

TDX Independence Funds, Inc.

Prospectus

September 29, 2008

TDX Independence 2010 Exchange-Traded Fund

TDX Independence 2020 Exchange-Traded Fund

TDX Independence 2030 Exchange-Traded Fund

TDX Independence 2040 Exchange-Traded Fund

TDX Independence In-Target Exchange-Traded Fund

Neither the SEC nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

TDX Independence Funds, Inc. is an investment company with five series of underlying fund portfolios. Each Fund offers shares, known as TDX Independence Target Date Shares that are listed on the NYSE Arca, Inc. TDX Independence Target Date Shares are not individually redeemable by the Funds but trade on the NYSE Arca, Inc. in individual share lots.

TABLE OF CONTENTS

4	Introduction
6	Overview of the Investment Objectives and Strategies of the Funds
23	Additional Information About the Funds, Their Principal Strategies and Related Risks
26	Buying and Selling Fund Shares
29	Portfolio Turnover Rate
29	Portfolio Holdings
29	Fund Management
32	Dividends, Capital Gains, and Taxes
33	Daily Pricing
33	Delivery of Fund Documents
34	License Grant
35	Financial Highlights
37	Supplemental Information

Introduction

This Prospectus provides important information you need to make an informed decision about whether to invest in TDX Independence Funds, Inc. (the “Company”). It contains information about the Company, each of its investment portfolios (the “Funds”) and the shares of the Funds being offered by this Prospectus, known as TDX Independence Target Date Shares. An investment in the Funds is not a deposit in a bank and it is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other governmental agency.

The Company and the Funds are part of the XShares Advisors family of exchange-traded funds and are related for purposes of investor and investment services, as defined in Section 12(d)(1)(G) of the Investment Company Act of 1940.

WHAT ARE EXCHANGE-TRADED FUNDS?

An exchange-traded fund (“ETF”) is an investment company which offers shares that are listed on a U.S. securities exchange. Shares of ETFs, because they are listed on a stock exchange, can be traded throughout the day on that stock exchange at market-determined prices. ETFs typically invest predominantly in the securities comprising an underlying index. As such, the ETF itself is an index fund.

WHAT IS TDX INDEPENDENCE FUNDS, INC.?

TDX Independence Funds, Inc. is an investment company with a series of five underlying “lifecycle” fund portfolios. Each portfolio is designed for investors with different expected investment horizons. Each Fund offers shares, known as TDX Independence Target Date Shares that are listed on the NYSE Arca, Inc. (“NYSE Arca”). TDX Independence Target Date Shares are not individually redeemable by the Funds but trade on the NYSE Arca in individual share lots. Each Fund seeks to invest in a portfolio of securities that substantially replicates a particular “lifecycle” benchmark index (the “Underlying Index” or “Index”). XShares Advisors LLC (the “Advisor”) serves as the investment advisor to each Fund.

WHAT IS “LIFECYCLE” INVESTING?

Lifecycle investing is an investment technique that starts by targeting a particular investment horizon. That investment horizon corresponds to the date the investor expects to need his or her invested assets. For some investors, that date may be the investor’s expected retirement date. For other investors, it may be another life event, such as purchase of a vacation home, payment of college tuition or expenses, payments for weddings or nursing home care. Lifecycle investing then uses a single investment (typically, a fund) that is diversified among a variety of asset classes, such as stocks and bonds, to seek to prudently maximize capital appreciation at the target date. The fund automatically rebalances its investment portfolio, periodically altering the portfolio’s allocations among each asset class, as the target date approaches to move over time from an aggressive portfolio construction to a more conservative portfolio construction at the target date. After the target date, the fund will periodically move from a conservative portfolio construction to a marginally less conservative portfolio construction.

WHAT ARE THE UNDERLYING INDEXES AND HOW ARE THEY CREATED AND MAINTAINED?

The Underlying Indexes are designed to reflect a portfolio of investments that can be used for lifecycle investing with respect to five different target dates. Zacks Investment Research (“Zacks” or the “Index Creator”) is the creator of each of the Underlying Indexes. Each Underlying Index is comprised of a mix of securities from three broad asset classes, international equities, domestic equities, and fixed income (including, cash, cash equivalents or short-term money market instruments). Each Underlying Index automatically rebalances annually, or quarterly when necessary, along a “glidepath” designed to prudently maximize capital appreciation at the target dates. “Glidepath” refers to an Underlying Index’s asset allocation strategy over time. Gradually, an Underlying Index’s allocations among the different classes of securities will adjust from a more aggressive allocation at inception to a more conservative allocation as the target date approaches. Upon reaching the target date, each Underlying Index has a very conservative allocation, relative to its Lipper benchmark, as discussed below. In general, more aggressive allocations place a higher percentage of assets in equities (US and international equities) rather than in fixed income securities, whereas conservative allocations focus more heavily on investments in fixed income securities.

Upon reaching the target date, or at inception with respect to the Zacks In-Target Lifecycle Index, each Underlying Index will have approximately a 10% allocation to equity securities. Over the next five years, allocations shift from conservative to more moderately-conservative allocations, allowing for a larger exposure to equities than at the target date. To achieve a moderately-conservative allocation, each Underlying Index following the target date, or inception date with respect to the Zacks In-Target Lifecycle Index, will slowly increase its allocation to equity securities until in the fifth year after the target date the allocation to equity securities will range between 20-40%, as determined by the equity allocation of the Lipper Mixed-Target Allocation Conservative Funds Index at that time (“Moderately-Conservative Allocation”). These allocations will thereafter generally remain static to perpetuity. However, the

Underlying Index may from time to time be rebalanced five years after the target date, and annually thereafter as necessary to retain the similarity in allocations to the Lipper Mixed-Target Allocation Conservative Funds Index if its equity to fixed income allocations vary by more than 5% compared to that Index.

Each Underlying Index focuses on a different target date and is comprised of a diversified group of equity and fixed income securities. Each Underlying Index has as a benchmark a corresponding target date of a Lipper Mixed-Asset Target Index, or in the case of the Zacks In-Target Lifecycle Index, the Lipper Mixed-Target Allocation Conservative Funds Index. Each of the Lipper Mixed Asset Target Indices is an index of mutual funds in the Lipper Mixed Asset category. The Lipper Mixed-Asset Target Allocation Conservative Funds Index is an index of mutual funds that maintains between 20-40% allocation to equity securities, with the remainder in bonds, cash or cash equivalents.

The Underlying Indexes have been developed with respect to the following target dates:

- 1) Year 2010
- 2) Year 2020
- 3) Year 2030
- 4) Year 2040
- 5) In-Target Date (for investors who are currently at or near their target date)

Based on its own proprietary intellectual model, Zacks has established specific criteria for determining which securities will represent each of the three broad asset classes and therefore be eligible for inclusion in the Underlying Indexes (the “Index Methodology”). The equity securities that comprise each Underlying Index are identical, only their weightings differ depending on the allocation assigned to these asset classes at any given point in time and depending on the target date for each Underlying Index. The fixed income securities comprising each Underlying Index will differ in that each Underlying Index will be comprised of fixed income securities whose duration seeks to match the time remaining to the target date of that Underlying Index. Each Underlying Index will be administered by Zacks, which also serves as Index Administrator. As Index Administrator, Zacks will employ the Index Methodology to determine the composition of each Underlying Index. Bloomberg L.P. acts as “index calculation agent” for Zacks in connection with the calculation and dissemination of each Underlying Index. Amerivest Investment Management, LLC (“Amerivest”) and Mellon Capital Management Corporation (“Mellon Capital”) act as investment sub-advisors to the Funds. Mellon Capital will be responsible for the day-to-day management of each Fund’s portfolio, which involves principally reconfiguring the portfolio of each Fund annually, or quarterly when necessary, to reflect the reconfiguration of each Underlying Index by the Index Administrator. Amerivest will provide portfolio consulting to the Advisor and oversight over Mellon Capital, which involves reviewing the portfolio of securities of each Fund against its respective Underlying Index, assisting in resolving any pricing issues and assisting in the development of trading strategies.

The securities that represent each of the three broad asset classes are:

Equity Securities – The equity portion of the Underlying Index will be comprised of two broad asset classes; international equity securities and domestic equity securities. The equity portion is expected to be well diversified and will include approximately 400 securities.

International equity securities: for this asset class, common stocks of foreign companies, foreign real estate investment trusts and American Depositary Receipts (“ADRs”) of securities of foreign companies may be selected. Only securities of companies of the following countries are eligible for inclusion in the Underlying Indexes: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong Special Administrative Region of the People’s Republic of China, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom (the “Eligible Foreign Countries”).

Domestic equity securities: for this asset class, common stocks of U.S. companies and U.S. real estate investment trusts may be selected. Only securities within the Russell 3000 Index are eligible for inclusion in the Underlying Indexes. The domestic equity portion may include securities from all capitalization ranges.

Fixed income securities – The fixed income portion of the Underlying Index generally will be comprised of approximately 100 securities consisting of bonds, treasury bills and notes, mortgage real estate investment trusts and other fixed income securities (including, cash, cash equivalents or short-term money market instruments). Only investment-grade fixed income securities (*i.e.*, fixed income securities classified within the four highest ratings of a nationally recognized statistical rating organization such as Moody’s Investors Service or Standard & Poor’s or, if unrated, determined by Zacks to be of comparable quality) are eligible for inclusion in the Underlying Indexes.

The Index Administrator, using the proprietary Index Methodology developed by the Index Creator, will select securities from the equity securities asset class by taking into consideration capitalization, style, sector and country of a particular issuer, as described below. Each Underlying Index, for the domestic equity portion, is expected to maintain a capitalization allocation of 60% in large capitalization securities, 15% in mid-capitalization securities and 25% in small capitalization securities; style neutrality by allocating approximately equal weightings to “growth” and “value” securities; and sector neutrality by maintaining sector exposure roughly in line with that of the Russell 3000 universe. The international equity portion of each Underlying Index will seek to maintain country neutrality by maintaining country exposure that is generally in line with each Eligible Foreign Country’s percentage of the aggregate total market value of publicly traded shares for all the Eligible Foreign Countries as reported by the Central Intelligence Agency in its annual Factbook (the “CIA Factbook”). The CIA Factbook provides an estimate of the world’s total market value of publicly traded shares and a breakdown of each country’s market value of publicly traded shares.

For purposes of determining market capitalization weightings in the domestic equity portion, (i) large capitalization securities are defined as securities from the largest 200 companies (determined by market capitalization) in the Russell 3000 Index (as of June 30, 2008, these companies had a capitalization range from approximately \$458 billion to \$16 billion), (ii) mid-capitalization securities are defined as securities from the largest 800 companies (determined by market capitalization) in the Russell 3000 Index that follow the large capitalization securities described above (as of June 30, 2008, these companies had a capitalization range from approximately \$16 billion to \$1.8 billion), and (iii) small capitalization securities are defined as the remaining securities in the Russell 3000 Index (as of June 30, 2008, these companies had a capitalization range from approximately \$1.8 billion to \$17.3 million).

As noted, for fixed income security exposure, approximately 100 securities are selected whose duration seeks to collectively match the time to the target date of the Underlying Index. Duration is defined as the weighted average term to maturity of a security’s cash flows. It is a measure of the price sensitivity of a fixed income security to changes in interest rates. Generally, the greater a bond’s duration, the greater its price volatility in response to changes in interest rates. Duration is stated in years. For example, a five-year duration means the bond will decrease in value by 5% if interest rates rise 1% and increase in value by 5% if interest rates fall by 1%. Each Underlying Index will have a weighted average duration that approximates the time remaining to the target date, or in the case of the Zacks 2040 Lifecycle Index, a weighted average duration that as nearly as possible approximates that duration. For example, the Zacks 2010 Lifecycle Index will have a duration of two years on 12/31/2008 to match the target date of 12/31/2010. Each Underlying Index will reduce its duration as the target date approaches. Following the target date, the duration will increase each year up to a maximum duration of five years.

Once each Underlying Index is established, the Index Methodology adjusts the relative weightings of each asset class within each Index, and may adjust the relative weightings of subsectors of one or more asset classes along the “Glidepath,” gradually moving from a more aggressive to a more conservative allocation as the target date approaches, and then gradually back to a more Moderately-Conservative Allocation following the target date.

Information about each Underlying Index, including the component securities in each Underlying Index and value of the securities in each Underlying Index are posted throughout the trading day every 15 seconds and are available through Reuters under the following symbols:

Zacks 2010 Lifecycle Index	TDAXTN
Zacks 2020 Lifecycle Index	TDAXTW
Zacks 2030 Lifecycle Index	TDAXTH
Zacks 2040 Lifecycle Index	TDAXFO
Zacks In-Target Lifecycle Index	TDAXIT

Overview of the Investment Objectives and Strategies of the Funds

Each Fund’s investment objective is to seek to track the performance, before fees and expenses, of a particular Underlying Index. Each Fund’s investment objective is not fundamental and may be changed without shareholder approval. Shareholders will be given 60 days notice of any change in a Fund’s investment objective. The Advisor uses a passive, or indexing approach in managing the Funds.

Unlike many mutual funds, the Funds do not seek to outperform any particular market sector and will not assume temporary defensive positions when markets decline or appear overvalued. Each Fund will invest at least 90% of its assets in the securities of the Underlying Index, or in American Depositary Receipts (“ADRs”) based on international equity securities in the Underlying Index.

Such securities may include international and domestic equity securities (including common stocks and real estate investment trusts) and fixed income securities (including, bonds, treasury bills and notes, mortgage real estate investment trusts, cash, cash equivalents and short-term money market instruments). The Funds will provide shareholders with at least 60 days’ notice of any change in these policies. Each Fund may also invest up to 10% of its assets in futures contracts, options on futures contracts, options, as well as swaps

on securities of companies in the Underlying Index (subject to applicable limitations of the Investment Company Act of 1940, as amended (the “1940 Act”). Each Fund will attempt to replicate the Underlying Index by matching the weighting of securities in its portfolio with such securities’ weightings in the Underlying Index. In managing the Funds, the Advisor seeks a correlation of 0.95 or better between each Fund’s performance and the performance of the Underlying Index. A figure of 1.00 would represent perfect correlation. There is no guarantee that the Advisor will be able to obtain this level of correlation.

From time to time, the Advisor may pursue a sampling strategy in managing a portion of the portfolio. Pursuant to this strategy, a Fund may invest a portion of its assets in securities not included in an Underlying Index if the Advisor believes that investment in such securities is in the best interests of Fund shareholders and that such securities will assist the Fund in tracking the Underlying Index. For example, in some cases certain international securities may be available only in certain share lot sizes or the transaction costs associated with a purchase of a very small position in a fixed income security may be prohibitive. In these cases, a Fund may employ a sampling strategy instead of investing in these particular instruments. If a Fund pursues a sampling strategy, it will continue to invest at least 90% of its assets in the securities of the Underlying Index, or in ADRs based on equity securities of international companies in the Underlying Index. See “Additional Information About The Funds, Their Principal Strategies And Related Risks” for more information about the use of a sampling strategy.

Limitations and restrictions on investments in securities that are discussed in this Prospectus whether or not expressed in terms of percentage limitations, are measured at the time of investment, unless specifically indicated otherwise. Changes in market values that cause a percentage limitation to be exceeded will not necessarily require that securities be sold.

The following is a summary of the investment objectives, principal investment strategies and principal risks of each of the Funds. Further information about the Funds and their risks can be found in “Additional Information About the Funds, Their Principal Strategies and Related Risks” in this Prospectus and in the Statement of Additional Information.

TDX Independence 2010 Exchange-Traded Fund

Trading Symbol: TDD
CUSIP Number: 87238A 108
Underlying Index (Symbol): Zacks 2010 Lifecycle Index (TDAXTN)
Inception Date: October 1, 2007

Investment Objective

The Fund seeks to track the performance, before fees and expenses, of the Zacks 2010 Lifecycle Index. The Fund's investment objective is not fundamental and may be changed without shareholder approval. Shareholders will be given 60 days notice of any change in investment objective.

Principal Investment Strategies

The Fund employs a "passive management" investment strategy designed to track the performance of the Zacks 2010 Lifecycle Index, an index of securities from three broad asset classes: international equities, domestic equities, and fixed income, that is designed to represent a diversified portfolio of securities with the potential to outperform the Lipper Mixed-Asset Target 2010 Index, on a risk adjusted basis. The Zacks 2010 Lifecycle Index initial allocation will be approximately 8% in international equities, 25% in domestic equities and 67% in fixed income and will be systematically reconstituted and rebalanced annually, or quarterly when necessary, pursuant to a proprietary methodology developed by Zacks. The weighted average duration for the fixed income securities will, collectively, match the time to the target termination date. Following the target date, the duration will increase each year up to a maximum duration of five years. The securities in the universe are selected using a proprietary methodology developed by Zacks.

As its primary strategy, the Fund attempts to replicate the Underlying Index by investing at least 90%, and typically substantially all, of its assets in the securities that make up the Underlying Index, holding each security in approximately the same proportion as its weighting in the Underlying Index. The securities comprising the Underlying Index include equity securities of U.S. and international companies (including common stocks and real estate investment trusts), American Depositary Receipts ("ADRs") based on equity securities of international companies and fixed income securities (including, bonds, treasury bills and notes, mortgage real estate investment trusts, cash, cash equivalents and short-term money market instruments). The Fund will provide shareholders with at least 60 days' notice of any change in these policies. The Fund may also invest up to 10% of its assets in futures contracts, options on futures contracts, options, as well as swaps on securities of companies in the Underlying Index (subject to applicable limitations of the 1940 Act).

The Fund may also sample, rather than replicate, the Underlying Index by holding equity securities and fixed income securities that, in the aggregate, are intended to approximate the Underlying Index in terms of key characteristics, such as price/earnings ratio, earnings growth, maturity, duration, or dividend yield. If the Fund pursues a sampling strategy, it will continue to invest at least 90% of its assets in the securities of the Underlying Index, or in ADRs based on equity securities of international companies in the Underlying Index.

Principal Risks

The Fund is subject to certain risks. Certain of these risks are described below. For a more detailed discussion of some of these risks, see "Additional Information About the Funds, their Principal Strategies and Related Risks" below.

- The Fund is subject to *stock market risk*, which is the risk that stock prices overall will decline over a given period of time. The Fund's total return, like stock prices generally, will fluctuate within a wide range, so an investor could lose money over short or even long periods. Stock markets tend to be volatile, with periods of rising prices and periods of falling prices. The stock market has been subject to significant volatility recently which has increased the risks associated with an investment in the Fund.
- The Fund is subject to *index risk*, which is the risk that stocks in the Underlying Index may under-perform fixed income investments or stock market investments that track other markets, segments or sectors. The Advisor does not actively manage the Fund and therefore does not attempt to analyze, quantify or control the risks associated with investing in stocks of companies in the Underlying Index.
- The Fund is subject to *small- and mid- capitalization risk*, which is the risk that returns from small- and mid-capitalization stocks may trail returns from the overall stock market. Historically, these stocks have been more volatile in price than the large-capitalization stocks.
- The Fund is subject to *index sampling risk*, which is the risk that, when employing a sampling strategy, the stocks held by the Fund will not provide investment performance tracking the Underlying Index.
- The Fund is subject to *market price risk*, which is the risk associated with the fact that the TDX Independence Target Date Shares are listed on the NYSE Arca and can be bought and sold in the secondary market at market prices. Although it is expected that the market price of the TDX Independence Target Date Shares typically will approximate its NAV, there may be times when the market price and the NAV differ significantly. Thus, you may pay more than NAV when buying TDX Independence Target Date Shares on the secondary market, and you may receive less than NAV when you sell TDX Independence Target Date Shares.

- The Fund is subject to *foreign securities risk*, which is the risk that political and economic events unique to a foreign country or region will affect those markets and their issuers. These events will not necessarily affect the U.S. economy or similar issuers located in the United States. In addition, investments in foreign countries are generally denominated in a foreign currency. As a result, changes in the value of those currencies compared to the U.S. dollar may affect (positively or negatively) the value of a Fund's investments. These currency movements may happen separately from and in response to events that do not otherwise affect the value of the security in the issuer's home country.
- The Fund is subject to *secondary market risk*. Although the TDX Independence Target Date Shares are listed for trading on the NYSE Arca, it is possible that an active trading market may not be maintained. Trading of the TDX Independence Target Date Shares on the NYSE Arca may be halted if NYSE Arca officials deem such action appropriate, if the TDX Independence Target Date Shares are delisted from the NYSE Arca or if the activation of market-wide "circuit breakers" halts stock trading generally.
- The Fund is subject to *REIT risk*. The Fund's investments in the securities of REITs may subject the Fund to the risks associated with the direct ownership of real estate. Also, when investing in REITs, in addition to the advisory fees and other expenses the Fund bears directly in connection with its own operations, the Fund will also bear its pro rata portion of the REITs management fees and other expenses. As such, the Fund's shareholders would indirectly bear the expenses of the Fund and the REITs, some or all of which would be duplicative.
- The Fund is subject to *fixed income risk*. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the credit risk of individual issuers. Generally, the Fund's fixed income securities will decrease in value if interest rates rise, and the volatility of lower rated securities is even greater than that of higher rated securities.
- The Fund is subject to *derivatives risk*, which is the risk associated with stock futures and options contracts, warrants, convertible securities, and swap agreements, which are types of derivatives. Investments in derivatives may subject the Fund to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes.

Performance Information

Performance history will be available for the Fund after it has been in operation for a full calendar year.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold TDX Independence Target Date Shares in the Fund. Transaction costs incurred by the Fund for buying and selling securities are not reflected in the table. Operating Expenses are expressed as a percentage of average daily net assets.

Shareholder Fees

(fees paid directly from your investment)

Sales Charge (Load) Imposed on Purchases:	None
Transaction Fee on Purchases and Redemptions:	Varies(1)
Annual Fund Operating Expenses	
<i>(expenses deducted from the Fund's assets)</i>	
Management Fee(2):	0.65%
Other Expenses:	0.90%
Acquired Fund Fees and Expenses:	—%
Total Annual Fund Operating Expenses:	<u>1.55%</u>
Less: Expense Reduction/Reimbursement(3)	<u>(0.90)%</u>
Net Annual Operating Expenses(3):	<u>0.65%</u>

(1) An investor purchasing or redeeming Creation Units of the Fund will pay a transaction fee to the Fund. The minimum Transaction Fee is \$500, although the fee may vary and is expected to be approximately \$7,500 for the Fund. See "Creation Unit Purchase and Redemption Transaction Fees" below. In addition, an investor buying or selling shares of the Fund in the secondary market will pay a commission to his broker in an amount established by the broker. Investors who hold Creation Units will also pay the annual fund operating expenses described in the table above.

(2) The Fund pays the Advisor a single, unified management fee for arranging for certain non-distribution related services necessary for the Fund to operate. For more information about the unified management fee, see "Investment Adviser" under "Fund Management".

(3) Amerivest has contractually agreed to pay Fund operating expenses (excluding, among other things, interest, taxes, brokerage commissions and extraordinary expenses) in order to limit Net Annual Operating Expenses for shares of the Fund to 0.65% of the Fund's average net assets (the "Expense Cap"). The Expense Cap will remain in effect until at least September 30, 2009. Amerivest is permitted to be reimbursed for fee reductions and/or expense payments made in the prior three fiscal years. This reimbursement may be requested by Amerivest if the aggregate amount actually paid by the Fund toward operating expenses for such fiscal year (taking into account the reimbursement) does not exceed the Expense Cap.

The Fund sells and redeems TDX Independence Target Date Shares only in Creation Units and principally on an in-kind basis for portfolio securities of the Underlying Index. TDX INDEPENDENCE TARGET DATE SHARES IN LESS THAN CREATION UNIT AGGREGATIONS ARE NOT REDEEMABLE. The following example is intended to help retail investors compare the cost of investing in the Fund with the cost of investing in other funds. It illustrates the hypothetical expenses that such investors would incur over various periods if they invest \$10,000 in the Fund. The example assumes that the Fund provides a return of 5% a year and that operating expenses remain the same. This example does not include the brokerage commissions that retail investors will pay to buy and sell TDX Independence Target Date Shares. It also does not include the transaction fees on purchases and redemptions of Creation Units, because these fees will not be imposed on retail investors.

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$66	\$401	\$759	\$1,769

These examples should not be considered to represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown.

Creation Unit Purchase and Redemption Transaction Fees

The Fund issues and redeems shares at NAV and only in Creation Unit blocks of 200,000. As a practical matter, only institutions or large investors purchase or redeem Creation Units. A minimum Creation Unit transaction fee of \$500 is charged for each purchase or redemption of Creation Units, regardless of the number of Creation Unit shares acquired. The level of the transaction fee is variable and will fluctuate depending on the number of securities contained in the applicable creation/redemption basket and on whether the purchase or redemption will take place outside the usual process at the NSCC. There is no maximum transaction fee level. Based on the current composition of the Index and the manner in which Creation Unit purchases and redemptions are expected to settle, it is presently expected that the applicable Creation Unit purchase/redemption fee will be \$7,500. The value of a Creation Unit of the Fund, as of May 31, 2008, was approximately \$4,986,000. Investors holding Creation Units will also pay the Annual Fund Operating Expenses described in the table above. Assuming an investment in a Creation Unit of \$4,986,000, a 5% return, and assuming that the Fund's operating expenses remain the same and the Creation Units are redeemed at the end of each period, a purchaser of Creation Units will incur the following costs:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$34,114	\$201,016	\$379,633	\$882,967

TDX Independence 2020 Exchange-Traded Fund

Trading Symbol: TDH
CUSIP Number: 87238A 207
Underlying Index (Symbol): Zacks 2020 Lifecycle Index (TDAXTW)
Inception Date: October 1, 2007

Investment Objective

The Fund seeks to track the performance, before fees and expenses, of the Zacks 2020 Lifecycle Index. The Fund's investment objective is not fundamental and may be changed without shareholder approval. Shareholders will be given 60 days notice of any change in investment objective.

Principal Investment Strategies

The Fund employs a "passive management" investment strategy designed to track the performance of the Zacks 2020 Lifecycle Index, an index of securities from three broad asset classes: international equities, domestic equities, and fixed income, that is designed to represent a diversified portfolio of securities with the potential to outperform the Lipper Mixed-Asset Target 2020 Index, on a risk adjusted basis. The Zacks 2020 Lifecycle Index initial allocation will be approximately 17% in international equities, 50% in domestic equities and 33% in fixed income and will be systematically reconstituted and rebalanced annually, or quarterly when necessary, pursuant to a proprietary methodology developed by Zacks. The weighted average duration for the fixed income securities will, collectively, match the time to the target termination date. Following the target date, the duration will increase each year up to a maximum duration of five years. The securities in the universe are selected using a proprietary methodology developed by Zacks.

As its primary strategy, the Fund attempts to replicate the Underlying Index by investing at least 90%, and typically substantially all, of its assets in the securities that make up the Underlying Index, holding each security in approximately the same proportion as its weighting in the Underlying Index. The securities comprising the Underlying Index include equity securities of U.S. and international companies (including common stocks and real estate investment trusts), American Depositary Receipts ("ADRs") based on equity securities of international companies and fixed income securities (including, bonds, treasury bills and notes, mortgage real estate investment trusts, cash, cash equivalents and short-term money market instruments). The Fund will provide shareholders with at least 60 days' notice of any change in these policies. The Fund may also invest up to 10% of its assets in futures contracts, options on futures contracts, options, as well as swaps on securities of companies in the Underlying Index (subject to applicable limitations of the 1940 Act).

The Fund may also sample, rather than replicate, the Underlying Index by holding equity securities and fixed income securities that, in the aggregate, are intended to approximate the Underlying Index in terms of key characteristics, such as price/earnings ratio, earnings growth, maturity, duration, or dividend yield. If the Fund pursues a sampling strategy, it will continue to invest at least 90% of its assets in the securities of the Underlying Index, or in ADRs based on equity securities of international companies in the Underlying Index.

Principal Risks

The Fund is subject to certain risks. Certain of these risks are described below. For a more detailed discussion of some of these risks, see "Additional Information About the Funds, their Principal Strategies and Related Risks" below.

- The Fund is subject to *stock market risk*, which is the risk that stock prices overall will decline over a given period of time. The Fund's total return, like stock prices generally, will fluctuate within a wide range, so an investor could lose money over short or even long periods. Stock markets tend to be volatile, with periods of rising prices and periods of falling prices. The stock market has been subject to significant volatility recently which has increased the risks associated with an investment in the Fund.
- The Fund is subject to *index risk*, which is the risk that stocks in the Underlying Index may under-perform fixed income investments or stock market investments that track other markets, segments or sectors. The Advisor does not actively manage the Fund and therefore does not attempt to analyze, quantify or control the risks associated with investing in stocks of companies in the Underlying Index.
- The Fund is subject to *small- and mid- capitalization risk*, which is the risk that returns from small- and mid-capitalization stocks may trail returns from the overall stock market. Historically, these stocks have been more volatile in price than the large-capitalization stocks.
- The Fund is subject to *index sampling risk*, which is the risk that, when employing a sampling strategy, the stocks held by the Fund will not provide investment performance tracking the Underlying Index.
- The Fund is subject to *market price risk*, which is the risk associated with the fact that the TDX Independence Target Date Shares are listed on the NYSE Arca and can be bought and sold in the secondary market at market prices. Although it is expected that the market price of the TDX Independence Target Date Shares typically will approximate its NAV, there may be times when the market price and the NAV differ significantly. Thus, you may pay more than NAV when buying TDX Independence Target Date Shares on the secondary market, and you may receive less than NAV when you sell TDX Independence Target Date Shares.

- The Fund is subject to *foreign securities risk*, which is the risk that political and economic events unique to a foreign country or region will affect those markets and their issuers. These events will not necessarily affect the U.S. economy or similar issuers located in the United States. In addition, investments in foreign countries are generally denominated in a foreign currency. As a result, changes in the value of those currencies compared to the U.S. dollar may affect (positively or negatively) the value of a Fund's investments. These currency movements may happen separately from and in response to events that do not otherwise affect the value of the security in the issuer's home country.
- The Fund is subject to *secondary market risk*. Although the TDX Independence Target Date Shares are listed for trading on the NYSE Arca, it is possible that an active trading market may not be maintained. Trading of the TDX Independence Target Date Shares on the NYSE Arca may be halted if NYSE Arca officials deem such action appropriate, if the TDX Independence Target Date Shares are delisted from the NYSE Arca or if the activation of market-wide "circuit breakers" halts stock trading generally.
- The Fund is subject to *REIT risk*. The Fund's investments in the securities of REITs may subject the Fund to the risks associated with the direct ownership of real estate. Also, when investing in REITs, in addition to the advisory fees and other expenses the Fund bears directly in connection with its own operations, the Fund will also bear its pro rata portion of the REITs management fees and other expenses. As such, the Fund's shareholders would indirectly bear the expenses of the Fund and the REITs, some or all of which would be duplicative.
- The Fund is subject to *fixed income risk*. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the credit risk of individual issuers. Generally, the Fund's fixed income securities will decrease in value if interest rates rise, and the volatility of lower rated securities is even greater than that of higher rated securities.
- The Fund is subject to *derivatives risk*, which is the risk associated with stock futures and options contracts, warrants, convertible securities, and swap agreements, which are types of derivatives. Investments in derivatives may subject the Fund to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes.

Performance Information

Performance history will be available for the Fund after it has been in operation for a full calendar year.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold TDX Independence Target Date Shares in the Fund. Transaction costs incurred by the Fund for buying and selling securities are not reflected in the table. Operating Expenses are expressed as a percentage of average daily net assets.

Shareholder Fees

(fees paid directly from your investment)

Sales Charge (Load) Imposed on Purchases:	None
Transaction Fee on Purchases and Redemptions:	Varies(1)
Annual Fund Operating Expenses	
<i>(expenses deducted from the Fund's assets)</i>	
Management Fee(2):	0.65%
Other Expenses:	0.67%
Acquired Fund Fees and Expenses:	—%
Total Annual Fund Operating Expenses:	1.32%
Less: Expense Reduction/Reimbursement(3)	(0.67)%
Net Annual Operating Expenses(3):	0.65%

(1) An investor purchasing or redeeming Creation Units of the Fund will pay a transaction fee to the Fund. The minimum Transaction Fee is \$500, although the fee may vary and is expected to be approximately \$7,500 for the Fund. See "Creation Unit Purchase and Redemption Transaction Fees" below. In addition, an investor buying or selling shares of the Fund in the secondary market will pay a commission to his broker in an amount established by the broker. Investors who hold Creation Units will also pay the annual fund operating expenses described in the table above.

(2) The Fund pays the Advisor a single, unified management fee for arranging for certain non-distribution related services necessary for the Fund to operate. For more information about the unified management fee, see "Investment Adviser" under "Fund Management".

(3) Amerivest has contractually agreed to pay Fund operating expenses (excluding, among other things, interest, taxes, brokerage commissions and extraordinary expenses) in order to limit Net Annual Operating Expenses for shares of the Fund to 0.65% of the Fund's average net assets (the "Expense Cap"). The Expense Cap will remain in effect until at least September 30, 2009. Amerivest is permitted to be reimbursed for fee reductions and/or expense payments made in the prior three fiscal years. This reimbursement may be requested by Amerivest if the aggregate amount actually paid by the Fund toward operating expenses for such fiscal year (taking into account the reimbursement) does not exceed the Expense Cap.

The Fund sells and redeems TDX Independence Target Date Shares only in Creation Units and principally on an in-kind basis for portfolio securities of the Underlying Index. TDX INDEPENDENCE TARGET DATE SHARES IN LESS THAN CREATION UNIT AGGREGATIONS ARE NOT REDEEMABLE. The following example is intended to help retail investors compare the cost of investing in the Fund with the cost of investing in other funds. It illustrates the hypothetical expenses that such investors would incur over various periods if they invest \$10,000 in the Fund. The example assumes that the Fund provides a return of 5% a year and that operating expenses remain the same. This example does not include the brokerage commissions that retail investors will pay to buy and sell TDX Independence Target Date Shares. It also does not include the transaction fees on purchases and redemptions of Creation Units, because these fees will not be imposed on retail investors.

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$66	\$352	\$659	\$1,532

These examples should not be considered to represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown.

Creation Unit Purchases and Redemption Transaction Fees

The Fund issues and redeems shares at NAV and only in Creation Unit blocks of 200,000. As a practical matter, only institutions or large investors purchase or redeem Creation Units. A minimum Creation Unit transaction fee of \$500 is charged for each purchase or redemption of Creation Units, regardless of the number of Creation Unit shares acquired. The level of the transaction fee is variable and will fluctuate depending on the number of securities contained in the applicable creation/redemption basket and on whether the purchase or redemption will take place outside the usual process at the NSCC. There is no maximum transaction fee level. Based on the current composition of the Index and the manner in which Creation Unit purchases and redemptions are expected to settle, it is presently expected that the applicable Creation Unit purchase/redemption fee will be \$7,500. The value of a Creation Unit of the Fund, as of May 31, 2008, was approximately \$4,836,000. Investors holding Creation Units will also pay the Annual Fund Operating Expenses described in the table above. Assuming an investment in a Creation Unit of \$4,836,000, a 5% return, and assuming that the Fund's operating expenses remain the same and the Creation Units are redeemed at the end of each period, a purchaser of Creation Units will incur the following costs:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$33,118	\$171,290	\$319,818	\$741,687

TDX Independence 2030 Exchange-Traded Fund

Trading Symbol: TDN
CUSIP Number: 87238A 306
Underlying Index (Symbol): Zacks 2030 Lifecycle Index (TDAXTH)
Inception Date: October 1, 2007

Investment Objective

The Fund seeks to track the performance, before fees and expenses, of the Zacks 2030 Lifecycle Index. The Fund's investment objective is not fundamental and may be changed without shareholder approval. Shareholders will be given 60 days notice of any change in investment objective.

Principal Investment Strategies

The Fund employs a "passive management" investment strategy designed to track the performance of the Zacks 2030 Lifecycle Index, an index of securities from three broad asset classes: international equities, domestic equities, and fixed income, that is designed to represent a diversified portfolio of securities with the potential to outperform the Lipper Mixed-Asset Target 2030 Index, on a risk adjusted basis. The Zacks 2030 Lifecycle Index initial allocation will be approximately 22% in international equities, 66% in domestic equities and 12% in fixed income and will be systematically reconstituted and rebalanced annually, or quarterly when necessary, pursuant to a proprietary methodology developed by Zacks. The weighted average duration for the fixed income securities will, collectively, match the time to the target termination date. Following the target date, the duration will increase each year up to a maximum duration of five years. The securities in the universe are selected using a proprietary methodology developed by Zacks.

As its primary strategy, the Fund attempts to replicate the Underlying Index by investing at least 90%, and typically substantially all, of its assets in the securities that make up the Underlying Index, holding each security in approximately the same proportion as its weighting in the Underlying Index. The securities comprising the Underlying Index include equity securities of U.S. and international companies (including common stocks and real estate investment trusts), American Depositary Receipts ("ADRs") based on equity securities of international companies and fixed income securities (including, bonds, treasury bills and notes, mortgage real estate investment trusts, cash, cash equivalents and short-term money market instruments). The Fund will provide shareholders with at least 60 days' notice of any change in these policies. The Fund may also invest up to 10% of its assets in futures contracts, options on futures contracts, options, as well as swaps on securities of companies in the Underlying Index (subject to applicable limitations of the 1940 Act).

The Fund may also sample, rather than replicate, the Underlying Index by holding equity securities and fixed income securities that, in the aggregate, are intended to approximate the Underlying Index in terms of key characteristics, such as price/earnings ratio, earnings growth, maturity, duration, or dividend yield. If the Fund pursues a sampling strategy, it will continue to invest at least 90% of its assets in the securities of the Underlying Index, or in ADRs based on equity securities of international companies in the Underlying Index.

Principal Risks

The Fund is subject to certain risks. Certain of these risks are described below. For a more detailed discussion of some of these risks, see "Additional Information About the Funds, their Principal Strategies and Related Risks" below.

- The Fund is subject to *stock market risk*, which is the risk that stock prices overall will decline over a given period of time. The Fund's total return, like stock prices generally, will fluctuate within a wide range, so an investor could lose money over short or even long periods. Stock markets tend to be volatile, with periods of rising prices and periods of falling prices. The stock market has been subject to significant volatility recently which has increased the risks associated with an investment in the Fund.
- The Fund is subject to *index risk*, which is the risk that stocks in the Underlying Index may under-perform fixed income investments or stock market investments that track other markets, segments or sectors. The Advisor does not actively manage the Fund and therefore does not attempt to analyze, quantify or control the risks associated with investing in stocks of companies in the Underlying Index.
- The Fund is subject to *small- and mid- capitalization risk*, which is the risk that returns from small- and mid-capitalization stocks may trail returns from the overall stock market. Historically, these stocks have been more volatile in price than the large-capitalization stocks.
- The Fund is subject to *index sampling risk*, which is the risk that, when employing a sampling strategy, the stocks held by the Fund will not provide investment performance tracking the Underlying Index.
- The Fund is subject to *market price risk*, which is the risk associated with the fact that the TDX Independence Target Date Shares are listed on the NYSE Arca and can be bought and sold in the secondary market at market prices. Although it is expected that the market price of the TDX Independence Target Date Shares typically will approximate its NAV, there may be times when the market price and the NAV differ significantly. Thus, you may pay more than NAV when buying TDX Independence Target Date Shares on the secondary market, and you may receive less than NAV when you sell TDX Independence Target Date Shares.

- The Fund is subject to *foreign securities risk*, which is the risk that political and economic events unique to a foreign country or region will affect those markets and their issuers. These events will not necessarily affect the U.S. economy or similar issuers located in the United States. In addition, investments in foreign countries are generally denominated in a foreign currency. As a result, changes in the value of those currencies compared to the U.S. dollar may affect (positively or negatively) the value of a Fund's investments. These currency movements may happen separately from and in response to events that do not otherwise affect the value of the security in the issuer's home country.
- The Fund is subject to *secondary market risk*. Although the TDX Independence Target Date Shares are listed for trading on the NYSE Arca, it is possible that an active trading market may not be maintained. Trading of the TDX Independence Target Date Shares on the NYSE Arca may be halted if NYSE Arca officials deem such action appropriate, if the TDX Independence Target Date Shares are delisted from the NYSE Arca or if the activation of market-wide "circuit breakers" halts stock trading generally.
- The Fund is subject to *REIT risk*. The Fund's investments in the securities of REITs may subject the Fund to the risks associated with the direct ownership of real estate. Also, when investing in REITs, in addition to the advisory fees and other expenses the Fund bears directly in connection with its own operations, the Fund will also bear its pro rata portion of the REITs management fees and other expenses. As such, the Fund's shareholders would indirectly bear the expenses of the Fund and the REITs, some or all of which would be duplicative.
- The Fund is subject to *fixed income risk*. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the credit risk of individual issuers. Generally, the Fund's fixed income securities will decrease in value if interest rates rise, and the volatility of lower rated securities is even greater than that of higher rated securities.
- The Fund is subject to *derivatives risk*, which is the risk associated with stock futures and options contracts, warrants, convertible securities, and swap agreements, which are types of derivatives. Investments in derivatives may subject the Fund to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes.

Performance Information

Performance history will be available for the Fund after it has been in operation for a full calendar year.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold TDX Independence Target Date Shares in the Fund. Transaction costs incurred by the Fund for buying and selling securities are not reflected in the table. Operating Expenses are expressed as a percentage of average daily net assets.

Shareholder Fees

(fees paid directly from your investment)

Sales Charge (Load) Imposed on Purchases:	None
Transaction Fee on Purchases and Redemptions:	Varies(1)
Annual Fund Operating Expenses	
<i>(expenses deducted from the Fund's assets)</i>	
Management Fee(2):	0.65%
Other Expenses:	0.73%
Acquired Fund Fees and Expenses:	—%
Total Annual Fund Operating Expenses:	1.38%
Less: Expense Reduction/Reimbursement(3)	(0.73)%
Net Annual Operating Expenses(3):	0.65%

(1) An investor purchasing or redeeming Creation Units of the Fund will pay a transaction fee to the Fund. The minimum Transaction Fee is \$500, although the fee may vary and is expected to be approximately \$7,500 for the Fund. See "Creation Unit Purchase and Redemption Transaction Fees" below. In addition, an investor buying or selling shares of the Fund in the secondary market will pay a commission to his broker in an amount established by the broker. Investors who hold Creation Units will also pay the annual fund operating expenses described in the table above.

(2) The Fund pays the Advisor a single, unified management fee for arranging for certain non-distribution related services necessary for the Fund to operate. For more information about the unified management fee, see "Investment Adviser" under "Fund Management".

(3) Amerivest has contractually agreed to pay Fund operating expenses (excluding, among other things, interest, taxes, brokerage commissions and extraordinary expenses) in order to limit Net Annual Operating Expenses for shares of the Fund to 0.65% of the Fund's average net assets (the "Expense Cap"). The Expense Cap will remain in effect until at least September 30, 2009. Amerivest is permitted to be reimbursed for fee reductions and/or expense payments made in the prior three fiscal years. This reimbursement may be requested by Amerivest if the aggregate amount actually paid by the Fund toward operating expenses for such fiscal year (taking into account the reimbursement) does not exceed the Expense Cap.

The Fund sells and redeems TDX Independence Target Date Shares only in Creation Units and principally on an in-kind basis for portfolio securities of the Underlying Index. TDX INDEPENDENCE TARGET DATE SHARES IN LESS THAN CREATION UNIT AGGREGATIONS ARE NOT REDEEMABLE. The following example is intended to help retail investors compare the cost of investing in the Fund with the cost of investing in other funds. It illustrates the hypothetical expenses that such investors would incur over various periods if they invest \$10,000 in the Fund. The example assumes that the Fund provides a return of 5% a year and that operating expenses remain the same. This example does not include the brokerage commissions that retail investors will pay to buy and sell TDX Independence Target Date Shares. It also does not include the transaction fees on purchases and redemptions of Creation Units, because these fees will not be imposed on retail investors.

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$66	\$365	\$685	\$1,594

These examples should not be considered to represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown.

Creation Unit Purchases and Redemption Transaction Fees

The Fund issues and redeems shares at NAV and only in Creation Unit blocks of 200,000. As a practical matter, only institutions or large investors purchase or redeem Creation Units. A minimum Creation Unit transaction fee of \$500 is charged for each purchase or redemption of Creation Units, regardless of the number of Creation Unit shares acquired. The level of the transaction fee is variable and will fluctuate depending on the number of securities contained in the applicable creation/redemption basket and on whether the purchase or redemption will take place outside the usual process at the NSCC. There is no maximum transaction fee level. Based on the current composition of the Index and the manner in which Creation Unit purchases and redemptions are expected to settle, it is presently expected that the applicable Creation Unit purchase/redemption fee will be \$7,500. The value of a Creation Unit of the Fund, as of May 31, 2008, was approximately \$4,714,000. Investors holding Creation Units will also pay the Annual Fund Operating Expenses described in the table above. Assuming an investment in a Creation Unit of \$4,714,000, a 5% return, and assuming that the Fund's operating expenses remain the same and the Creation Units are redeemed at the end of each period, a purchaser of Creation Units will incur the following costs:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$32,307	\$173,033	\$324,131	\$752,415

TDX Independence 2040 Exchange-Traded Fund

Trading Symbol: TDV
CUSIP Number: 87238A 405
Underlying Index (Symbol): Zacks 2040 Lifecycle Index (TDAXFO)
Inception Date: October 1, 2007

Investment Objective

The Fund seeks to track the performance, before fees and expenses, of the Zacks 2040 Lifecycle Index. The Fund's investment objective is not fundamental and may be changed without shareholder approval. Shareholders will be given 60 days notice of any change in investment objective.

Principal Investment Strategies

The Fund employs a "passive management" investment strategy designed to track the performance of the Zacks 2040 Lifecycle Index, an index of securities from three broad asset classes: international equities, domestic equities, and fixed income, that is designed to represent a diversified portfolio of securities with the potential to outperform the Lipper Mixed-Asset Target 2030+ Index, on a risk adjusted basis. The Zacks 2040 Lifecycle Index initial allocation will be approximately 24% in international equities, 73% in domestic equities and 3% in fixed income and will be systematically reconstituted and rebalanced annually, or quarterly when necessary, pursuant to a proprietary methodology developed by Zacks. The weighted average duration for the fixed income securities will, collectively, approximate as nearly as possible the time to the target termination date. Following the target date, the duration will increase each year up to a maximum duration of five years. The securities in the universe are selected using a proprietary methodology developed by Zacks.

As its primary strategy, the Fund attempts to replicate the Underlying Index by investing at least 90%, and typically substantially all, of its assets in the securities that make up the Underlying Index, holding each security in approximately the same proportion as its weighting in the Underlying Index. The securities comprising the Underlying Index include equity securities of U.S. and international companies (including common stocks and real estate investment trusts), American Depositary Receipts ("ADRs") based on equity securities of international companies and fixed income securities (including, bonds, treasury bills and notes, mortgage real estate investment trusts, cash, cash equivalents and short-term money market instruments). The Fund will provide shareholders with at least 60 days' notice of any change in these policies. The Fund may also invest up to 10% of its assets in futures contracts, options on futures contracts, options, as well as swaps on securities of companies in the Underlying Index (subject to applicable limitations of the 1940 Act).

The Fund may also sample, rather than replicate, the Underlying Index by holding equity securities and fixed income securities that, in the aggregate, are intended to approximate the Underlying Index in terms of key characteristics, such as price/earnings ratio, earnings growth, maturity, duration, or dividend yield. If the Fund pursues a sampling strategy, it will continue to invest at least 90% of its assets in the securities of the Underlying Index, or in ADRs based on equity securities of international companies in the Underlying Index.

Principal Risks

The Fund is subject to certain risks. Certain of these risks are described below. For a more detailed discussion of some of these risks, see "Additional Information About the Funds, their Principal Strategies and Related Risks" below.

- The Fund is subject to *stock market risk*, which is the risk that stock prices overall will decline over a given period of time. The Fund's total return, like stock prices generally, will fluctuate within a wide range, so an investor could lose money over short or even long periods. Stock markets tend to be volatile, with periods of rising prices and periods of falling prices. The stock market has been subject to significant volatility recently which has increased the risks associated with an investment in the Fund.
- The Fund is subject to *index risk*, which is the risk that stocks in the Underlying Index may under-perform fixed income investments or stock market investments that track other markets, segments or sectors. The Advisor does not actively manage the Fund and therefore does not attempt to analyze, quantify or control the risks associated with investing in stocks of companies in the Underlying Index.
- The Fund is subject to *small- and mid- capitalization risk*, which is the risk that returns from small- and mid-capitalization stocks may trail returns from the overall stock market. Historically, these stocks have been more volatile in price than the large-capitalization stocks.
- The Fund is subject to *index sampling risk*, which is the risk that, when employing a sampling strategy, the stocks held by the Fund will not provide investment performance tracking the Underlying Index.
- The Fund is subject to *market price risk*, which is the risk associated with the fact that the TDX Independence Target Date Shares are listed on the NYSE Arca and can be bought and sold in the secondary market at market prices. Although it is expected that the market price of the TDX Independence Target Date Shares typically will approximate its NAV, there may be times when the market price and the NAV differ significantly. Thus, you may pay more than NAV when buying TDX Independence Target Date Shares on the secondary market, and you may receive less than NAV when you sell TDX Independence Target Date Shares.

- The Fund is subject to *foreign securities risk*, which is the risk that political and economic events unique to a foreign country or region will affect those markets and their issuers. These events will not necessarily affect the U.S. economy or similar issuers located in the United States. In addition, investments in foreign countries are generally denominated in a foreign currency. As a result, changes in the value of those currencies compared to the U.S. dollar may affect (positively or negatively) the value of a Fund's investments. These currency movements may happen separately from and in response to events that do not otherwise affect the value of the security in the issuer's home country.
- The Fund is subject to *secondary market risk*. Although the TDX Independence Target Date Shares are listed for trading on the NYSE Arca, it is possible that an active trading market may not be maintained. Trading of the TDX Independence Target Date Shares on the NYSE Arca may be halted if NYSE Arca officials deem such action appropriate, if the TDX Independence Target Date Shares are delisted from the NYSE Arca or if the activation of market-wide "circuit breakers" halts stock trading generally.
- The Fund is subject to *REIT risk*. The Fund's investments in the securities of REITs may subject the Fund to the risks associated with the direct ownership of real estate. Also, when investing in REITs, in addition to the advisory fees and other expenses the Fund bears directly in connection with its own operations, the Fund will also bear its pro rata portion of the REITs management fees and other expenses. As such, the Fund's shareholders would indirectly bear the expenses of the Fund and the REITs, some or all of which would be duplicative.
- The Fund is subject to *fixed income risk*. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the credit risk of individual issuers. Generally, the Fund's fixed income securities will decrease in value if interest rates rise, and the volatility of lower rated securities is even greater than that of higher rated securities.
- The Fund is subject to *derivatives risk*, which is the risk associated with stock futures and options contracts, warrants, convertible securities, and swap agreements, which are types of derivatives. Investments in derivatives may subject the Fund to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes.

Performance Information

Performance history will be available for the Fund after it has been in operation for a full calendar year.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold TDX Independence Target Date Shares in the Fund. Transaction costs incurred by the Fund for buying and selling securities are not reflected in the table. Operating Expenses are expressed as a percentage of average daily net assets.

Shareholder Fees

(fees paid directly from your investment)

Sales Charge (Load) Imposed on Purchases:	None
Transaction Fee on Purchases and Redemptions:	Varies(1)
Annual Fund Operating Expenses	
<i>(expenses deducted from the Fund's assets)</i>	
Management Fee(2):	0.65%
Other Expenses:	0.71%
Acquired Fund Fees and Expenses:	—%
Total Annual Fund Operating Expenses:	<u>1.36%</u>
Less: Expense Reduction/Reimbursement(3)	<u>(0.71)%</u>
Net Annual Operating Expenses(3):	<u>0.65%</u>

(1) An investor purchasing or redeeming Creation Units of the Fund will pay a transaction fee to the Fund. The minimum Transaction Fee is \$500, although the fee may vary and is expected to be approximately \$7,500 for the Fund. See "Creation Unit Purchase and Redemption Transaction Fees" below. In addition, an investor buying or selling shares of the Fund in the secondary market will pay a commission to his broker in an amount established by the broker. Investors who hold Creation Units will also pay the annual fund operating expenses described in the table above.

(2) The Fund pays the Advisor a single, unified management fee for arranging for certain non-distribution related services necessary for the Fund to operate. For more information about the unified management fee, see "Investment Adviser" under "Fund Management".

(3) Amerivest has contractually agreed to pay Fund operating expenses (excluding, among other things, interest, taxes, brokerage commissions and extraordinary expenses) in order to limit Net Annual Operating Expenses for shares of the Fund to 0.65% of the Fund's average net assets (the "Expense Cap"). The Expense Cap will remain in effect until at least September 30, 2009. Amerivest is permitted to be reimbursed for fee reductions and/or expense payments made in the prior three fiscal years. This reimbursement may be requested by Amerivest if the aggregate amount actually paid by the Fund toward operating expenses for such fiscal year (taking into account the reimbursement) does not exceed the Expense Cap.

The Fund sells and redeems TDX Independence Target Date Shares only in Creation Units and principally on an in-kind basis for portfolio securities of the Underlying Index. TDX INDEPENDENCE TARGET DATE SHARES IN LESS THAN CREATION UNIT AGGREGATIONS ARE NOT REDEEMABLE. The following example is intended to help retail investors compare the cost of investing in the Fund with the cost of investing in other funds. It illustrates the hypothetical expenses that such investors would incur over various periods if they invest \$10,000 in the Fund. The example assumes that the Fund provides a return of 5% a year and that operating expenses remain the same. This example does not include the brokerage commissions that retail investors will pay to buy and sell TDX Independence Target Date Shares. It also does not include the transaction fees on purchases and redemptions of Creation Units, because these fees will not be imposed on retail investors.

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$66	\$361	\$677	\$1,573

These examples should not be considered to represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown.

Creation Unit Purchases and Redemption Transaction Fees

The Fund issues and redeems shares at NAV and only in Creation Unit blocks of 200,000. As a practical matter, only institutions or large investors purchase or redeem Creation Units. A minimum Creation Unit transaction fee of \$500 is charged for each purchase or redemption of Creation Units, regardless of the number of Creation Unit shares acquired. The level of the transaction fee is variable and will fluctuate depending on the number of securities contained in the applicable creation/redemption basket and on whether the purchase or redemption will take place outside the usual process at the NSCC. There is no maximum transaction fee level. Based on the current composition of the Index and the manner in which Creation Unit purchases and redemptions are expected to settle, it is presently expected that the applicable Creation Unit purchase/redemption fee will be \$7,500. The value of a Creation Unit of the Fund, as of May 31, 2008, was approximately \$4,698,000. Investors holding Creation Units will also pay the Annual Fund Operating Expenses described in the table above. Assuming an investment in a Creation Unit of \$4,698,000, a 5% return, and assuming that the Fund's operating expenses remain the same and the Creation Units are redeemed at the end of each period, a purchaser of Creation Units will incur the following costs:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$32,201	\$170,443	\$318,933	\$740,112

TDX Independence In-Target Exchange-Traded Fund

Trading Symbol:	TDX
CUSIP Number:	87238A 504
Underlying Index (Symbol):	Zacks In-Target Lifecycle Index (TDAXIT)
Inception Date:	October 1, 2007

Investment Objective

The Fund seeks to track the performance, before fees and expenses, of the Zacks In-Target Lifecycle Index. The Fund's investment objective is not fundamental and may be changed without shareholder approval. Shareholders will be given 60 days notice of any change in investment objective.

Principal Investment Strategies

The Fund employs a "passive management" investment strategy designed to track the performance of the Zacks In-Target Lifecycle Index, an index of securities from three broad asset classes: international equities, domestic equities, and fixed income, that is designed to represent a diversified portfolio of securities with the potential to outperform the Lipper Mixed-Target Allocation Conservative Funds Index, on a risk adjusted basis. The Zacks In-Target Lifecycle Index is designed for persons who are at or near their target date at the time of investment and has an initial allocation of approximately 3% in international equities, 8% in domestic equities and 89% in fixed income and will be systematically reconstituted and rebalanced annually, or quarterly when necessary, pursuant to a proprietary methodology developed by Zacks. The initial duration for the fixed income securities will, collectively, approximate one year. The duration will increase, after inception of the Fund, each year up to a maximum duration of five years. The securities in the universe are selected using a proprietary methodology developed by Zacks.

As its primary strategy, the Fund attempts to replicate the Underlying Index by investing at least 90%, and typically substantially all, of its assets in the securities that make up the Underlying Index, holding each security in approximately the same proportion as its weighting in the Underlying Index. The securities comprising the Underlying Index include equity securities of U.S. and international companies (including common stocks and real estate investment trusts), American Depositary Receipts ("ADRs") based on equity securities of international companies and fixed income securities (including, bonds, treasury bills and notes, mortgage real estate investment trusts, cash, cash equivalents and short-term money market instruments). The Fund will provide shareholders with at least 60 days' notice of any change in these policies. The Fund may also invest up to 10% of its assets in futures contracts, options on futures contracts, options, as well as swaps on securities of companies in the Underlying Index (subject to applicable limitations of the 1940 Act).

The Fund may also sample, rather than replicate, the Underlying Index by holding equity securities and fixed income securities that, in the aggregate, are intended to approximate the Underlying Index in terms of key characteristics, such as price/earnings ratio, earnings growth, maturity, duration, or dividend yield. If the Fund pursues a sampling strategy, it will continue to invest at least 90% of its assets in the securities of the Underlying Index, or in ADRs based on equity securities of international companies in the Underlying Index.

Principal Risks

The Fund is subject to certain risks. Certain of these risks are described below. For a more detailed discussion of some of these risks, see "Additional Information About the Funds, their Principal Strategies and Related Risks" below.

- The Fund is subject to *stock market risk*, which is the risk that stock prices overall will decline over a given period of time. The Fund's total return, like stock prices generally, will fluctuate within a wide range, so an investor could lose money over short or even long periods. Stock markets tend to be volatile, with periods of rising prices and periods of falling prices. The stock market has been subject to significant volatility recently which has increased the risks associated with an investment in the Fund.
- The Fund is subject to *index risk*, which is the risk that stocks in the Underlying Index may under-perform fixed income investments or stock market investments that track other markets, segments or sectors. The Advisor does not actively manage the Fund and therefore does not attempt to analyze, quantify or control the risks associated with investing in stocks of companies in the Underlying Index.
- The Fund is subject to *small- and mid- capitalization risk*, which is the risk that returns from small- and mid-capitalization stocks may trail returns from the overall stock market. Historically, these stocks have been more volatile in price than the large-capitalization stocks.
- The Fund is subject to *index sampling risk*, which is the risk that, when employing a sampling strategy, the stocks held by the Fund will not provide investment performance tracking the Underlying Index.
- The Fund is subject to *market price risk*, which is the risk associated with the fact that the TDX Independence Target Date Shares are listed on the NYSE Arca and can be bought and sold in the secondary market at market prices. Although it is expected that the market price of the TDX Independence Target Date Shares typically will approximate its NAV, there may be times when the market price and the NAV differ significantly. Thus, you may pay more than NAV when buying TDX Independence Target Date Shares on the secondary market, and you may receive less than NAV when you sell TDX Independence Target Date Shares.

- The Fund is subject to *foreign securities risk*, which is the risk that political and economic events unique to a foreign country or region will affect those markets and their issuers. These events will not necessarily affect the U.S. economy or similar issuers located in the United States. In addition, investments in foreign countries are generally denominated in a foreign currency. As a result, changes in the value of those currencies compared to the U.S. dollar may affect (positively or negatively) the value of a Fund's investments. These currency movements may happen separately from and in response to events that do not otherwise affect the value of the security in the issuer's home country.
- The Fund is subject to *secondary market risk*. Although the TDX Independence Target Date Shares are listed for trading on the NYSE Arca, it is possible that an active trading market may not be maintained. Trading of the TDX Independence Target Date Shares on the NYSE Arca may be halted if NYSE Arca officials deem such action appropriate, if the TDX Independence Target Date Shares are delisted from the NYSE Arca or if the activation of market-wide "circuit breakers" halts stock trading generally.
- The Fund is subject to *REIT risk*. The Fund's investments in the securities of REITs may subject the Fund to the risks associated with the direct ownership of real estate. Also, when investing in REITs, in addition to the advisory fees and other expenses the Fund bears directly in connection with its own operations, the Fund will also bear its pro rata portion of the REITs management fees and other expenses. As such, the Fund's shareholders would indirectly bear the expenses of the Fund and the REITs, some or all of which would be duplicative.
- The Fund is subject to *fixed income risk*. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the credit risk of individual issuers. Generally, the Fund's fixed income securities will decrease in value if interest rates rise, and the volatility of lower rated securities is even greater than that of higher rated securities.
- The Fund is subject to *derivatives risk*, which is the risk associated with stock futures and options contracts, warrants, convertible securities, and swap agreements, which are types of derivatives. Investments in derivatives may subject the Fund to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes.

Performance Information

Performance history will be available for the Fund after it has been in operation for a full calendar year.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold TDX Independence Target Date Shares in the Fund. Transaction costs incurred by the Fund for buying and selling securities are not reflected in the table. Operating Expenses are expressed as a percentage of average daily net assets.

Shareholder Fees

(fees paid directly from your investment)

Sales Charge (Load) Imposed on Purchases:	None
Transaction Fee on Purchases and Redemptions:	Varies(1)
Annual Fund Operating Expenses	
<i>(expenses deducted from the Fund's assets)</i>	
Management Fee(2):	0.65%
Other Expenses:	0.96%
Acquired Fund Fees and Expenses:	—%
Total Annual Fund Operating Expenses:	<u>1.61%</u>
Less: Expense Reduction/Reimbursement(3)	<u>(0.96)%</u>
Net Annual Operating Expenses(3):	<u>0.65%</u>

(1) An investor purchasing or redeeming Creation Units of the Fund will pay a transaction fee to the Fund. The minimum Transaction Fee is \$500, although the fee may vary and is expected to be approximately \$7,500 for the Fund. See "Creation Unit Purchase and Redemption Transaction Fees" below. In addition, an investor buying or selling shares of the Fund in the secondary market will pay a commission to his broker in an amount established by the broker. Investors who hold Creation Units will also pay the annual fund operating expenses described in the table above.

(2) The Fund pays the Advisor a single, unified management fee for arranging for certain non-distribution related services necessary for the Fund to operate. For more information about the unified management fee, see "Investment Adviser" under "Fund Management".

(3) Amerivest has contractually agreed to pay Fund operating expenses (excluding, among other things, interest, taxes, brokerage commissions and extraordinary expenses) in order to limit Net Annual Operating Expenses for shares of the Fund to 0.65% of the Fund's average net assets (the "Expense Cap"). The Expense Cap will remain in effect until at least September 30, 2009. Amerivest is permitted to be reimbursed for fee reductions and/or expense payments made in the prior three fiscal years. This reimbursement may be requested by Amerivest if the aggregate amount actually paid by the Fund toward operating expenses for such fiscal year (taking into account the reimbursement) does not exceed the Expense Cap.

The Fund sells and redeems TDX Independence Target Date Shares only in Creation Units and principally on an in-kind basis for portfolio securities of the Underlying Index. TDX INDEPENDENCE TARGET DATE SHARES IN LESS THAN CREATION UNIT AGGREGATIONS ARE NOT REDEEMABLE. The following example is intended to help retail investors compare the cost of investing in the Fund with the cost of investing in other funds. It illustrates the hypothetical expenses that such investors would incur over various periods if they invest \$10,000 in the Fund. The example assumes that the Fund provides a return of 5% a year and that operating expenses remain the same. This example does not include the brokerage commissions that retail investors will pay to buy and sell TDX Independence Target Date Shares. It also does not include the transaction fees on purchases and redemptions of Creation Units, because these fees will not be imposed on retail investors.

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$66	\$414	\$785	\$1,830

These examples should not be considered to represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown.

Creation Unit Purchases and Redemption Transaction Fees

The Fund issues and redeems shares at NAV and only in Creation Unit blocks of 200,000. As a practical matter, only institutions or large investors purchase or redeem Creation Units. A minimum Creation Unit transaction fee of \$500 is charged for each purchase or redemption of Creation Units, regardless of the number of Creation Unit shares acquired. The level of the transaction fee is variable and will fluctuate depending on the number of securities contained in the applicable creation/redemption basket and on whether the purchase or redemption will take place outside the usual process at the NSCC. There is no maximum transaction fee level. Based on the current composition of the Index and the manner in which Creation Unit purchases and redemptions are expected to settle, it is presently expected that the applicable Creation Unit purchase/redemption fee will be \$7,500. The value of a Creation Unit of the Fund, as of May 31, 2008, was approximately \$5,092,000. Investors holding Creation Units will also pay the Annual Fund Operating Expenses described in the table above. Assuming an investment in a Creation Unit of \$5,092,000, a 5% return, and assuming that the Fund's operating expenses remain the same and the Creation Units are redeemed at the end of each period, a purchaser of Creation Units will incur the following costs:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$34,818	\$211,762	\$400,906	\$932,806

Additional Information About the Funds, Their Principal Strategies and Related Risks

The following section provides more information about the Funds, the Underlying Indexes and the principal investment strategies and risks that are common to each Fund.

Additional Investment Strategies

Under normal circumstances, each Fund will invest at least 90% of its assets in the securities of the Underlying Index, or in ADRs based on equity securities of international companies in the Underlying Index. The Funds will provide shareholders with at least 60 days' notice of any change in these policies. Each Fund may also invest up to 10% of its assets in U.S. agency mortgage pass-through securities, futures contracts, options on futures contracts, options, as well as swaps on securities of companies in the Underlying Index (subject to applicable limitations of the 1940 Act). Each Fund's investment objective is not fundamental and may be changed without a shareholder vote upon sixty days prior notice to shareholders.

In addition to the Funds' principal investment strategies, each Fund may, from time to time, use certain other strategies or engage in certain other investment practices that are not principal strategies. These other investments and strategies are described in detail in the Funds' Statement of Additional Information.

More Information About the Funds' Principal Risks

Index Risk. The Funds employ a "passive management" or indexing investment approach. Each Fund attempts to track the investment performance of its Underlying Index. Whenever practicable, each Fund uses the replication method as its primary strategy, meaning that it holds the same securities, in approximately the same proportions, as the securities in the Underlying Index, regardless of their investment merit. Because each Fund is a passively managed index fund, the Advisor does not attempt to analyze individual companies or to quantify, manage or control the risks associated with investing in individual companies or in a portfolio that replicates the Underlying Index. Although index funds, by their nature, tend to be tax-efficient investment vehicles, tax ramifications are not considered in the passive management of index funds like the Funds. This risk is known as *Index Risk*.

Index Sampling Risk. From time to time regulatory constraints or other considerations may prevent a Fund from replicating precisely an Underlying Index. This may occur for a number of reasons. For example, the Funds are taxed as regulated investment companies under the Internal Revenue Code of 1986, as amended (the "Code"), and the Code imposes certain percentage limitations applicable to investments by regulated investment companies. To the extent a strict application of the replication methodology would result in a violation of the Code, the Fund would be prevented from replicating the Underlying Index. Similarly, other regulatory constraints, such as limitations on the ability of a Fund to invest more than a certain percentage in illiquid securities, may also prevent the Fund from precisely replicating an Underlying Index. In addition, in certain circumstances, it may not be possible or practical to replicate a particular investment in a Fund, such as in cases where such Fund is looking to purchase an international security that is not available in the desired share lot size or where the transaction costs associated with the purchase of a particular fixed income security is prohibitive. In these circumstances, the Fund will employ a strategy known as "sampling" whereby the Fund will invest a portion of the portfolio in securities that, in the aggregate, are deemed by the Advisor to approximate the Underlying Index in terms of key characteristics. The Advisor will not use a sampling strategy in an attempt to manage the portfolio. To the extent the Fund employs a sampling strategy, it is subject to *index sampling risk*, which is the risk that the securities selected by the Advisor pursuant to this strategy may not, in fact, provide investment performance that closely tracks the Underlying Index.

Stock Market Risk. The Funds are subject to stock market risk, which is the chance that stock prices overall will decline. Stock markets tend to be volatile, with periods of rising prices and periods of falling prices. Recently, the financial markets have experienced a period of extreme stress which has resulted in unusual and extreme volatility in the equity markets and in the prices of individual stocks. In some cases, the prices of stocks of individual companies have been negatively impacted even though there may be little or no apparent degradation in the financial conditions or prospects of that company. These market conditions add significantly to the risk of short term volatility of the Funds.

Small- and Mid-Capitalization Risk. Each Fund invests across large-, mid-, and small-capitalization stocks. The weightings of these subsectors depend on the composition of the Underlying Index. The Advisor makes no effort to manage the capitalization exposure of the Fund's portfolio. From time to time, depending on the construction of the Underlying Index, a Fund may invest a substantial portion of its assets in small- and medium-size companies. Such investments entail greater risk than investments in larger, more established companies. Small- and medium-size companies may have narrower markets and more limited managerial and financial resources than larger, more established companies. As a result of these risks and uncertainties the returns from these small- and medium-size stocks may trail returns from the overall stock market. Historically, these stocks have been more volatile in price than the large-capitalization stocks.

Foreign Security Risks. Investments in securities of foreign companies or governments can be more volatile than investments in U.S. companies or governments. Diplomatic, political, or economic developments, including nationalization or appropriation, could affect investments in foreign countries. Foreign securities markets generally have less trading volume and less liquidity than U.S. markets. In addition, the value of securities denominated in foreign currencies, and of dividends from such securities, can change significantly when foreign currencies strengthen or weaken relative to the U.S. dollar. Foreign companies or governments may not be subject to uniform accounting, auditing, and financial-reporting standards comparable to those applicable to domestic U.S. companies or governments. Transaction costs are generally higher than those in the U.S. and expenses for foreign custodial arrangements may be higher than expenses for custodial arrangements of similar U.S. securities. Some foreign governments levy withholding taxes against dividend and interest income. Although in some countries a portion of these taxes is recoverable, the non-recovered portion will reduce the income received from the securities comprising the portfolio.

Currency Risk. As many investments in foreign countries are denominated in foreign currencies, changes in the value of those countries' currencies relative to the U.S. dollar may affect the value of those investments. Investments in foreign securities denominated in foreign currencies involve additional risks, including: (i) each Fund may incur substantial costs in connection with conversions between various currencies; (ii) only a limited market currently exists for hedging transactions relating to currencies in certain emerging markets; and (iii) securities transactions undertaken in some foreign markets may not be settled promptly so that the Funds' investments may be less liquid and subject to the risk of fluctuating currency exchange rates pending settlement.

Expropriation Risk. Foreign governments may expropriate the Funds' investments either directly by restricting the Funds' ability to sell a security or imposing exchange controls that restrict the sale of a currency, or indirectly by taxing the Funds' investments at such high levels as to constitute confiscation of the security. There may be limitations on the ability of the Funds to pursue and collect a legal judgment against a foreign government.

Derivatives Risk. Each Fund may invest, to a limited extent, in derivatives. Derivatives may involve risks different from, and possibly greater than, those of traditional investments. To track their Underlying Indexes as closely as possible, the Funds attempt to remain fully invested in stocks. The Funds may invest, to a limited extent, in stock futures and options contracts, warrants, convertible securities, and swap agreements, which are types of derivatives. Generally speaking, a derivative is a financial contract whose value is based on the value of a traditional security (such as a stock or bond), an asset (such as a commodity like gold), or a market index (such as the S&P 500 Index). Investments in derivatives may subject a Fund to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes. Losses (or gains) involving futures can sometimes be substantial – in part because a relatively small price movement in a futures contract may result in an immediate and substantial loss (or gain) for a Fund. Similar risks exist for warrants (securities that permit their owners to purchase a specific number of stock shares at a predetermined price), convertible securities (securities that may be exchanged for another asset), and swap agreements (contracts between parties in which each agrees to make payments to the other based on the return of a specified index or asset). The Funds will not use derivatives for speculation or for the purpose of leveraging (magnifying) investment returns.

Market Price Risk. The market price of shares of the Funds may differ from the Fund's NAV. TDX Independence Target Date Shares are listed for trading on the NYSE Arca and can be bought and sold in the secondary market at market prices. Although it is expected that the market price of the TDX Independence Target Date Shares typically will approximate its NAV, there may be times when the market price and the NAV differ significantly. Thus, you may pay more than NAV when buying TDX Independence Target Date Shares on the secondary market, and you may receive less than NAV when you sell those TDX Independence Target Date Shares.

The market price of TDX Independence Target Date Shares, like the price of any exchange-traded security, includes a "bid-asked spread" charged by the exchange specialist and other market-makers that cover the particular security. While the Fund cannot predict, and does not control, whether or when the TDX Independence Target Date Shares will trade at a premium or a discount to NAV, it is likely that in times of severe market disruption, the bid-asked spread will increase significantly and the TDX Independence Target Date Shares would most likely be traded at a discount to NAV. In addition, any discount is likely to be greatest when the price of TDX Independence Target Date Shares is falling fastest – and this may be the time that you most want to sell your TDX Independence Target Date Shares. The Funds' website at <http://www.tdxindependencefunds.com> will show the prior day's closing NAV and closing market price for the Funds' shares. In addition, the Funds' website will contain the following information, on a per share basis, for each Fund: (a) the prior business day's net asset value and the Bid/Ask Price and a calculation of the premium or discount of the Bid/Ask Price at the time of calculation of the net asset value against such net asset value; and (b) data in chart format displaying the frequency distribution of discounts and premiums of the daily Bid/Ask Price against the net asset value, within appropriate ranges, for

each of the four previous calendar quarters. In addition, the Funds' website contains information regarding the premiums and discounts at which shares of the Funds have traded.

Secondary Market Risk. An active secondary market for the TDX Independence Target Date Shares may not exist. Although the TDX Independence Target Date Shares are listed on the NYSE Arca, it is possible that an active trading market may not be maintained. In addition, trading in the TDX Independence Target Date Shares on the NYSE Arca will be halted whenever trading in equity securities generally is halted by the activation of market-wide "circuit breakers," which are tied to large decreases in the Dow Jones Industrial Average. Trading of the TDX Independence Target Date Shares also will be halted if (1) the shares are delisted from the NYSE Arca without first being listed on another exchange, or (2) NYSE Arca officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors. If trading is halted, eligible investors (see below) will still be able to purchase Creation Units of the Funds directly and redeem such units with the Funds. If TDX Independence Target Date Shares are delisted from the NYSE Arca, the Company will consider what appropriate action to take, which may include, among other things, seeking to list TDX Independence Target Date Shares on another U.S. securities exchange, converting the Fund to a traditional mutual fund, or redeeming the Shares at NAV.

REIT Risk. The Funds' investments in the securities of REITs and companies principally engaged in the real estate industry may subject the Funds to the risks associated with the direct ownership of real estate. Risks commonly associated with the direct ownership of real estate include fluctuations in the value of underlying properties, the impact of economic conditions on real estate values, the strength of specific industries renting properties and defaults by borrowers or tenants. In addition to these risks, REITs are dependent on specialized management skills and some REITs may have investments in relatively few properties, or in a small geographic area or a single type of property. These factors may increase the volatility of the Fund's investments in REITs. Changes in interest rates can also have a significant affect on the value of REITs and of real estate investments in general. Dividends from REITs generally are taxed at ordinary income rates rather than the 15% maximum federal tax rate currently applicable to qualified dividends.

When investing in REITs, in addition to the advisory fees and other expenses the Funds bear directly in connection with their own operations, investments in REITs will cause the Funds to bear their pro rata portion of the REITs management fees and other expenses. As such, a Fund's shareholder would indirectly bear the expenses of the Fund and the REITs, some or all of which would be duplicative.

Fixed Income Risk. The market value of fixed income investments changes in response to interest rate changes and other factors. During periods of falling interest rates, the values of outstanding fixed income securities generally rise. During periods of rising interest rates, the values of outstanding fixed income securities generally fall. Moreover, while securities with longer maturities tend to produce higher yields, the prices of longer maturity securities are also subject to greater market fluctuations as a result of changes in interest rates. As the average maturity or duration of a security lengthens, the risk that the price of such security will become more volatile increases. In contrast to maturity which measures only time until final payment, duration combines consideration of yield, interest payments, final maturity and call features. Additional risk associated with fixed income securities includes:

Call Risk. During periods of falling interest rates, certain debt obligations with high interest rates may be prepaid (or "called") by the issuer prior to maturity.

Extension Risk. An issuer may exercise its right to pay principal on an obligation held by a Fund later than expected. This may happen when there is a rise in interest rates. Under these circumstances, the value of the obligation will decrease.

Credit Risk. The possibility that an issuer will be unable to make timely payments of either principal or interest.

Event Risk. Securities may suffer declines in credit quality and market value due to issuer restructurings or other factors. This risk should be reduced because of a Fund's multiple holdings.

SHARES OF THE FUNDS ARE NOT INDIVIDUALLY REDEEMABLE. They can be redeemed with the issuing Fund directly at NAV only in large lots known as Creation Units. You would incur brokerage costs in purchasing enough shares of the Fund to constitute a Creation Unit.

More Information About the Underlying Indexes

Each Underlying Index was created and developed by Zacks based on its own proprietary intellectual model. In developing each Underlying Index, Zacks has established specific criteria for determining which securities are included in each Underlying Index.

Zacks, as Index Administrator, is also responsible for maintaining each Underlying Index based on this criteria. Each Underlying Index is generally reconstituted on an annual basis, but may be reconstituted quarterly when necessary. Decisions regarding additions to, and removals from, each individual Underlying Index are made by Zacks, typically on an annual basis (or quarterly when necessary), in its sole discretion. See “Information About the Underlying Index and Index Administrator” in the Statement of Additional Information. Bloomberg L.P. acts as “index calculation agent” for Zacks in connection with the calculation and dissemination of each Underlying Index. The Advisor has engaged Amerivest and Mellon Capital (each a “Sub-Advisor” and, together, the “Sub-Advisors”) for the day-to-day management of the Funds. See “Sub-Advisors” below. Mellon Capital will generally employ only the replication method in adjusting the Fund’s portfolio in response to changes in the Underlying Index. Amerivest will provide portfolio consulting to the Advisor and oversight over Mellon Capital, which involves reviewing the portfolio of securities of each Fund against its respective Underlying Index, assisting in resolving any pricing issues and assisting in the development of trading strategies. To the extent that it is necessary to employ a sampling strategy with respect to a Fund’s portfolio, the Advisor, and not the Sub-Advisors, will generally be responsible for determining which securities to invest in as part of that strategy. The Funds are not actively managed and the actions of the Advisor and the Sub-Advisors will not result in the active management of the Funds.

Each Fund reserves the right to substitute a different index for the Underlying Index if the Underlying Index is discontinued, if the Index Creator’s arrangements with the Advisor or Sub-Advisors relating to the use of the Underlying Indexes are terminated, or for any other reason determined in good faith by the Funds’ Board of Directors. If the Index Creator’s arrangements with the Advisor or Sub-Advisors relating to the use of the Underlying Indexes are terminated, the Company will take whatever action is deemed to be in the best interests of the Funds’ shareholders and the shareholders will be provided with advance written notice of such action.

How are TDX Independence Target Date Shares Different from Traditional Mutual Fund Shares?

Traditional mutual fund shares are issued by, and redeemed from, a fund at any time for cash at the shares’ net asset value (NAV). NAV is typically calculated only once a day and reflects a fund’s total assets, less its liabilities, divided by the number of shares it has outstanding. In determining the value of its assets, a traditional mutual fund typically values its underlying securities as of the close of trading on the New York Stock Exchange. As a result, no matter what time during the day an investor in a traditional mutual fund places an order to purchase or redeem shares, that investor’s order will be priced at that fund’s NAV determined as of the close of trading of the New York Stock Exchange. Traditional mutual fund shares may be purchased from the fund directly by the shareholder or through a financial intermediary.

In contrast, TDX Independence Target Date Shares cannot be purchased from, or redeemed by, the issuing Fund except by or through a Participating Organization (defined below), and then only for an in-kind basket of securities. An organized secondary market is expected to exist for the TDX Independence Target Date Shares, unlike traditional mutual fund shares, because TDX Independence Target Date Shares are listed for trading on the NYSE Arca. As a result, investors can purchase and sell TDX Independence Target Date Shares on the secondary market through a broker. Secondary-market transactions do not take place at NAV but at market prices that change throughout the day, based on the supply of, and demand for, TDX Independence Target Date Shares. Shareholders will also incur typical brokerage and transaction costs when buying or selling TDX Independence Target Date Shares on the secondary market.

Although the market price of TDX Independence Target Date Shares typically approximates its NAV, there may be times when the market price and the NAV differ, so you may receive more or less than NAV when you sell your TDX Independence Target Date Shares on the secondary market. Also, it is possible that an active trading market may not be maintained.

Buying and Selling Fund Shares

Buying and Selling Shares on the Secondary Market

Shares can be bought or sold throughout the trading day like shares of any publicly traded security. To buy or sell TDX Independence Target Date Shares, you must have a brokerage account. When buying or selling shares through a broker, you will incur customary brokerage commissions and charges. The price at which you buy or sell Fund shares (*i.e.*, the market price) may be more or less than the NAV of the shares. Unless imposed by your broker, there is no minimum dollar amount you must invest and no minimum number of Fund shares you must buy.

The Funds are listed on the NYSE Arca. The NYSE Arca is generally open Monday through Friday and is closed for weekends and the following holidays: New Year’s Day, Martin Luther King, Jr. Day, Presidents’ Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Buying Shares Directly from a Fund

You can purchase shares directly from a Fund only in Creation Units or multiples thereof. Each Fund issues Creation Units in blocks of 200,000 shares. For any particular Fund, the number of Fund shares in a Creation Unit will not change over time, except in the event that the Fund splits or revalues its shares. The Funds will not issue fractional Creation Units. Creation Units may be purchased only in exchange for a basket of securities – known as the *In-Kind Creation Basket* and cash equal to the *Cash Component*, as discussed further below. The Funds reserve the right to reject any purchase request at any time, for any reason, and without notice. The Funds can stop selling shares or postpone payment of redemption proceeds at times when the NYSE Arca is closed or under any emergency circumstances as determined by the SEC.

To purchase shares directly from a Fund, you must be a Participating Organization or you must purchase through a broker that is a Participating Organization. A Participating Organization is a participant of the Continuous Net Settlement System of the National Securities Clearing Corporation (“NSCC”) or the Depository Trust Company (“DTC”) that has executed a Participant Agreement with the Fund’s distributor, ALPS Distributors, Inc. (the “Distributor”). The Distributor will provide a list of Participating Organizations upon request. Because Creation Units can be purchased or redeemed only in exchange for a basket of securities likely to cost millions of dollars, it is expected that only a limited number of institutional investors will purchase and redeem shares directly with the Funds. Thus, certain information in this Prospectus (*e.g.*, information about purchasing and redeeming TDX Independence Target Date Shares directly from a Fund and references to transaction fees imposed on purchases and redemptions of Creation Units) is not relevant to most retail investors. These arrangements are designed to protect shareholders of the Funds from the potentially adverse effects that may be caused by the need to make frequent purchases and sales of portfolio securities as a result of cash inflows and outflows, as experienced in a traditional mutual fund. For example, in a traditional mutual fund, redemptions can result in adverse tax consequences on non-redeeming taxable shareholders because the mutual fund must sell portfolio securities to raise cash to pay redemptions. These sales may generate taxable capital gains which are then distributed to all shareholders, including non-redeeming shareholders. In contrast, the in-kind redemption mechanism of the Funds will enable the Funds to meet redemption requests without the need to sell portfolio securities and, as a result, redemptions from the Funds will generally not have any tax impact on the non-redeeming shareholders. EXCEPT WHEN AGGREGATED IN CREATION UNITS, TDX INDEPENDENCE TARGET DATE SHARES ARE NOT REDEEMABLE SECURITIES OF THE FUNDS.

- *In-Kind Creation Basket.* On each business day, prior to the opening of trading on the NYSE Arca, the Fund’s Advisor will post on the NSCC bulletin board the In-Kind Creation Basket for each Fund for that day. The In-Kind Creation Basket will identify the name and number of shares of each security that must be contributed to the Fund for each Creation Unit purchased. Each Fund reserves the right to accept a nonconforming creation basket.
- *Cash Component.* In addition to the in-kind deposit of securities, you will either pay to, or receive from, the Fund an amount of cash (the “Balancing Amount”) equal to the difference between the NAV of a Creation Unit and the value of the securities in the creation basket. The Balancing Amount ensures that the consideration paid by an investor for a Creation Unit is exactly equal to the value of the Creation Unit. The Fund’s Advisor will publish, on a daily basis, information about the previous day’s Balancing Amount. You also must pay a transaction fee, described below, in cash. The Balancing Amount and the transaction fee, taken together, are referred to as the Cash Component.
- *Placement of Purchase Orders.* All purchase orders must be placed through a Participating Organization. Purchase orders will be processed either through a manual clearing process run by DTC or through an enhanced clearing process that is available only to those DTC participants that also are participants in the Continuous Net Settlement System of the NSCC. Participating Organizations that do not use the NSCC’s enhanced clearing process will be charged a higher transaction fee (discussed below). A purchase order must be received by the Fund’s Distributor prior to the close of regular trading on the NYSE Arca (generally 4:00 p.m., Eastern Time) on the day the order is placed, and all other procedures set forth in the Participant Agreement must be followed, in order for you to receive the NAV determined on that day.
- *Transaction Fee on Purchase of Creation Units.* The Funds impose a transaction fee on each purchase of Creation Units. The level of the fee is variable and will depend on the number of securities in the Creation Unit purchase or redemption basket and on whether the transaction is effected through the NSCC’s enhanced clearing process or through the manual DTC clearing process. For transactions effected through the NSCC enhanced clearing process, the fee is typically \$5 per security with a minimum charge of \$500, increasing in increments of \$500 with no maximum charge. For transactions effected through the manual DTC closing process, the fee is typically \$15 per security, with a minimum of \$500, increasing in increments of \$500 with no maximum charge. Investors permitted to tender a nonconforming creation basket would be subject to an additional charge commensurate with the cost to the Fund. The transaction fee is paid to the Fund, not to the Distributor, the Advisor or a third party. The fee protects existing shareholders of the Fund from the costs associated with issuing Creation Units.

Shares of the Funds are held in book entry form, which means that no stock certificates are issued. The DTC, or its nominee, will be the registered owner of all outstanding shares of the Fund. Your beneficial ownership of shares will be shown on the records of DTC or its participants through which you hold the shares. Neither the Advisor nor the Distributor will have any record of your ownership. Therefore, to exercise any right as an owner of shares, you must rely on the procedures of DTC and its participants. Your account information will be maintained by your broker, which will provide you with account statements, confirmations of your purchases and sales of Fund shares, and tax information. Your broker also will be responsible for distributing income and capital gains distributions and for ensuring that you receive shareholder reports and other communications from the Fund whose shares you own. You will receive other services (e.g., dividend reinvestment and average cost information) only if your broker offers these services.

Redeeming Shares Directly from a Fund

You may redeem shares of the Funds only in Creation Units or multiples thereof. To redeem shares directly with a Fund, you must be a Participating Organization or you must redeem through a broker that is a Participating Organization. Units may be redeemed only in exchange for a basket of securities – known as the *In-Kind Redemption Basket* and cash equal to the *Cash Component*, as discussed further below.

- *In-Kind Redemption Basket.* Redemption proceeds will be paid in kind with a basket of securities known as the In-Kind Redemption Basket. In most cases, the In-Kind Redemption basket will be the same as the In-Kind Creation Basket for that same day. There will be times, however, when the creation and redemption baskets differ. The composition of the In-Kind Redemption Basket will be available on the NSCC bulletin board. Each Fund reserves the right to honor a redemption request with a nonconforming redemption basket, with the consent of the redeeming investor.
- *Cash Component.* Depending on whether the NAV of a Creation Unit is higher or lower than the value of the redemption securities, you will either receive from or pay to the Fund a Balancing Amount in cash. If you are due to receive a Balancing Amount, the amount you actually receive will be reduced by the amount of the applicable transaction fee. You also must pay a transaction fee, described below, in cash. The Balancing Amount and the transaction fee, taken together, are referred to as the Cash Component.
- *Placement of Redemption Orders.* As with purchases, redemptions must be processed either through the DTC process or the enhanced NSCC process. A redemption order is deemed received on the date of transmittal if it is received by the Distributor prior to the close of regular trading on the NYSE Arca on that date, and if all other procedures set forth in the Participant Agreement are followed.
- *Transaction Fee on Redemption of Creation Units.* The Funds impose a transaction fee on each redemption of Creation Units. The amount of the transaction fee on redemptions effected through the NSCC and the DTC, and on nonconforming redemptions, is the same as the fee imposed on comparable purchases (see previous section). As with the transaction fee on purchases, the transaction fee on redemptions is paid to the Fund, not to the Advisor, the Distributor or a third party. The fee protects existing shareholders of the Fund from the costs associated with redeeming Creation Units.

You should be aware of certain legal risks unique to investors purchasing Creation Units directly from the Fund. Because new Fund shares may be issued on an ongoing basis, a “distribution” of Fund shares could be occurring at any time. Certain activities that you perform as a dealer could, depending on the circumstances, result in you being deemed a participant in the distribution, in a manner that could render you a statutory underwriter and subject you to the prospectus delivery and liability provisions of the Securities Act of 1933 (the “Securities Act”). For example, you could be deemed a statutory underwriter if you purchase Creation Units from the issuing Fund, break them down into the constituent Fund shares, and sell those shares directly to customers, or if you choose to couple the creation of a supply of new Fund shares with an active selling effort involving solicitation of secondary-market demand for Fund shares. Whether a person is an underwriter depends upon all of the facts and circumstances pertaining to that person’s activities, and the examples mentioned here should not be considered a complete description of all the activities that could cause you to be deemed an underwriter.

Dealers who are not “underwriters” but are participating in a distribution (as opposed to engaging in ordinary secondary-market transactions), and thus dealing with Fund shares as part of an “unsold allotment” within the meaning of Section 4(3)(C) of the Securities Act, will be unable to take advantage of the prospectus delivery exemption provided by Section 4(3) of the Securities Act.

Section 12(d)(1) of the 1940 Act restricts investments by registered investment companies in securities of other registered investment companies, including the Funds. The acquisition of Fund shares by registered investment companies is subject to the restrictions of Section 12(d)(1) of the 1940 Act. Pursuant to an exemptive order issued by the Securities and Exchange Commission and applicable to the Funds, other registered investment companies, particularly registered investment companies such as mutual funds, are permitted to invest in the Funds beyond the limits of Section 12(d)(1), subject to certain terms and conditions, including that the registered investment company enter into an agreement with the Funds regarding the terms of the investment.

Exchanges

Shares of one Fund may not be exchanged for shares of another Fund.

Frequent Trading

Unlike frequent trading of shares of a traditional open-end mutual funds (*i.e.*, not exchange-traded) shares, frequent trading of shares of the Funds on the secondary market does not disrupt portfolio management, increase the funds' trading costs, lead to realization of capitalization gains, or otherwise harm fund shareholders because these trades do not involve the Funds directly. A few institutional investors are authorized to purchase and redeem the Funds' shares directly with the Funds. Because these trades are effected in-kind (*i.e.*, for securities, and not for cash), they do not cause any of the harmful effects (noted above) that may result from frequent cash trades. Moreover, each Fund imposes transaction fees on in-kind purchases and redemptions of the Fund to cover the custodial and other costs incurred by the Fund in effecting in-kind trades. These fees increase if an investor substitutes cash in part or in whole for securities, reflecting the fact that the Fund's trading costs increase in those circumstances. For these reasons, the Board of Directors has determined that it is not necessary to adopt policies and procedures to detect and deter frequent trading and market-timing in shares of the Funds.

Portfolio Turnover Rate

The Funds are passively managed to their Underlying Indexes and may sell securities regardless of how long they have been held in order to replicate its Underlying Index. In some cases, the Funds' annual turnover rate may exceed 100%. A higher rate of portfolio turnover will result in higher transaction costs, including brokerage commissions. Also, to the extent that higher portfolio turnover results in more frequently realized net gains to a Fund, the Fund's distributions of taxable income may increase.

Portfolio Holdings

Each Fund publicly disseminates its full portfolio holdings each day the Funds are open for business through its internet web site at <http://www.tdxindependencefunds.com>. Each Fund may terminate or modify this policy at any time without further notice to shareholders. In addition, the In-Kind Creation Basket and In-Kind Redemption Basket, which identify the securities and share quantities which are delivered in exchange for purchases and redemptions of Creation Units, are publicly disseminated daily prior to the open of the NYSE Arca via the NSCC. A description of the Funds' policies and procedures with respect to the disclosure of the Funds' portfolio securities is available in the Statement of Additional Information.

Fund Management

Investment Advisor

XShares Advisors LLC serves as investment advisor to the Funds with overall responsibility for the general management and administration of the Funds, subject to the supervision of the Funds' Board of Directors. Under the Investment Advisory Agreement, the Advisor is responsible for arranging sub-advisory, transfer agency, custody, fund administration, and all other non-distribution related services for the Funds to operate. The Advisor will also be responsible for employing any sampling strategy for the Funds.

For the services it provides to the Funds, the Advisor receives a unified management fee based on a percentage of the daily net assets of each Fund. The management fee is calculated daily and paid monthly in arrears. Out of the management fee, the Advisor pays all fees and expenses of the Sub-Advisors, Transfer Agent, the Administrator and Accounting Agent and the Custodian. The Fund is responsible for the payment of all other expenses associated with its operation, including but not limited to, brokerage expenses, taxes, interest, fees and expenses of counsel to the Funds, fees and expenses of the Disinterested Directors (including legal counsel fees), certain out-of-pocket expenses of the Advisor or Sub-Advisors, including, but not limited to cost of obtaining prices for security valuations (including manual broker quotes), Federal Reserve charges related to securities transactions, postage and insurance on physical transfer items, telecommunication charges, and proxy voting execution, advice and reporting etc., fees and expenses of the

Chief Compliance Officer and expenses associated with the Funds' compliance program, litigation expenses, fees and expenses of the Funds' independent auditors, registration fees, expenses associated with compliance by the Fund with regulatory requirements, including those relating to the development and distribution of its prospectus and shareholder reports, and extraordinary expenses. Pursuant to the Investment Advisory Agreement, the Advisor is authorized to engage one or more sub-advisors to perform any of the services contemplated to be performed by the Advisor under the Investment Advisory Agreement. The Advisor is responsible for payment of the Sub-Advisory fee, as discussed below.

The Advisor is located at 420 Lexington Avenue, New York, New York 10170. The Advisor's parent company is XShares Group, Inc. For its services provided to the Funds under the Investment Advisory Agreement, each Fund pays the Advisor a fee equal to 0.65% of each Fund's average daily net assets. The fee is accrued daily and paid monthly.

Sub-Advisors

Amerivest Investment Management, LLC ("Amerivest"), located at 1005 North Ameritrade Place, Bellevue, Nebraska 68005, is a Delaware limited liability company and a wholly-owned subsidiary of TD AMERITRADE Holding Corporation, whose headquarters are located at 4211 South 102nd Street, Omaha, Nebraska 68127. Amerivest and Mellon Capital Management Corporation ("Mellon Capital"), a registered investment adviser is a leading innovator in the investment industry and manages global quantitative-based investment strategies for institutional and private investors. With its principal office located at 50 Fremont Street, San Francisco, CA 94105, it is a wholly-owned indirect subsidiary of The Bank of New York Mellon Corporation. Amerivest and Mellon Capital both act as investment sub-advisor to the Funds (each a "Sub-Advisor" and, together, the "Sub-Advisors"). BNY Investment Advisors ("BNYIA") previously served as sub-advisor to the Funds. In connection with the recent merger between The Bank of New York Company, Inc. and Mellon Financial Corporation, BNYIA integrated with its affiliate, Mellon Capital. As part of the integration BNYIA transferred and Mellon Capital assumed full responsibility of the Sub-Advisory Agreement between BNYIA and XShares Advisors LLC effective August 2008. Pursuant to separate Sub-Advisory Agreements between the Advisor and each Sub-Advisor, the Sub-Advisors will be responsible for the day-to-day management of the Funds, subject to the supervision of the Advisor and the Funds' Board of Directors. In this regard, the Sub-Advisors will be responsible for implementing the replication strategy for each Fund with regard to its Underlying Index and for general administration, compliance and management services as may be agreed between the Advisor and Sub-Advisors from time to time.

In accordance with the terms of the Sub-Advisory Agreement with Amerivest, the Advisor will pay Amerivest, out of its own resources, a fee at the annual rate of 0.55 of 1% of each Fund's average daily net assets for the first \$5 billion in assets and 0.60 of 1% of each Fund's average daily net assets in excess of \$5 billion.

Out of the Sub-Advisory fee, Amerivest pays all fees and expenses of Mellon Capital, the Transfer Agent, Administrator and Accounting Agent and Custodian. Amerivest has contractually agreed to pay Fund operating expenses (excluding, among other things, interest, taxes, brokerage commissions and extraordinary expenses) in order to limit each Fund's Net Annual Operating Expenses for shares of the Fund to 0.65% of the Fund's average net assets (the "Expense Cap"). The Expense Cap will remain in effect until at least September 30, 2009. Amerivest is permitted to be reimbursed for fee reductions and/or expense payments made in the prior three fiscal years. This reimbursement may be requested by Amerivest if the aggregate amount actually paid by the Fund toward operating expenses for such fiscal year (taking into account the reimbursement) does not exceed the Expense Cap.

Amerivest pays Mellon Capital, out of its own resources, a fee based on a percentage of the average daily net assets of each Fund as set forth below:

- 10 basis points (0.10%) of the first \$100 million in combined daily net assets of all Funds; and
- 5 basis points (0.05%) of the combined daily net assets of all Funds in excess of \$100 million.

There is a minimum annual fee of \$35,000 per Fund.

A discussion regarding the basis for the Board of Directors approval of the Investment Advisory Agreement and Sub-Advisory Agreements will be available in the Funds' annual or semi-annual report.

Portfolio Managers

The Mellon Capital Portfolio Managers that are responsible for day-to-day management are: David Kwan, Zandra Zelaya, Denise Krisko and Steve Wetter.

David Kwan has been a Managing Director of Mellon Capital since 2000. He has also been the Head of the Fixed Income Management Group since 1994 and the Head of the Trading Group since 1996. Mr. Kwan has direct oversight responsibility for all U.S. and international fixed income portfolios, and the management of the Global Opportunity Strategy. Mr. Kwan has had various positions and responsibilities at Mellon Capital since he joined in 1990, one of which was management of the firm's Enhanced Asset Allocation Fund.

Zandra Zelaya has been a Vice President, Fixed Income at Mellon Capital since November 2007. She joined Mellon Capital in 1997 as an equity trading assistant. Throughout the years she has held various positions in the Fixed Income Management group, among which were: Associate Portfolio Manager from 1999 to January 2002, Senior Portfolio Manager from 2002 to 2006 and Assistant Vice President from 2006 to her recent promotion as Vice President. Prior to joining Mellon Capital she worked in client support for fixed income analytics and managed the data analytics department at Gifford Fong Associates.

Denise Krisko is a Managing Director, Co-Head of Equity Index Management and Head of East Coast Equity Index Strategies for Mellon Capital with over 15 years of investment experience. She was also a Managing Director of The Bank of New York and Head of Equity Index Strategies for BNY Investment Advisors since August of 2005. Prior to joining The Bank of New York, from 2000 to 2004, she held various senior investment positions with Deutsche Asset Management and Northern Trust, including quantitative strategies director, senior portfolio manager and trader.

Steven Wetter is a Vice President, Senior Portfolio Manager of Equity Index Strategies. He obtained his M.B.A. from New York University, Stern School of Business and has 20 years of investment experience. He is responsible for international portfolio management. Prior to joining the team, he worked as a portfolio manager and trader at Bankers Trust and continued in that role as the division was sold to Deutsche Bank in 1999 and Northern Trust in 2003.

Each of these individuals has equal discretion with respect to the management of the Funds and share equally day-to-day portfolio management responsibilities.

Ivo Ivanov is Director of Portfolios for Amerivest and also Director-Portfolio Management in the Investor Group of TD AMERITRADE Holding Corporation ("TDAHC"). Mr. Ivanov has had significant responsibility for Amerivest's portfolios since joining TDAHC in 2003. Prior to joining TDAHC, Mr. Ivanov was a Vice President of Bear Stearns Asset Management Inc. providing design, development and implementation of quantitative investment strategies used in the management of institutional and retail accounts (2000-2003). Mr. Ivanov will provide portfolio consulting to the Advisor and oversight over Mellon Capital, which involves reviewing the portfolio of securities of each Fund against its respective Underlying Index, assisting in resolving any pricing issues and assisting in the development of trading strategies.

Each Portfolio Manager is responsible for various functions related to portfolio management, including, but not limited to, investing cash inflows, implementing investment strategy, researching and reviewing investment strategy, and overseeing members of his or her portfolio management team with more limited responsibilities.

The Statement of Additional Information has more detailed information about the portfolio managers' compensation, other accounts managed by the portfolio managers and the portfolio managers' ownership of securities of the Funds.

Administration, Custodian and Transfer Agent

The Bank of New York Mellon ("BNY Mellon") serves as the Administrator to the Funds. The Administrator's principal address is 101 Barclay Street, New York, New York 10286.

BNY Mellon serves as the Custodian to the Funds. The Custodian's principal address is 101 Barclay Street, New York, New York 10286.

BNY Mellon serves as the Transfer Agent to the Funds. The Transfer Agent's principal address is 101 Barclay Street, New York, New York 10286.

Distributor

ALPS Distributors, Inc. serves as the distributor of Creation Units for each Fund on an agency basis. The Distributor's principal address is 1290 Broadway, Suite 1100, Denver, Colorado 80203. The Distributor does not maintain a secondary market in shares of the Funds.

Dividends, Capital Gains, and Taxes

Fund Distributions

Each Fund pays out dividends from its net investment income to investors annually. Each Fund distributes any net capital gains annually.

Dividend Reinvestment Service

Brokers may make available to their customers who own Fund shares the DTC book-entry dividend reinvestment service. If this service is available and used, dividend distributions of both income and capital gains will automatically be reinvested in additional whole and fractional Fund shares of the same Fund. Without this service, investors would receive their distributions in cash. In order to achieve the maximum total return on their investments, investors are encouraged to use the dividend reinvestment service. To determine whether the dividend reinvestment service is available and whether there is a commission or other charge for using this service, consult your broker. Brokers may require Fund shareholders to adhere to specific procedures and timetables. If this service is available and used, dividend distributions of both income and realized gains will be automatically reinvested in additional whole shares of the same Fund purchased in the secondary market. Distributions will be taxable whether paid in cash or reinvested in additional shares.

Taxes

As with any investment, you should consider how your investment in shares of the Funds will be taxed. The tax information in this Prospectus is provided as general information. You should consult your own tax professional about the tax consequences of an investment in shares of the Funds.

Unless your investment in shares is made through a tax-exempt entity or tax-deferred retirement account, such as an IRA plan, you need to be aware of the possible tax consequences when a Fund makes distributions and when you sell your shares of a Fund.

Taxes on Distributions

Distributions from a Fund's net investment income (other than qualified dividend income), including distributions out of the Fund's net short-term capital gains, if any, and distributions of income from securities lending, are taxable to you as ordinary income. Distributions by the Fund of net long-term capital gains in excess of net short-term capital losses (capital gain dividends) are taxable to you as long-term capital gains, regardless of how long you have held a Fund's shares. Under current law, distributions by the Fund that qualify as qualified dividend income are taxable to you at long-term capital gain rates. In order for a distribution by the Fund to be treated as qualified dividend income, the Fund itself must receive qualified dividend income from U.S. corporations and certain qualified foreign corporations, the Fund must meet holding period and other requirements with respect to its dividend paying stocks and you must meet holding period requirements and other requirements with respect to the Fund's shares. In general, your distributions are subject to federal income tax for the year when they are paid. Certain distributions declared in October, November or December but paid in January, however, may be treated as paid on December 31 of the prior year.

Dividends and interest received by the Fund with respect to foreign securities may give rise to withholding and other taxes imposed by foreign countries. Tax conventions between certain countries and the United States may reduce or eliminate such taxes. To the extent the Funds "pass through" to you certain foreign income taxes (including withholding taxes) paid by the Fund, you will be considered to have received as an additional dividend your share of such foreign taxes. In such circumstances, you may be entitled to either a corresponding tax deduction in calculating your taxable income, or, subject to certain limitations, a credit in calculating your federal income tax, provided that the Fund meets certain eligibility requirements.

If you are neither a resident nor a citizen of the United States or if you are a foreign entity, the Fund's ordinary income dividends (which include distributions of net short-term capital gains) will generally be subject to a 30% U.S. withholding tax, unless a lower treaty rate applies.

If you are a resident or a citizen of the United States, by law, back-up withholding at the rate of 28% will apply to your distributions and proceeds if you have not provided a taxpayer identification number or social security number and made other required certifications or if otherwise required by the Internal Revenue Service.

Taxes When Shares are Sold

Currently, any capital gain or loss realized upon a sale of shares is generally treated as a long-term gain or loss if shares have been held for more than one year. Any capital gain or loss realized upon a sale of shares held for one year or less is generally treated as a

short-term gain or loss, except that any capital loss on the sale of shares held for six months or less is treated as long-term capital loss to the extent that capital gain dividends were paid with respect to such shares.

The foregoing discussion summarizes some of the consequences under current federal tax law of an investment in the Funds. It is not a substitute for personal tax advice. You may also be subject to state and local taxation on Fund distributions and sales of shares. Consult your personal tax adviser about the potential tax consequences of an investment in shares of a Fund under all applicable tax laws.

Daily Pricing

The net asset value, or NAV, of each Fund's shares is calculated each business day as of the close of regular trading on the New York Stock Exchange, generally 4:00 p.m., Eastern Time. NAV per share is computed by dividing the net assets by the number of shares outstanding.

If you buy or sell Fund shares on the secondary market, you will pay or receive the market price, which may be higher or lower than NAV. Your transaction will be priced at NAV only if you purchase or redeem your Fund shares in Creation Unit blocks.

The approximate value of shares of each Fund is disseminated every fifteen seconds throughout the trading day by the U.S. securities exchange on which the Fund's shares are listed or by other information providers, such as Reuters. This approximate value should not be viewed as a "real-time" update of the NAV, because the approximate value may not be calculated in the same manner as the NAV, which is computed once a day. The approximate value generally is determined by using both current market quotations and/or price quotations obtained from broker-dealers that may trade in the portfolio securities held by the Funds. The Funds are not involved in, or responsible for, the calculation or dissemination of the approximate value and make no warranty as to its accuracy.

When calculating the NAV of the Funds' shares, stocks held by the fund are valued at their market value when reliable market quotations are readily available. Certain short-term debt instruments used to manage a Fund's cash are valued on the basis of amortized cost. The values of any foreign securities held by a Fund are converted into U.S. dollars using an exchange rate obtained from an independent third party.

When reliable market quotations are not readily available, securities are priced at their fair value, which is the price a security's owner might reasonably expect to receive upon its sale. A Fund also may use fair-value pricing if the value of a security it holds has been materially affected by events occurring before the Fund's pricing time but after the close of the primary markets or exchanges on which the security is traded. This most commonly occurs with foreign securities, which may trade on foreign exchanges that close many hours before the Fund's pricing time. Intervening events might be company-specific (*e.g.*, earnings report, merger announcement); country-specific (*e.g.*, natural disaster, economic or political news, act of terrorism, interest rate change); or global. Intervening events include price movements in U.S. markets that are deemed to affect the value of foreign securities. Fair-value pricing may also be used by each Fund to value restricted securities held by the Funds or certain small-capitalization or mid-capitalization securities with little or no trading activity for extended periods of time. Although rare, fair-value pricing also may be used for domestic securities – for example, if (1) trading in a security is halted and does not resume before the Fund's pricing time or if a security does not trade in the course of a day, and (2) the Fund holds enough of the security that its price could affect the Fund's NAV.

Fair-value prices are determined by the Advisor according to procedures adopted by the Board of Directors. When fair-value pricing is employed, the prices of securities used by a Fund to calculate its NAV may differ from quoted or published prices for the same securities.

Delivery of Fund Documents

Householding

Householding is an option available to certain investors of the Funds. Householding is a method of delivery, based on the preference of the individual investor, in which a single copy of certain shareholder documents can be delivered to investors who share the same address, even if their accounts are registered under different names. Householding for the Funds is available through certain broker-dealers. If you are interested in enrolling in householding and receiving a single copy of the Prospectus and other shareholder documents, please contact your broker-dealer. If you are currently enrolled in householding and wish to change your householding status, please contact your broker-dealer.

License Grant

The Funds are not sponsored, endorsed, sold or promoted by Zacks, the licensor. Zacks makes no representation or warranty, express or implied, to the owners of the Funds or any member of the public regarding the advisability of investing in securities generally or in the Funds particularly or the ability of the Underlying Indexes to track general market performance. Zacks' only relationship to Amerivest and the Advisor, the licensees, is the licensing of the Underlying Indexes which are determined, composed and calculated by Zacks without regard to Amerivest or the Funds. Zacks has no obligation to take the needs of Amerivest, the Advisor or the owners of the Funds into consideration in determining, composing or calculating the Underlying Indexes. Zacks is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Funds to be issued or in the determination or calculation of the equation by which the Funds are to be converted into cash. Zacks has no obligation or liability in connection with the administration, marketing or trading of the Funds.

ZACKS DOES NOT GUARANTEE THE QUALITY, ACCURACY AND/OR THE COMPLETENESS OF THE UNDERLYING INDEXES OR ANY DATA INCLUDED THEREIN. ZACKS MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY AMERIVEST, THE ADVISOR, OWNERS OF THE FUNDS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE UNDERLYING INDEXES OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE RIGHTS LICENSED PURSUANT TO THE APPLICABLE LICENSE AGREEMENT OR FOR ANY OTHER USE. ZACKS MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE UNDERLYING INDEXES OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ZACKS HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Financial Highlights

The table below shows the Funds' financial performance for the period shown. Certain information reflects financial results for a single Fund share. "Total return" shows how much your investment in each Fund would have increased or decreased during the period, assuming you had reinvested all dividends and distributions. This information was derived from the Funds' annual financial statements that were audited by Eisner LLP, the Funds' Independent Registered Public Accounting Firm. Their report and the Funds' financial statements are included in the Funds' most recent Annual Report to shareholders.

Financial Highlights

	TDX INDEPENDENCE 2010 EXCHANGE-TRADED FUND	TDX INDEPENDENCE 2020 EXCHANGE-TRADED FUND	TDX INDEPENDENCE 2030 EXCHANGE-TRADED FUND
	For the Period October 1, 2007* through May 31, 2008	For the Period October 1, 2007* through May 31, 2008	For the Period October 1, 2007* through May 31, 2008
For a Share outstanding throughout each period			
Net Asset Value, beginning of period	<u>\$25.39</u>	<u>\$25.52</u>	<u>\$25.60</u>
Income from Investment Operations:			
Net investment income**	0.55	0.44	0.35
Net realized and unrealized loss on investments and foreign currency transactions**	<u>(0.80)</u>	<u>(1.67)</u>	<u>(2.29)</u>
Total from investment operations	<u>(0.25)</u>	<u>(1.23)</u>	<u>(1.94)</u>
Net investment income	(0.18)	(0.10)	(0.08)
Net realized capital gains	<u>(0.03)</u>	<u>(0.01)</u>	<u>(0.01)</u>
Total distributions	<u>(0.21)</u>	<u>(0.11)</u>	<u>(0.09)</u>
Net Asset Value, end of period	<u>\$24.93</u>	<u>\$24.18</u>	<u>\$23.57</u>
Total Return***	(0.99)%	(4.82)%	(7.59)%
Ratios/Supplemental Data:			
Net Assets, end of period (in 000's)	\$24,953	\$43,539	\$33,021
Expenses, net of expense reimbursements+	0.65 %	0.65 %	0.65 %
Expenses, prior to expense reimbursements+	1.55 %	1.32 %	1.38 %
Net investment income+	3.33 %	2.69 %	2.13 %
Portfolio turnover rate++	22 %	20 %	13 %

* Commencement of Investment Operations.

** Based on average shares outstanding.

*** Total Return is calculated assuming an initial investment made at the Net Asset Value at the beginning of the period, reinvestment of all dividends and distributions at Net Asset Value during the period, and redemption at Net Asset Value on the last day of the period. Total Return calculated for a period of less than one year is not annualized. The Total Return would have been lower if certain fees had not been reimbursed by the investment sub-advisor.

+ Annualized.

++ Portfolio turnover is not annualized and does not include securities received or delivered from processing creations or redemptions.

Financial Highlights

	TDX INDEPENDENCE 2040 EXCHANGE-TRADED FUND	TDX INDEPENDENCE IN-TARGET EXCHANGE-TRADED FUND
	For the Period October 1, 2007* through May 31, 2008	For the Period October 1, 2007* through May 31, 2008
For a Share outstanding throughout each period		
Net Asset Value, beginning of period	<u>\$25.64</u>	<u>\$25.08</u>
Income from Investment Operations:		
Net investment income**	0.29	0.43
Net realized and unrealized loss on investments and foreign currency transactions**	<u>(2.38)</u>	<u>0.10</u>
Total from investment operations	<u>(2.09)</u>	<u>0.53</u>
Net investment income	(0.06)	(0.15)
Net realized capital gains	<u>(0.00)(a)</u>	<u>(0.00)(b)</u>
Total distributions	<u>(0.06)</u>	<u>(0.15)</u>
Net Asset Value, end of period	<u>\$23.49</u>	<u>\$25.46</u>
Total Return***	(8.14)%	2.12%
Ratios/Supplemental Data:		
Net Assets, end of period (in 000's)	\$37,605	\$30,576
Expenses, net of expense reimbursements+	0.65 %	0.65%
Expenses, prior to expense reimbursements+	1.36 %	1.61%
Net investment income+	1.89 %	2.62%
Portfolio turnover rate++	10 %	21%

* Commencement of Investment Operations.

** Based on average shares outstanding.

*** Total Return is calculated assuming an initial investment made at the Net Asset Value at the beginning of the period, reinvestment of all dividends and distributions at Net Asset Value during the period, and redemption at Net Asset Value on the last day of the period. Total Return calculated for a period of less than one year is not annualized. The Total Return would have been lower if certain fees had not been reimbursed by the investment sub-advisor.

+ Annualized.

++ Portfolio turnover is not annualized and does not include securities received or delivered from processing creations or redemptions.

(a) Amount distributed was \$0.004 per share.

(b) Amount distributed was \$0.0005 per share.

Supplemental Information

I. Premium/Discount Information

The tables that follow present information about the differences between the daily market price on secondary markets for shares of a Fund and that Fund's NAV. NAV is the price per share at which each Fund issues and redeems shares. It is calculated in accordance with the standard formula for valuing mutual fund shares. The price used to calculate market returns ("Market Price") of each Fund generally is determined using the midpoint between the highest bid and the lowest offer on the national securities exchange on which the shares of such Fund are listed for trading, as of the time that the Fund's NAV is calculated. Each Fund's Market Price may be at, above or below its NAV. The NAV of each Fund will fluctuate with changes in the market value of its portfolio holdings. The Market Price of each Fund will fluctuate in accordance with changes in its NAV, as well as market supply and demand.

Premiums or discounts are the differences (expressed as a percentage) between the NAV and Market Price of a Fund on a given day, generally at the time NAV is calculated. A premium is the amount that a Fund is trading above the reported NAV, expressed as a percentage of the NAV. A discount is the amount that a Fund is trading below the reported NAV, expressed as a percentage of the NAV.

The following information shows the frequency distributions of premiums and discounts for each Fund included in this Prospectus. The information shown for each Fund is from each Fund's inception through its fiscal period end, May 31, 2008, as well as the most recent calendar quarter ended June 30, 2008.

Each line in the table shows the number of trading days in which a Fund trades within the premium/discount range indicated. The number of trading days in each premium/discount range is also shown as a percentage of the total number of trading days in the period covered by each table. All data presented here represents past performance, which cannot be used to predict future results.

TDX Independence 2010 Exchange-Traded Fund (TDD)

October 1, 2007** — May 31, 2008

Basis Point Differential*	MARKET PRICE ABOVE OR EQUAL TO NAV		MARKET PRICE BELOW NAV	
	Number of Days	Percentage of Total Days	Number of Days	Percentage of Total Days
0 - 24.9	.6	3.57%	1	0.59%
25 - 49.9	.26	15.48%	0	0.00%
50 - 74.9	.89	52.98%	0	0.00%
75 - 100.0	.41	24.40%	0	0.00%
>100.0	.5	2.98%	0	0.00%
Total	.167	99.41%	1	0.59%

April 1, 2008 — June 30, 2008

Basis Point Differential*	MARKET PRICE ABOVE OR EQUAL TO NAV		MARKET PRICE BELOW NAV	
	Number of Days	Percentage of Total Days	Number of Days	Percentage of Total Days
0 - 24.9	.4	6.25%	0	0.00%
25 - 49.9	.7	10.94%	1	1.56%
50 - 74.9	.31	48.44%	0	0.00%
75 - 100.0	.19	29.69%	0	0.00%
>100.0	.2	3.13%	0	0.00%
Total	.63	98.44%	1	1.56%

TDX Independence 2020 Exchange-Traded Fund (TDH)

October 1, 2007** — May 31, 2008

Basis Point Differential*	MARKET PRICE ABOVE OR EQUAL TO NAV		MARKET PRICE BELOW NAV	
	Number of Days	Percentage of Total Days	Number of Days	Percentage of Total Days
0 - 24.9	.3	1.78%	2	1.19%
25 - 49.9	.26	15.48%	0	0.00%
50 - 74.9	.72	42.86%	0	0.00%
75 - 100.0	.54	32.14%	0	0.00%
>100.0	.11	6.55%	0	0.00%
Total	.166	98.81%	2	1.19%

April 1, 2008 — June 30, 2008

Basis Point Differential*	MARKET PRICE ABOVE OR EQUAL TO NAV		MARKET PRICE BELOW NAV	
	Number of Days	Percentage of Total Days	Number of Days	Percentage of Total Days
0 - 24.9	.1	1.56%	1	1.56%
25 - 49.9	.4	6.25%	0	0.00%
50 - 74.9	.26	40.63%	0	0.00%
75 - 100.0	.28	43.75%	0	0.00%
>100.0	.4	6.25%	0	0.00%
Total	.63	98.44%	1	1.56%

* A basis point equals one-hundredth of one percent (0.01%).

** Commencement of investment operations.

TDX Independence 2030 Exchange-Traded Fund (TDN)

October 1, 2007** — May 31, 2008

Basis Point Differential*	MARKET PRICE ABOVE OR EQUAL TO NAV		MARKET PRICE BELOW NAV	
	Number of Days	Percentage of Total Days	Number of Days	Percentage of Total Days
0 - 24.9 .....	.8	4.76%	2	1.19%
25 - 49.9 .....	.31	18.45%	1	0.60%
50 - 74.9 .....	.84	50.00%	0	0.00%
75 - 100.0 .....	.34	20.24%	0	0.00%
>100.0 .....	.8	4.76%	0	0.00%
Total	<u>.165</u>	<u>98.21%</u>	<u>3</u>	<u>1.79%</u>

April 1, 2008 — June 30, 2008

Basis Point Differential*	MARKET PRICE ABOVE OR EQUAL TO NAV		MARKET PRICE BELOW NAV	
	Number of Days	Percentage of Total Days	Number of Days	Percentage of Total Days
0 - 24.9 .....	.3	4.69%	0	0.00%
25 - 49.9 .....	.8	12.50%	0	0.00%
50 - 74.9 .....	.40	62.50%	1	1.56%
75 - 100.0 .....	.9	14.06%	0	0.00%
>100.0 .....	.3	4.69%	0	0.00%
Total	<u>.63</u>	<u>98.44%</u>	<u>1</u>	<u>1.56%</u>

TDX Independence 2040 Exchange-Traded Fund (TDV)

October 1, 2007** — May 31, 2008

Basis Point Differential*	MARKET PRICE ABOVE OR EQUAL TO NAV		MARKET PRICE BELOW NAV	
	Number of Days	Percentage of Total Days	Number of Days	Percentage of Total Days
0 - 24.9 .....	.9	5.36%	2	1.19%
25 - 49.9 .....	.40	23.81%	4	2.38%
50 - 74.9 .....	.78	46.43%	0	0.00%
75 - 100.0 .....	.25	14.88%	0	0.00%
>100.0 .....	.9	5.36%	1	0.59%
Total	<u>.161</u>	<u>95.84%</u>	<u>7</u>	<u>4.16%</u>

April 1, 2008 — June 30, 2008

Basis Point Differential*	MARKET PRICE ABOVE OR EQUAL TO NAV		MARKET PRICE BELOW NAV	
	Number of Days	Percentage of Total Days	Number of Days	Percentage of Total Days
0 - 24.9 .....	.3	4.69%	0	0.00%
25 - 49.9 .....	.12	18.75%	0	0.00%
50 - 74.9 .....	.36	56.25%	0	0.00%
75 - 100.0 .....	.9	14.06%	1	1.56%
>100.0 .....	.3	4.69%	0	0.00%
Total	<u>.63</u>	<u>98.44%</u>	<u>1</u>	<u>1.56%</u>

* A basis point equals one-hundredth of one percent (0.01%).

** Commencement of investment operations.

TDX Independence In-Target Exchange-Traded Fund (TDX)

October 1, 2007** — May 31, 2008

Basis Point Differential*	MARKET PRICE ABOVE OR EQUAL TO NAV		MARKET PRICE BELOW NAV	
	Number of Days	Percentage of Total Days	Number of Days	Percentage of Total Days
0 - 24.9	6	3.57%	0	0.00%
25 - 49.9	36	21.43%	0	0.00%
50 - 74.9	114	67.86%	0	0.00%
75 - 100.0	10	5.95%	0	0.00%
>100.0	2	1.19%	0	0.00%
Total	<u>168</u>	<u>100%</u>	<u>0</u>	<u>0.00%</u>

April 1, 2008 — June 30, 2008

Basis Point Differential*	MARKET PRICE ABOVE OR EQUAL TO NAV		MARKET PRICE BELOW NAV	
	Number of Days	Percentage of Total Days	Number of Days	Percentage of Total Days
0 - 24.9	0	0.00%	0	0.00%
25 - 49.9	8	12.50%	0	0.00%
50 - 74.9	52	81.25%	0	0.00%
75 - 100.0	3	4.69%	1	1.56%
>100.0	0	0.00%	0	0.00%
Total	<u>63</u>	<u>98.44%</u>	<u>1</u>	<u>1.56%</u>

* A basis point equals one-hundredth of one percent (0.01%).

** Commencement of investment operations.

II. Total Return Information

The tables below present information about the total return of each Fund's Underlying Index and the total return of each Fund. The information presented for each Fund is for its fiscal period ended May 31, 2008.

"Cumulative Total Returns" represents the total change in value of an investment over the period indicated.

Each Fund's per share NAV is the value of one share of such Fund as calculated in accordance with the standard formula for valuing mutual fund shares. The NAV return is based on the NAV of each Fund and the market return is based on the market price per share of each Fund. The price used to calculate Market Price is determined by using the midpoint between the highest bid and the lowest offer on the stock exchange on which the shares of the Fund are listed for trading, as of the time that the Funds' NAV is calculated. Market and NAV returns assume that dividends and capital gain distributions have been reinvested in each Fund at Market Price and NAV, respectively.

An index is a statistical composite that tracks a specified financial market or sector. Unlike each Fund, the Underlying Index does not actually hold a portfolio of securities and therefore does not incur the expenses incurred by each Fund. These expenses negatively impact the performance of each Fund. Also, market returns do not include brokerage commissions that may be payable on secondary market transactions. If brokerage commissions were included, market returns would be lower. The returns shown in the tables below do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption or sale of fund shares. The investment return and principal value of shares of each Fund will vary with changes in market conditions. Shares of each Fund may be worth more or less than their original cost when they are redeemed or sold in the market. Each Fund's past performance is no guarantee of future results.

Cumulative Total Returns for each TDX Independence Fund from inception to May 31, 2008:

	NAV	MARKET	INDEX
TDX Independence 2010 Exchange-Traded Fund	(0.99)%	(0.96)%	(0.87)%
TDX Independence 2020 Exchange-Traded Fund	(4.82)%	(4.55)%	(4.42)%
TDX Independence 2030 Exchange-Traded Fund	(7.59)%	(7.45)%	(6.76)%
TDX Independence 2040 Exchange-Traded Fund	(8.14)%	(7.93)%	(9.16)%
TDX Independence In-Target Exchange-Traded Fund	2.12%	1.38%	2.13%

TDX INDEPENDENCE FUNDS, INC.
420 Lexington Avenue
New York, New York 10170

For More Information

If you would like more information about the TDX Independence Funds, Inc., the following documents are available free, upon request:

Annual/Semi-Annual Reports to Shareholders

Additional information about the Funds' investments will be available in the Funds' annual and semi-annual reports to shareholders. In the annual reports, you will find a discussion of the market conditions and investment strategies that significantly affected the Funds' performance during their last fiscal year.

Statement of Additional Information (SAI)

The SAI provides more detailed information about the Funds.

The annual and semi-annual reports will be incorporated by reference into this Prospectus and the SAI is incorporated by reference into, and is thus legally a part of, this Prospectus.

To receive a free copy of the latest annual or semi-annual report, when available, or the SAI, or to request additional information about the Funds, please contact us as follows:

- Call: 1-800-925-2870
Monday through Friday
9:00 a.m. to 5:00 p.m. (Eastern Time)
- Write: TDX Independence Funds, Inc.
c/o ALPS Distributors, Inc.
1290 Broadway, Suite 1100
Denver, Colorado 80203
- Visit: www.tdxindependencefunds.com

Information Provided by the Securities and Exchange Commission

You can review and copy information about the Funds (including the SAI) at the SEC's Public Reference Room in Washington, DC. To find out more about this public service, call the SEC at 1-202-551-8090. Reports and other information about the Funds are also available in the EDGAR Database on the SEC's Internet site at <http://www.sec.gov>, or you can receive copies of this information, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the Public Reference Section, Securities and Exchange Commission, Washington, DC 20549-0102.

The Company's Investment Company Act file number: 811-22001

TDX INDEPENDENCE FUNDS, INC. (the “Company”)

Privacy Policy Notice

At TDX Independence Funds, Inc., we are committed to maintaining the confidentiality, integrity and security of your personal information. This notice describes our privacy policy.

When you become a Shareholder in the Company or establish a customer relationship with us, we require that you provide us with certain nonpublic personal information about yourself. During the course of our relationship, we may also obtain nonpublic personal information about you from other sources.

We do not disclose any nonpublic personal information about shareholders, potential shareholders, or former customers to anyone, except as permitted by law.

We restrict access to nonpublic personal information about you to those employees, agents or other parties who have an appropriate need to know that information. We maintain physical, electronic and procedural safeguards that comply with federal standards to safeguard your nonpublic personal information.

If you have any questions concerning our privacy policies, please contact the Company’s Compliance Officer.

This Privacy Policy Notice is not part of the Prospectus.

TDX Independence Funds, Inc.
420 Lexington Avenue
New York, New York 10170

The Company's Investment Company Act file number: 811-22001 © 2008 XShares Advisors LLC