

INFORMATION FROM TD AMERITRADE AND DIMENSIONAL FUND ADVISORS

We thought we'd pass on some information received recently from our partners at TD Ameritrade Institutional and Dimensional Fund Advisors ("DFA"). These pieces answer questions that may arise from reading about current financial events and hopefully will provide you some comfort. As always, please let us know if you have questions.

From TD Ameritrade:

Important Information Regarding News on Lehman Brothers and Merrill Lynch

We are aware of the reported events that have taken place over the weekend in the financial services industry. As we learn the details and come to terms with their impact on the nation's financial markets, we remind our clients, associates and shareholders that neither Lehman Brothers' bankruptcy nor Merrill Lynch's sale have any overarching impact or reflect on our firm. Our capital structure and liquidity are strong and stable, and our clients' assets remain secure. TD AMERITRADE continues to have no exposure to the U.S. real estate market and the associated complex financial securities that are at the root of this liquidity crisis.

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1. Does the recent failure of Lehman Brothers or the acquisition of Merrill Lynch affect TD AMERITRADE?

Our capital structure and liquidity are strong and stable, and our clients' assets are secure. 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 have immaterial exposure through normal business operations to Lehman Brothers' broker-dealer subsidiary, but we are appropriately collateralized and expect the Lehman Brothers broker-dealer subsidiary to continue operating.

2. 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 exposure to the U.S. real estate market and the associated complex financial securities that are at the root of this liquidity crisis. The collateral backing our liquidity is in cash or U.S. securities, which are available and marked-to-market daily. The collateral backing our liquidity is not in real estate-related securities. The credit and liquidity issues currently impacting other firms have not impacted our liquidity, which we monitor daily.

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.

3. What is the current status of TD AMERITRADE's debt? What are your most recent bond ratings? Are you comfortable with your status?

Our ratings agencies have echoed their belief in our financial stability and continue to deliver positive reviews of our Company. Our ratings have been and currently are as follows:

- Ba1 - Moodys
- BB - S&P
- BB+ - Fitch

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.

Information received from Dimensional Fund Advisors (“DFA”):

DFA’s exposure to **Lehman** is minimal. As of last Friday, DFA owned about 2 million shares across all funds, trusts and separate accounts. At Friday’s valuation, these shares were worth about \$7 million.

Merrill Lynch - Across all funds, trusts and separate accounts, DFA owned about 3 million shares of Merrill Lynch stock at the close of business on Friday.

Clearly both represent a very small percentage of DFA’s overall assets under management. This is just one of the many benefits of broadly diversifying across the globe.

Robin Young, CFP, RLP
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