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This document discloses information concerning Collective Investment Fund ("CIF(s)") investments maintained by TD AMERITRADE Trust Company ("TDATC"). The information pertains to the objectives and operations of the Emerald Funds. These CIFs are options available to you through your employer's qualified retirement plan. It is important that you review this information prior to investing. However, this document is not a prospectus and is only part of the information you may need to make your investment decisions. **Before making any investment decision, you should consider all relevant material and, as appropriate, consult an investment professional.** To the extent that this information varies from the Declaration of Trust establishing the Emerald Funds, the Declaration of Trust shall control. You may obtain a copy of the Declaration of Trust by contacting TDATC at 877-270-6892, ext. 74761.

## **EMERALD FUNDS FOR QUALIFIED RETIREMENT PLANS**

### *What are the Emerald Funds?*

The Emerald Funds are CIFs maintained by TDATC that are designed to serve the investment needs of tax-qualified retirement plans. The CIFs are not mutual funds registered under the Investment Company Act of 1940, as amended, ("1940 Act"), and CIF unit holders are not entitled to the protections of the 1940 Act. In addition, the CIFs' units are not securities required to be registered under the Securities Act of 1933, or applicable securities laws of any state or other jurisdiction. The regulatory requirements applicable to a CIF differ from those applicable to a mutual fund, although both types of funds commingle participants' assets with the objective of obtaining economies of scale in investment management. The CIF's units are not traded on an exchange or "over the counter" and, as a result, the unit values are not available for publication in the newspapers. Daily unit values may be obtained from the third-party administrator or recordkeeper for your employer's plan.

### *CIF Trustee*

TDATC is a Maine-chartered, non-depository trust company and a wholly-owned subsidiary of TD AMERITRADE Holding Corporation. TDATC is not a member of FINRA/SIPC. TDATC offers trust and custody services, including back-office support, to a wide range of employee benefit plans. Services are provided through TDATC's institutional clients only, such as third-party administrators, recordkeepers and registered investment advisors. In addition, TDATC serves as trustee of the CIFs described herein.

## **EMERALD FUNDS**

### *Investment Objectives*

Greenwood Capital Associates, LLC ("Greenwood Capital") provides sub-advisory services to the Emerald Funds. The strategies employed by Greenwood Capital focus on the premise that, over the long term, investors benefit from

a disciplined approach to investing. In accordance with this philosophy, they utilize a process that relies on analyzing economic and sector trends and the market conditions those trends indicate over time. This "top-down" style provides the basis for their strategies.

In order to effectively implement this methodology, Greenwood Capital utilizes a team approach as the cornerstone of their process. The team consists of seven professionals that meet on a weekly basis to discuss macro trends and current market conditions and formulate investment strategies for the Emerald Funds. This committee structure allows delegation of certain components of the investment process, utilizing the experience of investment professionals, with the team ultimately accountable for the final investment decisions. This foundation ensures continuity of, and discipline to, their investment philosophy

The Emerald Funds currently available are:

- Emerald Strategic Allocation Fixed Income Fund
- Emerald Large Cap Conservative Growth Fund

The investment objectives and allocation strategies of each of the CIFs are:

### **Emerald Strategic Allocation Fixed Income Fund:**

The Emerald Strategic Allocation Fixed Income CIF seeks competitive returns through the use of investment-grade fixed-income securities. The CIF's investment objective is to seek a total return consistent with preservation of capital. The CIF's investment process initially involves an assessment of the current economic, financial, political and interest rate environments with respect to the overall business cycle and market trends. Considering the outlook of these variables, as well as the relative value among the fixed-income sectors, the CIF's investment team determines duration, yield curve placement and sector preferences. The goal is to build a high-quality, diversified portfolio that will outperform the market through sector rotation and an active duration strategy, ranging from three to six years. Cash and cash equivalents make up approximately 5% of the CIF, with the remainder invested in fixed-income mutual funds and/or Exchange Traded Funds ("ETF"s) that represent investments in the U.S. bond and treasury markets.

### **Emerald Large Cap Conservative Growth Fund:**

The Emerald Large Cap Conservative Growth CIF seeks to blend a top-down sector selection process with a bottom-up fundamental analysis of individual companies to develop a concentrated portfolio of 35-45 holdings, which over time produce investment returns with good up-market participation while providing significant downside protection. The CIF invests in high quality, large capitalized companies with a history of strong earnings growth. The CIF's investment process initially involves an assessment of the current economic, financial and political environments with respect to the overall business cycle and market trends. Considering the outlook of these variables, as well as sector level fundamental

data, the CIF's investment team determines sector preferences and weightings. After this analysis has been completed, the team moves to the selection of the individual companies, focusing on those which exhibit superior growth prospects relative to the market, solid fundamentals and reasonable valuations relative to the market. The goal of this disciplined investment philosophy and process is to provide relative performance in excess of the CIF's benchmark while taking less risk over a market cycle. Cash and cash equivalents make up approximately 5% to 10% of the CIF with the remainder invested in large cap U.S. equities.

For liquidity and administrative purposes, TDATC, as Trustee, requires that the CIFs maintain at least 3% of their assets in cash. The mandatory cash component for the CIFs may be comprised of a depository account which may be maintained by the Trustee or an affiliate of the Trustee.

Currently, the Trustee contemplates that substantially all of the assets of the CIFs are invested according to corresponding strategies developed and provided by Greenwood Capital, an investment advisor registered with the U.S. Securities and Exchange Commission. For more information on Greenwood Capital, visit [www.theemerald funds.com](http://www.theemerald funds.com).

#### *About Risk*

Units in CIFs are not deposits or obligations of, or endorsed or guaranteed by, TDATC or its affiliates, and the units are not insured by the Federal Deposit Insurance Corporation ("FDIC") or any other independent organization. The CIFs are also subject to investment risks, including possible loss of the principal amount. There is no assurance that the stated objective of a particular CIF will be achieved. The potential risks applicable to the CIFs include, but are not limited to, the following:

**Market Risk.** CIFs are subject to market risk, which is the chance that the value of the investments in the CIF may decline over time, causing a reduction in the value of the CIF. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices. Bond markets also usually move in cycles, with bond values being inversely related to changes in interest rates. As interest rates rise, the value of a bond tends to decrease, and as interest rates decline, the value of a bond tends to increase.

**Foreign Market Risk.** A CIF that invests in funds holding foreign securities may also be subject to the risks of investment in foreign markets. Investing in foreign markets can involve a greater level of risk, as there is often a lower degree of market volume and liquidity than in the U.S. markets, and this may result in higher price volatility. In addition, currency risk must also be considered. Foreign securities are denominated in foreign currencies, which may change in value in relation to the U.S. dollar, possibly for long periods of time. When a foreign currency declines in value in relation to the U.S. dollar, the return on foreign investments may likewise decline. Foreign governments may also intervene in currency markets or impose approval or registration processes, which could adversely affect the value of the CIF.

**Real Estate Risk.** A CIF that invests in funds holding real estate securities (e.g., REITs) involves many of the risks of investing directly in real estate, such as declining real estate values, changing economic conditions and increasing interest rates, which could adversely affect the value of the CIF.

**Commodity Risk.** A CIF that invests in funds holding commodity investments is subject to commodity price fluctuations. Commodity prices generally fluctuate in relation to, among other things, the cost of producing commodities, changes in consumer demand for commodities, hedging and trading strategies of commodity market participants, disruptions in commodity supply and weather, as well as political and other global events, which could adversely affect the value of the CIF.

**Small and Mid-Cap Risk.** A CIF that invests in small capitalization and mid-capitalization companies may be subject to price volatility. The securities of both small-cap and mid-cap may trade less frequently and in smaller volume than larger, more established companies. Accordingly, their performance can be more volatile, and they face greater risk of business failure, which could, depending on the allocation of the CIF's assets to such sectors, increase the volatility of a CIF's performance.

**Exchange-Traded-Funds (ETF) Risk.** A CIF that invests in ETFs is subject to unique risks. Like stocks or bonds, ETFs carry market risk and could decline in value because of current events, supply and demand and other conditions that may affect the sector or group of industries the ETF represents. ETFs are able to trade intraday; however, a CIF that invests in an ETF will trade utilizing the last composite price for the ETF. Trading prices of ETFs may not reflect the actual net asset value of the underlying securities. In addition, ETFs will occasionally distribute capital gains that may impact the performance of the CIF.

A particular CIF may or may not contain one or more of the asset types described above. Please refer to the CIF Fact Sheet for information regarding asset allocation.

#### *Who May Want to Invest*

The CIF may be an appropriate investment for investors seeking professional management of their retirement account assets.

#### *Trustee and Management Fees*

There are no sales commissions or redemption fees charged for purchases and sales of interests in the CIFs. The Trustee charges an annual fee based on the total assets of the Emerald Funds as follows:

TDATC charges a Trustee Fee with respect to the Emerald Large Cap Conservative Growth Fund of 1.10% and a Trustee Fee with respect to the Emerald Strategic Allocation Fixed Income Fund of 0.85% per annum of total assets held in the CIF.

The fee accrues on a daily basis and is payable monthly in arrears. The Trustee's fee is charged directly to each CIF. A portion of the Trustee fee, 0.60% for the Emerald Large Cap Conservative Growth Fund, and 0.25% for the Emerald Strategic Allocation Fixed Income Fund, is paid to Greenwood Capital for services provided to the Trustee. TDATC may pay a portion of the Trustee Fee, up to 0.25%, to a qualified custodian for administrative services provided to the unit holders.

The CIFs invest in a mixture of individual securities, ETFs, and mutual funds that charge fees ranging from 0.00% and 0.30% per annum (the "Management Fee"), depending on the specific asset allocation for each CIF. The Management Fee is an additional cost incurred by and deducted from the daily net asset value of the underlying mutual fund or daily value of the underlying ETF.