

A winning
relationship

You, your advisor, and Schwab

charles
SCHWAB

Own your tomorrow®

Your advisor's expertise and Schwab's custody services come together to help protect your assets and support your investment goals.

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Selecting an investment advisor is a significant decision. Choosing the right brokerage firm to custody your assets is equally important.

Many investors today are choosing to work with an independent Registered Investment Advisor (RIA) for the objective financial expertise, portfolio guidance, and personal relationship that RIAs can provide.

When you and your advisor place assets at Schwab, you choose a custodian experienced in serving the unique needs of independent advisors and their clients. We offer innovative products and services that support the financial planning and portfolio management services that advisors provide to investors like you.

You and your advisor can feel confident in Schwab as the custodian of your assets. We're committed not only to meeting our industry's rigorous regulatory requirements but also to upholding our own stringent business standards, which are designed to help safeguard your assets and ensure our firm's financial health and stability.

An innovative industry leader

When you and your advisor choose Schwab as a custodian, you choose to work with an industry leader. We serve more independent RIAs than any other custodian. We also hold more assets under management than any other custodian, giving us unique insight into what advisors need to serve their clients best.

We give your advisor comprehensive products and services that they can use to help you meet your financial goals.

3.0M+
accounts

Schwab Advisor Services™ is the trusted custodian for investment advisors' managed accounts, representing \$1.3 trillion¹ in assets.

7,500+
advisors² served

Thousands of advisors look to Schwab as the institution of choice for their clients.

30+
years' experience

Schwab pioneered the business of serving independent investment advisors and their clients.

“We’ve supported independent Registered Investment Advisors since 1987, providing them with a variety of services to help them serve investors just like you.”

—Chuck Schwab
Chairman and Founder



A broad range of investment solutions and trading services

Schwab provides insights, research, and access to a wide range of investment products and expertise. Your advisor can leverage these tools to develop recommendations that suit your unique investment needs. And our team is there to help. Every trade your advisor places on your behalf is handled by a team that's there to support you.

Equities

Schwab equity specialists have access to all major national and regional exchanges. They are available to help with the order of listed or over-the-counter stocks, large orders, and thinly traded issues, and they will strive to obtain the best price.

Fixed income

By working with Schwab, your advisor has access to over 50,000 individual securities from more than 200 dealers and hundreds of bond funds.³ This enables your advisor to select products to meet your capital preservation and income goals in a single place. If government, corporate, or municipal instruments are appropriate, a Schwab fixed income specialist will work to locate the most favorable combination of rates and maturities available to us.

Mutual funds

If your investment strategy includes mutual funds, your advisor has access to our industry-leading Mutual Fund MarketPlace®, featuring a full range of mutual fund managers from nearly every asset class. Your advisor can choose from over 17,000 mutual funds from more than 700 fund families—including over 4,000 with no loads and no transaction fees through Schwab Mutual Fund OneSource®.⁴ We also provide your advisor with research and experts' top fund picks to narrow the choices and find the right funds for you.

Exchange-traded funds

Schwab provides your advisor with the insights, resources, access, and support needed to invest in exchange-traded funds (ETFs) and other exchange-traded products on behalf of their clients. Through Schwab ETF OneSource™, one of the largest commission-free ETF investing platforms in the industry, your advisor can access more than 200 commission-free ETFs from leading providers spanning more than 65 Morningstar categories.

Flexibility and convenience

Your investment advisor has access to Schwab's Trade-Away Services. Using these services, your advisor can place trades with other firms throughout the financial industry without the need to establish multiple accounts. Schwab continues to be your sole custodian, so you receive a single statement for each account. You get the convenience of a consolidated view of your accounts as well as consolidated cost-basis reporting at tax time.

Investors should consider carefully information contained in the prospectus or, if available, the summary prospectus, including investment objectives, risks, charges, and expenses. You can request a prospectus by calling Schwab at 800-435-4000. Please read the prospectus carefully before investing.

Technology and service support for you and your advisor

We put our clients at the center of what we do; they are why we come to work every day. Schwab offers a range of resources to support both you and your investment advisor, whether you prefer to do business in person, on the phone, or through your mobile device or computer. We design our innovative technology and service capabilities to provide a faster, more fluid experience for you and your advisor. Our responsive support and on-the-go access put your account information at your fingertips and make everyday transactions more convenient.

Industry-leading technology

Our powerful technology platform and versatile mobile apps help your advisor stay connected to you and share important information. We also provide you with an intuitive website interface. And our mobile apps allow you to view your account information, deposit checks, approve documents and money movement requests, and stay connected to your investments—anytime, almost anywhere.

All of our technology is designed to make it easier for you and your advisor to work with Schwab, while upholding our strict security standards and protections that help keep your assets safe.

Dedicated support teams

Our network of service teams is dedicated to supporting every aspect of the investment management services your advisor provides. Schwab Alliance, a dedicated service team for clients of advisors, is only a phone call away.

Trading and operations teams, technology consultants, and account managers provide trading assistance, account management, and strategic information to keep your advisor up-to-date on how to maximize Schwab's services for your benefit.

Wealth management services

Your advisor can access a wide array of wealth management services—ideal if you are seeking additional solutions to address your complex financial needs. These services include:

- Managed accounts, which leverage the expertise of high-caliber asset managers who specialize in particular asset classes and provide opportunities to manage taxes via tax-loss harvesting
- Tax-advantaged college savings and charitable-giving plans
- Custody services and assistance with purchases of alternative investments
- Tax-deferred earning opportunities through annuities⁵
- Individualized hedging strategies for concentrated equity holdings
- Restricted stock transfer and filing services



A complete portfolio picture

When you and your advisor work with Schwab, you can count on excellent visibility into your investments. You'll have access to a range of detailed reports, including online and mobile account information, to help you quickly and easily review your portfolio's progress.

Safeguards designed to help protect your assets

We take our role as custodian seriously. We take appropriate actions to help give our clients peace of mind about the security of their accounts. When you work with an advisor who chooses Schwab, you can be assured that we follow stringent internal practices and business standards designed to keep client assets safe.

Charles Schwab & Co., Inc. SIPC coverage

The securities and cash held in accounts of Charles Schwab & Co., Inc., including those held by clients of investment advisors with Schwab Advisor Services™, are insured by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure. SIPC provides up to \$500,000 of protection for accounts that clients of advisors hold in each separate capacity (e.g., joint tenant or sole owner), with a limit of \$250,000 for claims of uninvested cash balances.⁶

More information about SIPC coverage is available at [sipc.org](https://www.sipc.org).

Additional insurance coverage

Underwriters at Lloyd's of London and other London insurers provide additional brokerage insurance to Charles Schwab & Co., Inc. accounts. This "excess SIPC" protection of securities and cash is provided up to an aggregate of \$600 million—limited to a combined return of \$150 million, including up to \$1,150,000 in cash—to any client from a trustee, SIPC, Lloyd's, and other London insurers.⁷ This additional protection becomes available in the event that SIPC limits are exceeded.

Compliance with government mandates

As a registered broker-dealer, Schwab is subject to the rules and regulations of the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority, the Municipal Securities Rulemaking Board, and all other exchanges of which Schwab is a member. These regulatory entities have established financial responsibility rules designed to help safeguard client assets.

Accurate company financial reports

SEC Rule 17a-5 requires all registered broker-dealers to routinely file periodic reports. These include regulatory and surveillance information providing accurate details of their current financial and operational conditions. Schwab files these reports both monthly and quarterly, delivering full disclosure of the state of our company.

Long-term financial health

You need to be confident that your assets have been placed with a financially healthy company. The Charles Schwab Corporation is financially strong, and we are committed to the continued health of our businesses.

Our capital structure and liquidity are sound; our investment portfolio is diversified; and our internal controls and business standards are designed to safeguard the assets of all Schwab account holders. We maintain a disciplined focus on risk management and operate the firm conservatively to minimize investment risks. We know that our success ultimately depends on how well we serve our advisors and their clients.

We strive to remain a strong financial resource through business practices that place emphasis on:

- Prudent expense management. We keep a close eye on operational expenses to prudently manage our company. In a difficult market environment, we adjust expenses where necessary on a quarterly basis.
- Diversified revenue mix. By increasing our reliance on fee-related services and balance-related incomes, rather than on trading commissions, we strive to stabilize our revenues during fluctuating market conditions.

Schwab and your advisor are committed to helping you own your financial future.



Strict privacy and security standards

Comprehensive measures help protect your privacy and security—today and in the future.

Schwab's commitment to privacy

Recognizing that our most important asset is our relationship with you and your advisor, Schwab has a privacy policy that applies to consumers who are current or former account holders at Schwab. Our privacy policy explains how we use your information and the strict limitations we place on sharing it with third parties. Details of our approach to privacy and how personal information is collected and used are explained in the Schwab Privacy Policy.

Schwab's Security Guarantee

We want you and your advisor to have the highest level of confidence that Schwab protects your personal and financial information. That is why we offer the Schwab Security Guarantee, which says that Schwab will cover 100% of any losses in any of your Schwab accounts due to unauthorized activity. Please read the full guarantee and its terms at [schwaballiance.com](https://www.schwaballiance.com).



We're here to serve you

For more than 30 years,
Charles Schwab has helped
advisors deliver an exceptional
experience to their clients.

Consult your advisor about all
our services and solutions available
to help meet your investing needs.

For clients of independent investment advisors

1. Charles Schwab & Co., Inc., December 2016.
2. Ibid.
3. Schwab BondSource® as of January 2016.
4. Statistics as of September 2017.

Charles Schwab & Co., Inc., member SIPC, receives remuneration from fund companies participating in the Mutual Fund OneSource® service for recordkeeping and shareholder services and other administrative services. Schwab also may receive remuneration from transaction fee fund companies for certain administrative services.

Trades in no-load funds available through Mutual Fund OneSource service (including Schwab Funds®), as well as certain other funds, are available without transaction fees when placed through Schwab.com or our automated phone channels. Schwab's short-term redemption fee of \$49.95 will be charged on redemption of funds purchased through Schwab's Mutual Fund OneSource service (and certain other funds with no transaction fee) and held for 90 days or less. Schwab reserves the right to exempt certain funds from this fee, including Schwab Funds, which may charge a separate redemption fee, and funds that accommodate short-term trading. Funds are also subject to management fees and expenses.

Conditions apply: Trades in ETFs available through Schwab ETF OneSource™ (including Schwab ETFs™) are available without commissions when placed online in a Schwab account. For institutional users, trade orders placed through a broker will receive the negotiated broker-assisted rate. For retail users, service charges apply for trade orders placed through a broker (\$25) or by automated phone (\$5). An exchange processing fee applies to sell transactions. Certain types of Schwab ETF OneSource transactions are not eligible for the commission waiver, such as short sells and buys to cover (not including Schwab ETFs). Schwab reserves the right to change the ETFs we make available without commissions. All ETFs are subject to management fees and expenses. Please see the pricing guide for additional information.

Charles Schwab & Co., Inc. receives remuneration from third-party ETF companies participating in the Schwab ETF OneSource program for recordkeeping, shareholder services, and other administrative services, including program development and maintenance.

Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Unlike mutual funds, shares of ETFs are not individually redeemable directly with the ETF. Shares are bought and sold at market price, which may be higher or lower than the net asset value (NAV).

Fixed income securities are subject to increased loss of principal during periods of rising interest rates. Fixed income investments are subject to various other risks, including changes in credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, tax ramifications, and other factors.

5. Charles Schwab & Co., Inc., a licensed insurance agency, distributes certain insurance and annuity contracts that are issued by insurance companies that are not affiliated with Schwab. Not all products are available in all states. Withdrawals of taxable amounts will be subject to income tax, and if taken prior to age 59½, a 10% penalty may apply.
6. SIPC and excess SIPC protection do not cover fluctuations in the market value of securities and are not extended to accounts held by banks or broker-dealers maintained from their own accounts.
7. Ibid.

Alternative investments, including funds that invest in alternative investments, are risky and may not be suitable for all investors. Alternative investments often employ leveraging and other speculative practices that increase an investor's risk of loss to include complete loss of investment, often charge high fees, and can be highly illiquid and volatile. Alternative investments may lack diversification, involve complex tax structures, and have delays in reporting important tax information. Registered and unregistered alternative investments are not subject to the same regulatory requirements as mutual funds.

Schwab Mobile Deposit™ service is subject to certain eligibility requirements, limitations, and other conditions. Enrollment is not guaranteed, and standard hold policies apply.

Diversification strategies do not ensure a profit and do not protect against losses in declining markets.

Schwab Advisor Services™ serves independent investment advisors and includes the custody, trading, and support services of Schwab. Independent investment advisors are not owned by, affiliated with, or supervised by Schwab.

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