TD Ameritrade Institutional

MARGIN REQUIREMENTS

Margin requirements will change depending on regulatory requirements, market conditions or if there is an undue concentration in one account. Both the amount of money that a brokerage firm may loan an investor and the terms of the loan agreement are subject to change and regulated by the following: the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, the Financial Industry Regulatory Authority (FINRA), and our clearing firm, TD Ameritrade Clearing, Inc. Margin accounts require a minimum of $2,000 in initial equity. If the equity in a margin account falls below $2,000 due to market depreciation, that is acceptable as long as the account is at or above the maintenance requirement.

	INITIAL REQUIREMENT	MAINTENANCE REQUIREMENTS
Long Stocks		
Below $2 per share	50%	100%
$2-$4 per share	50%	$2 per share
Greater than $4 per share	50%	30%
Concentrated accounts*:		
70%-100% (for most securities in the S&P 500 and NASDAQ 100)	50%	30%
70%-100% (for most securities not in the S&P 500 and NASDAQ 100)	50%	40%
Leveraged ETFs	All leveraged ETFs will be set to a margin requirement equal to 2X or 3X the TD Ameritrade base maintenance requirement of 30% (not to exceed 100%).	
2X	50%	60%
3X	50%	90%
Short Stocks		
Below $2.50 per share	50%	$2.50 per share
$2.50-$5 per share	50%	100%
$5.01-$16.67 per share	50%	$5 per share
Greater than $16.67 per share	50%	30%
Concentrated accounts:	Same as long requirements	Same as long requirements
Leveraged ETFs	Same as long requirements	Same as long requirements
All short sales are subject to our ability to borrow the stock. Stock that can no longer be borrowed must be bought-in immediately.		
Bonds	Please note that only investment grade bonds are marginable, such as: Moody's BAA or better and S&P BBB or better.	
Non-Convertible Bonds		
Corporate Bonds	Greater of 30% of MV or 7% of Face	Greater of 25% of MV or 7% of Face
Convertible Bonds	50%	30%
Municipal Bonds	Greater of 20% of MV or 7% of Face	Greater of 20% of MV or 7% of Face
Zero Coupon-Munis	Greater of 15% of MV or 7% of Face	Greater of 15% of MV or 7% of Face
Mutual Funds	100%/50% (30 days after settlement date)	100%/30% (30 days after settlement date)
Tender Date Funds	100%	100%
Interval Funds	100%	100%
U.S. Government Issues	(Bonds under $500 are not marginable.) MV = Market Value.	
Government Bills, Notes, and Bonds		
1-20 years to maturity	5% of MV	5% of MV
>20 years to maturity	10% of MV	10% of MV
Government Bills, Notes, and Bonds (Zero Coupon)		
<5 years to maturity	5% of MV	5% of MV
5-20 years to maturity	Greater of 5% of MV or 3% of Face	Greater of 5% of MV or 3% of Face
>20 years to maturity	Greater of 10% of MV or 3% of Face	Greater of 10% of MV or 3% of Face
Government Agency Issues	20%	15%
CDs	100%	100%
Alternative Investments	100%	100%

*More stringent margin requirements may be imposed due to increased risk for concentrated positions. Please call your TD Ameritrade Institutional Service Team representative to check the special requirements.

Options	
Uncovered Equity Options	The greater of a, b, or c: (a) 20% of the underlying security less the out-of-the-money amount (if any), plus 100% of the premium. (b) For calls, 10% of the market value of the underlying security plus 100% of the premium. For puts, 10% of the strike price plus 100% of the premium. (c) $50 per contract plus 100% of the premium.
Uncovered Options on Leveraged ETFs	The TD Ameritrade base maintenance requirement for uncovered options will be multiplied to correspond with the margin requirement for the underlying security. The greater of a, b, or c: (a) 60% or 90% of the underlying security less the out-of-the-money amount (if any), plus 100% of the premium. (b) For calls, 10% of the market value of the underlying security, plus 100% of the premium. For puts, 10% of the strike price, plus 100% of the premium. (c) $50 per contract plus 100% of the premium.
Uncovered Index Options (Narrow)	The greater of a, b, or c: (a) 20% of the current index value less the out-of-the-money amount (if any), plus 100% of the premium. (b) For calls, 10% of the market value of the current index plus 100% of the premium. For puts, 10% of the strike price plus 100% of the premium. (c) $50 per contract plus 100% of the premium.
Uncovered Index Options (Broad)	The greater of a, b, or c: (a) 20% of the current index value less the out-of-the-money amount (if any), plus 100% of the premium. (b) For calls, 10% of the market value of the current index plus 100% of the premium. For puts, 10% of the strike price plus 100% of the premium. (c) $50 per contract plus 100% of the premium. A minimum $5,000 equity is required (or max loss for puts) to maintain uncovered equity options. A minimum $5,000 equity is required (or max loss for puts) to maintain uncovered index options. ***The above formulas are for standard options, due to the complexity of non-standard options please contact TD Ameritrade Institutional for further assistance.**

The total margin requirement for options (based upon prevailing market conditions) must be in the account prior to entering the order. Additional requirements resulting from market fluctuations must be satisfied on a timely basis. All premiums received from options writing may be applied against the above requirements.

Please note: TD Ameritrade imposes higher maintenance requirements for specific securities based on volatility, liquidity, or overall market conditions. Additionally, not all securities are margin eligible.

TO: OUR CLIENTS
We are writing to you at this time so that you may be fully informed concerning our charges in connection with any credit that we may extend to you.

Margin and Other Accounts:
If you have accounts other than a cash account only, you will be charged interest on any credit extended to or maintained for you by us for the purpose of purchasing, carrying, or trading in any security.

The annual rate of interest will be determined by the size of the net debit balance during the interest period. TD Ameritrade Institutional follows prevalent industry practices and utilizes a base rate, set at our discretion,* to determine the rates charged for margin borrowing. For your reference, the chart below displays margin interest rates at TD Ameritrade Institutional. Please note that margin interest rates will be subject to change, without notice, in accordance with any changes in the base rate. Please call 800-431-3500 for the current base rate.

MARGIN INTEREST RATES	
Debit Balance	**Rate**
$1,000,000 and above	Base rate - 1.50%
$250,000-$999,999	Base rate - 0.75%
$100,000-$249,999	Base rate - 0.50%
$50,000-$99,999	Base rate - 0.25%
$25,000-$49,999	Base rate + 0.75%
$10,000-$24,999	Base rate + 1.00%
Under $10,000	Base rate + 1.25%

* When setting the base rate, TD Ameritrade Institutional considers indicators including, but not limited to, commercially recognized interest rates, industry conditions relating to the extension of credit, the availability of liquidity in the marketplace, the competitive marketplace, and general market conditions.

The method of computing interest will be as follows: Interest is computed on a daily basis on the net debit balance during the interest period. The interest period runs from the first calendar day of the month to the last calendar day, and is charged on the last business day of the month. To compute your interest it will be necessary to use the balance detail on the current month statement. Interest is computed by taking the debit balance each day and multiplying it by the interest rate and dividing it by 360. The interest charged during the interest period is the total of the daily charges so computed. Your monthly statements will show the opening and closing debit balances.

If there is a debit balance in the cash account and there is a margin account, interest will be calculated on the debit balance in the cash account and charged to the margin account.

Free credit balances in all accounts (except short accounts) you may have with us will be set off against debit balances.

In addition to interest on debit balances, interest on the foregoing rates will be charged on proceeds of sales paid to you prior to settlement.

All securities in any of your accounts are collateral for any debit balances—i.e., for any balances owed by you to us. A lien is by those debits to secure the amount of money owed to us. This means securities in your accounts can be sold to reduce or liquidate entirely any debit balance in any of your accounts, as is authorized in our Margin/Loan Consent and Client Agreement covering margin accounts.

You understand that we may take such action without prior notification and that our failure to take any of the above actions will not be considered a waiver of our rights to take such action in later instances. You further agree to reimburse us for all expenses, fees, commissions, or losses that may be incurred as a result of such action.

In connection with margin accounts, if there is a decline in the market value of your securities which are collateral for your debits, it may be necessary for us to request additional margin. Ordinarily, a request for additional margin will be made when the equity in the account falls below our margin maintenance requirements, which may change from time to time without notice—the “equity” being the excess market value of the securities in the account over the debit balances. We retain the right to require additional margin any time we deem it desirable, and these margin calls can be met by delivery of cash or additional marginable securities.

If you desire any further information concerning the foregoing, please contact your advisor.

PLEASE RETAIN FOR YOUR FUTURE REFERENCE
THANK YOU – TD AMERITRADE INSTITUTIONAL

SPECIAL STATEMENT FOR WRITING UNCOVERED OPTIONS

There are special risks associated with uncovered writing which expose an investor to potentially significant loss. Therefore, this type of strategy may not be suitable for all clients approved for options transactions.

1. The potential risk of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position, and may incur large losses if the value of the underlying instrument increases above the exercise price.
2. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.
3. Uncovered options writing is thus suitable only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer's options position, the investor's broker may request significant additional margin payments. If an investor does not make such margin payments, the broker may liquidate stock or options positions in the investor's account, with little or no prior notice in accordance with the investor's margin agreement.
4. For combination writing, where the investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited.
5. If a secondary market in options were to become unavailable, investors could not engage in closing transactions, and an options writer would remain obligated until expiration or assignment.
6. The writer of an American-style option is subject to being assigned an exercise at any time after he has written the option until the option expires. By contrast, the writer of a European-style option is subject to exercise assignment only during the exercise period.

SPECIAL STATEMENT FOR ETFS

ETFs are subject to risk similar to those of their underlying securities, including, but not limited to, market, sector, or industry risks, and those regarding short-selling and margin account maintenance.

Leveraged and inverse ETFs entail unique risks, including but not limited to: use of leverage; aggressive and complex investment techniques; and use of derivatives. Leveraged ETFs seek to deliver multiples of the performance of a benchmark. Inverse ETFs seek to deliver the opposite of the performance of a benchmark. Both seek results over periods as short as a single day. Results of both strategies can be affected substantially by compounding. Returns over longer periods will likely differ in amount and even direction. These products require active monitoring and management, as frequently as daily. They are not suitable for all investors.

Mailing Address:
TD Ameritrade Institutional
PO BOX 919094
San Diego, CA 92191-9094

Overnight Address:
TD Ameritrade Institutional
5010 Wateridge Vista Drive
San Diego, CA 92121-5775

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