

TD Ameritrade Self-Directed Brokerage Account

What is a Self-Directed Brokerage Account?

A Self-Directed Brokerage Account (SDBA) allows you to select from thousands of publicly traded mutual funds in addition to the Minnesota Deferred Compensation Plan (MNDCP) core investment options. The SDBA is offered through TD Ameritrade, a division of Ameritrade, Inc. The MNDCP will assess an additional administrative fee of \$2.50 monthly (\$30 annually) for the use of this service. Additional transaction fees may apply depending on trading activity. SDBA mutual funds are not offered through MNDCP or GWFS Equities, Inc.

Is a SDBA right for me?

A SDBA is for *knowledgeable investors* who understand the risks and costs associated with mutual fund investments. *You will not be able to invest in individual securities, such as stocks, bonds exchange traded funds (ETFs) or options.* By utilizing the SDBA, you acknowledge that none of the available funds in the SDBA have been reviewed for suitability by the MNDCP administrator, Minnesota State Retirement System (MSRS), TD Ameritrade or the Plan recordkeeper, Empower Retirement. You are solely responsible for determining suitability of the funds that are available in the SDBA. You agree to fully indemnify and hold harmless MSRS, TD Ameritrade, or the Plan recordkeeper, Empower Retirement, against any claims, damages or other causes of actions that may arise as a result of any negative consequences resulting from your use of the SDBA.

How do I get started?

You must already be enrolled in the MNDCP prior to opening a TD Ameritrade account.

Enroll Online

Log in to your MNDCP Account Online at www.msrs.state.mn.us and click the “Investments” tile, then select “Self-Directed Accounts”, and click the “Enroll” icon.

During the enrollment process you will immediately receive your TD Ameritrade account number and be asked to create your own Personal Identification Number (PIN).



Please note that you will need to wait at least three business days after enrolling before you can transfer assets into the SDBA. TD Ameritrade will send you a Welcome kit.

Before investing, investors should carefully consider a fund's investment objectives, risks, charges and expenses. Fund prospectuses contain this and other important information, and may be obtained by calling TD Ameritrade at 1-866-766-4015. Investors should read prospectuses carefully before investing.

How do I transfer money into my SDBA?

Login to your MNDCP account online at www.msrs.state.mn.us or call MSRS toll-free at 1-800-657-5757 to initiate a minimum transfer amount of \$500 from your MNDCP into the SDBA*.

Transfers will first be made from your MNDCP core funds into the SDBA money market fund. Then, you can transfer assets from the SDBA money market fund to purchase mutual funds offered by TD Ameritrade.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although the fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the fund.

Are there any minimum balance requirements?

Transfers into TD Ameritrade are subject to a minimum transfer amount of **\$500**. You must also maintain a minimum balance of **\$500** in the MNDCP core investment options. If the minimum balance in your MNDCP core investment options falls below **\$500**, you must transfer funds from TD Ameritrade to MNDCP to meet the minimum balance requirement.

How do I transfer money back to MNDCP's core investment options?

Call TD Ameritrade at **1-866-766-4015** or visit **www.tdameritraderetirement.com** to liquidate your mutual fund holdings. Once the proceeds are in your SDBA money market fund, you may then transfer the assets to the MNDCP core investment option(s) of your choice. You can initiate the transfer to your core investment options by logging into your MNDCP account online at **www.msrs.state.mn.us** or by calling MSRS toll-free at **1-800-657-5757***.

How do I make changes to my SDBA?

Log into your TD Ameritrade account online at **www.tdameritraderetirement.com** or call **1-866-766-4015** to inquire about your daily SDBA balance or to change your SDBA investment options. Check with TD Ameritrade to determine if there are any fees associated with a change to your SDBA investment options.

Will I receive quarterly statements?

Yes. Both MSRS and TD Ameritrade send quarterly statements. MNDCP quarterly statements include both your core investment option balances and your total SDBA balance. You will receive a separate statement from TD Ameritrade that will detail the investment holdings and activity within your SDBA, including any fees and charges imposed in connection with the SDBA.

Note: The account balance on your MNDCP and TD Ameritrade statements may be slightly different due to different period-ending dates (for example, one statement may be as of the last day of the quarter, while the other may be as of the last business day.)

How do I request a distribution?

You cannot take a distribution directly from your SDBA. You must first transfer money from your SDBA back to the MNDCP core investment options, then you may request a distribution. If the distribution amount requested is greater than your MNDCP core balance, you will receive less than the amount requested.

STEP BY STEP INSTRUCTIONS

Establishing a SDBA

1. Log into your MNDCP account at www.msrs.state.mn.us to enroll online. See *How do I get started?* on page 1.
2. Transfer funds from your MNDCP account to your SDBA money market fund, either online or by calling MSRS.
3. Contact TD Ameritrade to transfer money from your SDBA money market fund to purchase mutual funds offered by TD Ameritrade.

Transferring funds back to MNDCP

1. Contact TD Ameritrade to liquidate mutual fund holdings. Assets are moved to the SDBA money market fund.
2. Transfer funds from your SDBA money market fund back to your MNDCP account, either online or by calling MSRS.

Each step may take several days to complete and must be concluded before moving on to the next step.

**Transfer requests made online or by phone received on business days prior to close of the New York Stock Exchange (3:00 p.m. Central Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected. Access to the voice response system and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.*

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