancing tool available at no additional cost for accounts held with TD Ameritrade Institutional.

Who would use Model Market Center?

Model Market Center is designed for independent RIAs who want to reduce the costs associated with portfolio construction, but still invest according to their investment philosophy and retain full control and responsibility over their clients' portfolios.

What is the cost of Model Market Center and the models within it?

Access to Model Market Center comes with no additional cost to RIAs who custody assets at TD Ameritrade Institutional. There are affiliated and unaffiliated third-party models on Model Market Center that have no Strategist Fee (these usually contain ETFs or mutual funds proprietary to the Model Manager), and there are third-party models that have a Strategist Fee charged in basis points. The Strategist Fee is set by the Model Manager and can be seen directly on the model page in Model Market Center.

What are the potential benefits to advisors?

- Since Model Market Center can leverage iRebal, advisors can:
  - Potentially lower costs by reducing or eliminating trading administration fees that a traditional managed account might charge
  - Regain control of rebalancing and trading
  - Gain the flexibility to customize portfolios around client preferences and/or restrictions
- Advisors can also supplement advisor-built strategies with sleeves from external managers, combining advisor-built investment strategies with strategies from third parties.

Which Model Managers can participate in Model Market Center?

TD Ameritrade does not pick Model Managers, and does not pay for and is not involved in the preparation of the content. TD Ameritrade has also not verified, endorsed, or approved the content. Any manager is welcome to participate on the platform, provided they meet Model Market Center criteria.

Who is responsible for determining a model is right for use?

As the independent advisor and fiduciary, you retain all responsibility for due diligence on any model or manager as well as up-front and ongoing suitability regarding the use of any model in any advisory client account. TD Ameritrade is not responsible for manager or model due diligence or suitability for use with any client.

How will I be notified in the event my subscribed model is terminated?

A notification will be emailed to all impacted advisors if a model they are using is terminated from Model Market Center. There will also be a message posted in iRebal that will be visible to all advisors upon log-in.

How much information will be shared with third-party Model Managers about my firm?

On a monthly basis, TD Ameritrade will provide the aggregate dollar value of assets of end-clients that are invested in the funds identified in the models to the Model Managers. TD Ameritrade will also show a daily AUM and total number of accounts on Model Market Center for managers to follow daily, illustrating the growth or decline in strategy adoption.

In addition to the aggregate dollar value of participating assets, TD Ameritrade will provide a report of the advisors who are utilizing the models. This report will include, at a minimum, advisor IARD or CRD number, amount of assets held in custody at TD Ameritrade, and additional advisor information such as location, firm name, and firm phone number, as noted by TD Ameritrade.

What changes will my end-client see as a result of my use of Model Market Center?

Your end-clients will not see any changes as a result of your participation in Model Market Center. The statements that they receive from TD Ameritrade will also not change as a result of your use of Model Market Center. If you are using a Strategist Fee model, the amount due will be debited from your Sundry Account and not from the end-client's account.

Using Model Market Center

How do I gain access to Model Market Center?

Advisors can access Model Market Center through their connect icon to iRebal on Veo One. Once in iRebal, Model Market Center can be found under **Create & Configure > Models**.

As a reminder, to gain access to iRebal on Veo One, users must first watch a mandatory on-demand training video, which is accessible through the Education Center on Veo (**Veo > Resource Center > Education Center > Learning by Topic > Technology > iRebal**) and Veo One (**Veo One > Tools & Resources > Education Center**).

How much flexibility will I have in terms of modifying the manager models?

You can instruct iRebal to purchase alternate securities instead of the manager's target securities, as well as set equivalents and rebalancing bands for any model securities. However, the target weighting within manager models cannot be modified or else any subsequent manager change would not be able to flow through to your client accounts. You also ultimately make the decision on if and when to execute trades for your clients. When you are subscribed to a model, you can still set restrictions in your separate rebalancing process, using the iRebal rebalancing process. For example, when setting up your iRebal rebalancing criteria, you could instruct iRebal to "Never Sell" a client holding.

Does an end-client need separate accounts for each strategy?

No. An advisor can blend an unlimited number of third-party strategies together when incorporating model criteria within the separate iRebal rebalancing process and can rebalance one client account or household by using the blend of models.

Where can I find information on the fields available in the model list table within Model Market Center?

The model list table contains information provided by the Model Managers to help you better understand each model and its objectives. The fields in the model list table are defined below.

Field	Description
In Use	The In Use column will contain a checkmark indicator, identifying models that you are currently subscribed to. You can view updated information for models that you are currently subscribed to by sorting this column.
Building Block Style	The Building Block Style defines the ETFs or funds that make up this model—for example, active, passive, smart beta, or a mix. The holdings in active funds may turn over frequently in an attempt to outperform a benchmark, where the holdings in passive funds are selected to mimic an index. Smart beta funds use a combination of both passive and active strategies while using preset and transparent rules. Individual equities are considered passive.
Used For	The Used For column indicates whether it was intended by the Model Manager to be a complete, blended, or income-generating solution. A complete strategy was designed by the Model Manager for a client's entire portfolio; however, it can be blended with other strategies. Whereas a sleeve typically represents a single asset class—like small-cap or fixed-income—and is designed to be blended with other sleeves. You can blend any model with another third-party model from the marketplace or with one you created. Lastly, some models are aimed at generating income and typically contain securities with higher yields and potentially higher risk.

Tax-Managed	If a model is Tax-managed, it is designed by the Model Manager and is managed with an effort toward maximizing after-tax investment return and minimizing taxable distributions for taxable client accounts.
Risk Category	The Risk Category is designed to help you determine which of these strategies might be best fit for your client based on equity exposure. If you are looking to lower equity exposure you might consider blending a risky model with a risk-averse model. Model Managers are responsible for Risk Category classification as the Model Managers select one of the investment objectives from the list below that most closely defines their model's objectives. The following investment objectives are provided for informational purposes only. Advisors are responsible to design and manage portfolios in accordance with clients' individual financial circumstances, investment objectives, and preferences. The investment objectives of your firm and/or a particular client account may differ from the investment objectives described herein or from those of other clients who may have similar objectives or levels of risk. (NOTE: Equity exposure for a model portfolio is an average percentage of individual equity or equity-like instruments contained in a model's overall allocation.)
Risk Categories Defined	
Aggressive— Growth	Emphasis on maximizing capital growth; willing to accept significant fluctuation of portfolio value. Offers the potential for higher returns for significantly higher levels of risk. Many Aggressive Growth stocks trade at high valuations and pay no dividends, and their value may depend on certain changes in business activity. Aggressive Growth investments may include growth stocks with high valuations, aggressive stock mutual funds, and industry sector mutual funds. Aggressive Growth investments may meet the investment needs of a client seeking potential long-term capital growth with no immediate need to withdraw funds. Equity exposure (or other high volatility exposure) in Aggressive Growth models is typically greater than 75%.
Moderate— Growth (or Growth)	Emphasis on capital growth; willing to accept moderate fluctuation of portfolio value. Offers the potential for greater total returns than Growth and Income or Income investments, but with increased risk. Growth investments offer little or no dividend income and depend considerably on earnings growth for long-term returns. Growth investments may include stocks of rapidly growing companies and growth mutual funds. Growth investments may meet the investment needs of a client seeking potential long-term price appreciation with no immediate need to withdraw funds. Equity exposure (or other high volatility exposure) in Moderate Growth models is typically between 50% and 75% for Moderate Growth.
Moderate— Growth and Income (or Moderate)	Emphasis on modest capital growth; willing to accept low to moderate fluctuation of the portfolio value. Offers the potential for both long-term growth and current dividend income. Growth and Income investment prices are less stable than those for Income investments, but their higher dividend income seeks to provide greater price stability than pure Growth investments. Growth and Income investments may include common stocks with dividends, equity mutual funds with dividends, convertible bonds, and real estate investment trusts (REITs). Growth and Income investments may meet the investment needs of a client seeking to achieve a combination of capital appreciation and current income, and willing to assume a moderate degree of risk in return for potential long-term growth of capital. Equity exposure (or other high volatility exposure) in Moderate Growth and Income models is typically 25–50% for Moderate Growth and Income.

Conservative—Capital Preservation and Income (or Conservative)	Emphasis on income; willing to accept only minimal fluctuation of the portfolio value. Offers the potential for a fixed rate of interest or dividend income. Income investments generally decline in value when interest rates rise. Income investments may include certificates of deposit (CDs); corporate, government, or municipal bonds; and bond mutual funds. Income investments may meet your investment needs if you are seeking to potentially maximize current income rather than growth of principal. There is still investment risk involved. Equity exposure (or other high volatility exposure) in Conservative—Capital Preservation and Income models is typically 10–25%.
Ultra Conservative—Capital Preservation (or Capital Preservation)	Emphasis on secure income; willing to accept a lower potential rate of return while seeking to minimize investment risk. Capital Preservation investments primarily include money market funds and CDs. Capital Preservation investments may meet your investment needs if you are concerned with protecting your principal rather than achieving price appreciation. Capital Preservation investments are directed more toward conservative investors. Equity exposure (or other high volatility exposure) in Capital Preservation models is typically less than 10%.
Asset Class	Determined by the third-party Model Manager. If a model contains a group of securities that collectively exhibit similar characteristics, this will be represented by the Asset Class. If a model contains multiple asset classes, the model will be identified as a multiple asset class model.
Performance (How is it calculated?)	In the Performance section, the third-party Model Managers may provide performance calculations based on their model's history. Please note that TD Ameritrade does not calculate these performance statistics. Performance statistics are prepared and submitted by and remain the responsibility of the Model Manager. Performance will be displayed alongside a performance as-of date. This performance as-of date is provided by Model Managers and lets you know the time period for the displayed performance information they have chosen to provide. If the Model Manager is using Global Investment Performance Standards (GIPS®)-compliant performance calculation methods at its firm, then the manager will indicate that it is a GIPS-compliant firm in this section. For more information about GIPS, visit **www.gipsstandards.org**. This does not mean the actual performance numbers have been reviewed. It only means the reported calculation method is GIPS-compliant. Please contact the Model Manager for more information. The frequency fields help you understand how much and how often a model's allocation changes, or plans to change.
Turnover	Turnover represents how much change this model has experienced on average per year as calculated by the Model Manager.
Allocation Changes	Allocation changes indicate the Model Manager's report of how frequently the manager states its plans to change its model's allocations. Even though this field represents the manager's planned cadence, managers reserve the right to change their model allocations whenever they see fit. A manager can also update its allocations at any time of day, on any day of the week. TD Ameritrade's Model Market Center will distribute manager changes to you for models you are subscribed to. And, if you are subscribed to Veo One alerts, you will receive a message about a change.
Cost (What does it represent?)	The model's Cost represents, in basis points, how much a model costs. If the model contains mainly proprietary funds, then the model will typically have no direct cost. However, if the model is created by an independent strategist or investment manager, then the cost will be determined by the manager.
Inception Year	The Inception Year is the Model Manager's report of the first year in which the manager states it began managing and calculating performance for this model.

# of Current Holdings	The # of Current Holdings is a shortcut to see how many security holdings the Model Manager reports have targeted in this model. You'll be able to see what the individual securities are when you open the model detail screen.
Asset Type	In the Asset Type, the Model Manager will report whether the model contains mutual funds, equities, ETFs, or a mixture.
Suggested Minimum	Suggested Minimum is the Model Manager's suggestion and is based on its model's strategy and allocations. The manager may suggest that this model only be used for clients' portfolios that are above this minimum amount. The iRebal system will not force you to adhere to this minimum. There are tools in iRebal, such as minimum alternate investments, that will enable you to configure different rules for smaller accounts.

I have questions about how to use Model Market Center. Where can I find help?

For additional training or support, you can access on-demand video tutorials in the Education Center (education.tdainstitutional.com/ModelMarketCenter).

iRebal Support Team
Hours: Monday–Friday from 9 a.m. to 5:30 p.m. ET
Call: 800-400-6288, option 3 for Technology Services, and then option 4 for iRebal
Email: VeoiRebalSupport@tdameritrade.com

Billing

The Billing section is only applicable if you use any third-party models that charge a Strategist Fee.

How do I know if a third-party model charges a Strategist Fee?

If a third-party model charges a Strategist Fee, it will be shown directly on the model page in Model Market Center.

How and when is the fee collected if I use third-party models with a Strategist Fee?

When an RIA subscribes to a model with a Strategist Fee, the RIA must provide a Sundry Account for billing. Then, iRebal will keep track of the value of the accounts that the RIA has assigned to that model within iRebal on Veo One, and will post an invoice at the end of each month, on the iRebal home page. The amount due will be debited from the RIA's designated Sundry Account approximately 10 business days after the invoice is posted.

If I subscribe to a third-party model with a Strategist Fee in Model Market Center, will I automatically be charged?

You will not be charged a Strategist Fee until you assign an account to the model(s) you have subscribed to.

What does the Strategist Fee invoice include?

The Strategist Fee invoice only includes the fee charged by the Model Manager for use of the model(s). It does not include any other transaction charges or fees associated with your clients' accounts.

Can you show me a sample calculation of a Strategist Fee?

If a $100K account is subscribed to a model that charges 30bps, the monthly invoice for the account would be $25 (for a total of $300 annually).

It is important to note, however, that iRebal calculates the invoice using the daily balance for the account, not a point-in-time balance.

Who should I contact if I have a billing dispute?

Any billing disputes should be directed to the iRebal Tech Support team at **800-400-6288** (select option 3 for Technology Services, and then option 4 for iRebal).

Am I permitted to use the funds that make up a model listed in the Model Market Center outside of iRebal?

If the models you use outside of iRebal are too closely aligned with models that you have subscribed to within Model Market Center, TD Ameritrade may contact you to review. Please review Section 4(b)(iii) of the Model Market Center Terms and Conditions.

FinMason Model Impact Tool

Who is FinMason?

FinMason is the world's largest independent investment analytics engine for financial services platforms. The Boston-based financial technology firm provides access to more than 700 calculations on every publicly traded asset in the world, delivered through one simple API. Developed by FinMason's team of seasoned data practitioners and nine PhDs, the cutting-edge platform delivers institutional-grade analytics in milliseconds on every tradeable asset in the world.

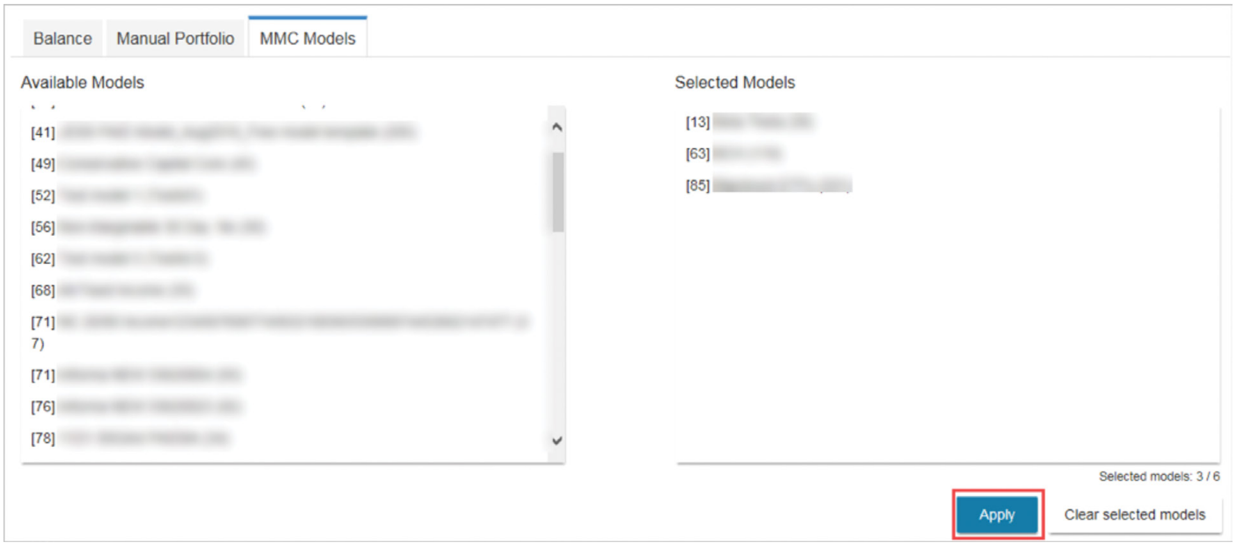
Model Impact, powered by FinMason, is available via an integration with the TD Ameritrade Model Market Center. By analyzing different model strategies and and potential impact on portfolio projections, an advisor can use this tool to surface models from the inventory of models listed on Model Market Center that may be used to pursue your client's objectives.

What is the FinMason Model Impact Tool?

- The FinMason Model Impact Tool is a financial projection tool that allows an advisor to easily compare different models and their potential impacts on a portfolio's projected outcome. With this tool, you can account for the client's savings rate, and investing and spending decisions up to retirement, through the retirement drawdown phase to possibly leaving an inheritance to beneficiaries. In instances where those goals are not met (shortfalls), our interactive tool allows the advisor to instantly see new potential outcomes by applying different model strategies, tweaking the client's savings, extending the date of retirement, or decreasing expected post-retirement expenses.
- A Monte Carlo simulation helps advisors understand the likelihood that a particular investment strategy will meet client goals, to and through retirement. The analysis returns the probability of different outcome "iterations" by running hundreds or thousands of forecasts on the portfolio along with information collected from the client.
- The purpose of this tool is to help advisors analyze the potential impact of different risk scores or other third-party models on a portfolio's projected outcome in order to surface models that may meet their criteria. After observing the impacts of different risk scores or other third-party models, an advisor can filter for attributes in Model Market Center, for example, FinScore or model name. Once you find a model that best meets your client's needs, you can apply it by using iRebal.

How do I incorporate models listed on Model Market Center into the FinMason Model Impact Tool?

Models listed on Model Market Center are provided by affiliated and unaffiliated third-party Asset Managers and can be selected from within the FinMason Model Impact Tool to visualize how the different investment models may impact a portfolio's projected outlook. In the Model Market Center Model tab, each model's FinScore is shown between brackets [ ], followed by the model name. Select the model(s) from the left column and hit "Apply." These models will be added to the Risk Slider so you can easily explore the portfolio outlook using these third-party models listed on Model Market Center.



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