

*charles*  
SCHWAB

Advisor Services

# A winning relationship

**You, your investment  
advisor, and Schwab**



*Own your tomorrow.*

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

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## Build the team that's right for you

Selecting an investment advisor is a big decision. Choosing the right brokerage firm to custody your assets is just as important.

Many investors today want to work with an independent Registered Investment Advisor (RIA). Why? They appreciate the objective financial expertise and guidance that independent investment advisors can provide.

You and your investment advisor can confidently custody with Schwab. Our industry has rigorous regulatory requirements that we're committed to meeting. We also adhere to our own stringent business standards, which are designed to help safeguard your assets and ensure our firm's financial health and stability.

# Experience and expertise—on your side

When you and your investment advisor choose Schwab as a custodian, you're adding an experienced leader to your team. We provide data-driven insights into what investment advisors need to best serve their clients.

8M+  
Accounts

Schwab Advisor Services™ is a trusted custodian for investment advisors' managed accounts, representing \$3.75 trillion in assets.<sup>1</sup>

35+  
Years of  
experience


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

Nearly  
15,000  
Investment  
advisor firms  
served<sup>2</sup>

Thousands of investment advisor firms look to Schwab as the institution of choice for their clients.

\$739B  
UHNW assets  
custodied with  
Schwab Advisor  
Services<sup>3</sup>

Schwab understands the urgency and complexity that come with serving ultra-high-net-worth (UHNW) clients.

A black and white portrait of Chuck Schwab, an older man with white hair and glasses, wearing a suit and tie. He is smiling slightly and looking towards the camera. The background is blurred, showing what appears to be an office or a public space with other people in the distance.

“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**  
Co-Chairman and Founder

# A broad range of investment solutions

We provide access to a suite of investment products.

Every trade your investment advisor places is handled by a powerful trading platform and teams ready to support you.

## Equities

Schwab equity specialists have access to all major national and regional exchanges. They are available to help with orders of listed or over-the-counter stocks, large orders, and thinly traded issues, and they strive to obtain the best price. The Schwab Advisor Services Trading Desk™ offers a full array of trading services with experienced traders specializing in equities, fixed income, and mutual funds. Your advisor can tap into this powerful suite of services to help you optimize your investments.

## Fixed income

Working with Schwab, your investment advisor can access over 125,000 individual securities from more than 200 dealers and hundreds of bond funds.<sup>4</sup> This degree of access enables your advisor to select products to meet your capital preservation and income goals in one place. If municipal, corporate, or government instruments are appropriate, Schwab fixed income specialists use best efforts to identify favorable combinations of rates and maturities.

## Mutual funds

Does your investment strategy include mutual funds? Your advisor has access to our industry-leading Mutual Fund Marketplace®, featuring a range of mutual fund managers from almost every asset class. Your investment advisor can choose from nearly 17,000 mutual funds from

more than 650 fund families—including about 9,000 with no loads and no transaction fees through Schwab Mutual Fund OneSource®.<sup>5</sup> Schwab's Institutional No Transaction Fee (INTF) fund platform offers funds from 17 asset managers—many with Morningstar Rating™ 4 or 5—so that your advisor can build more diverse portfolios that consider your time horizon, risk tolerance, and more. We give your investment advisor access to research and experts' top fund picks.

## Exchange-traded funds

Schwab provides your investment advisor with the support needed to invest in exchange-traded funds (ETFs) and other exchange-traded products. Your advisor can navigate options using the Schwab ETF Select List®, which identifies the lowest-cost affiliated and third-party ETFs in over 75 categories.<sup>6</sup>

## Managed accounts

You and your advisor can leverage the expertise of professional asset managers who specialize in particular asset classes. You'll be able to tailor your investments to your interests and goals, and make adjustments if you need to manage your taxes via tax-loss harvesting.

## Alternative investments

Schwab offers a variety of alternative investment options, including private equity and real estate, that aren't available through public exchange. Your advisor can help you customize these investments based on your needs and interests.

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**Investors should consider carefully information contained in the prospectus or, if available, the summary prospectus, including investment objectives, risks, charges, and expenses. You can view and download a prospectus by clicking on the Prospectus & Reports tab or calling 1-877-824-5615. Please read the prospectus carefully before investing. Past performance does not guarantee future performance.**

# Technology built to work for you

We put our clients at the center of what we do, and we've created a range of resources with you in mind.

Schwab offers many resources to support 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 to make life easier for you and your investment advisor and to help you both take back your valuable time. Our responsive support and around-the-clock access put your account information at your fingertips and simplify complex transactions.

## Industry-leading technology

Our powerful technology platform and versatile mobile apps help you and your investment advisor stay connected and share important information. With Schwab Alliance, you can view your account, deposit checks, and approve documents and move money requests—on the go. The intuitive interface makes managing your money easy, whether you're working on a computer or from a mobile device.

We have created guided digital processes to minimize errors, reduce paper, and free up your time.

In addition, Schwab maintains the highest security standards in order to protect your assets and data.

## Specialized teams

Our coordinated team of professionals ensures your investment advisor has an expert in their corner no matter what questions arise.

Our specialized teams and technology consultants provide trading assistance, account management, and strategic information to keep your advisor up to date on how to optimize Schwab's services for your benefit.

## 24/7 support

Schwab clients have access to around-the-clock support, both online and over the phone. Experienced representatives, along with teams of trading and wealth management specialists, are standing by to help, and we pride ourselves on our industry-leading response times.

# Sophisticated wealth management solutions

Your investment advisor can access a wide array of wealth management products and services to address your complex financial needs.

Our products and services include:

- Pledged Asset Line® (PAL), offered through Schwab Bank, which lets you leverage the value of your portfolio for greater flexibility when borrowing\*
- Cash management, banking, and lending solutions from Schwab Bank, including checking with our debit card with no ATM fees worldwide
- Cash management account solutions that provide access to a wide spectrum of competitive cash solutions to meet both short- and long-term needs
- Tax-advantaged college savings and charitable giving plans
- Individualized hedging strategies for concentrated equity holdings
- Restricted stock transfer and filing services
- Prime Broker transactions, which allow your advisor to place trades through an approved outside broker-dealer for accounts custodied at Schwab
- Personal Trust Services to help with trust reporting and administration
- Schwab Annuity Concierge Services, a team that helps with the annuity sales process and provides ongoing annuity support at no additional charge

\* Entering into a Pledged Asset Line and pledging securities as collateral involve a high degree of risk. Before you decide to apply for a Pledged Asset Line, make sure you understand the risks.



## A complete portfolio picture

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

# Safeguards designed for you

We take our role as custodian seriously and aim to give our clients peace of mind about the security of their accounts.

When you work with an investment 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 against loss by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, such as bankruptcy with client assets missing. SIPC provides up to \$500,000 to make whole those accounts that clients of investment 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.<sup>7</sup>

Learn more about SIPC coverage at [sipc.org](https://www.sipc.org).

## **Additional insurance coverage**

Lloyd's of London provides additional brokerage insurance for Charles Schwab & Co., Inc. accounts. This excess SIPC protection becomes available if there is an incident for which the SIPC limit of \$500,000 doesn't make a client account whole. The shortfall balance is eligible for a claim on the excess SIPC policy. Actual coverage is dependent on the program aggregate.<sup>8</sup> Schwab's Excess SIPC program aggregate is \$600 million (the most the program will pay).

## **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 file periodic reports. These include regulatory and surveillance information providing accurate details of current financial and operational conditions. Schwab files these reports both monthly and quarterly, delivering full disclosure of the state of our company.

## **FDIC coverage**

The Federal Deposit Insurance Corporation (FDIC) is an independent agency of the U.S. government that protects bank depositors against the loss of their insured deposits if an FDIC-insured bank or savings association located in the United States fails.

All deposit accounts held at Schwab Bank, including the Schwab Bank Investor Checking™ account and the Schwab Bank Investor Savings™ account, are FDIC-insured up to the applicable limits.<sup>9</sup>

Learn more about FDIC coverage at [fdic.gov](https://www.fdic.gov).

## **Keeping Schwab investments separate**

Client securities—such as stocks and bonds that are fully paid for or excess margin securities—are segregated from broker-dealer securities, in compliance with the SEC's Customer Protection Rule. This is a legal requirement for all broker-dealers.

In the unlikely event that a broker-dealer becomes insolvent, these segregated assets are not available to general creditors and are protected against their claims. Rigorous reporting and auditing requirements have been put in place by government regulators to help ensure that all broker-dealers comply with this rule.


# Strength and scale for long-term financial health

It is important to know that your assets are being held by a fiscally 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 both 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 focus on risk management and operate the firm conservatively to minimize investment risks. We know that our success depends on how well we serve our investment advisors and their clients.

We strive to remain a strong financial resource through business practices that emphasize:

- **Prudent expense management.** We keep a close eye on operational expenses to prudently manage our company. In a challenging market environment, we make quarterly adjustments to expenses as needed.
- **Diversified revenue mix.** By focusing on fee-related services and balance-related incomes, rather than trading commissions, we strive to stabilize our revenues during fluctuating market conditions.



Schwab and your investment 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

Our relationship with you and your investment advisor is our most important asset. We want to ensure you have a clear understanding of how Schwab collects, uses, and shares your personal information. Details of our approach to privacy and how personal information is collected and used are explained at [schwab.com/legal/privacy](https://schwab.com/legal/privacy).

## Schwab's Security Guarantee

We want you and your investment 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 losses in any of your Schwab accounts due to unauthorized activity. Please read the full guarantee and its terms at [schwab.com/schwabsafe/security-guarantee](https://schwab.com/schwabsafe/security-guarantee).



## We're here to serve you

For more than 35 years, Charles Schwab has helped investment advisors deliver an exceptional experience to our clients.

Consult your investment 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., June 30, 2023.

2. See note 1 above.

3. Charles Schwab & Co., Inc., February 28, 2022. Ultra-high-net-worth investor assets are defined as households with investable assets greater than \$20 million.

4. Secondary market data for number of quotes and securities derived from averaging data snapshots from four distinct times in a single trading day. All noted data points as of February 2023. Data here does not reflect bond inventory offered online at Schwab Advisor Center.

5. Statistics as of July 31, 2023.

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.

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.

6. As of July 31, 2023.

7. 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.

8. See note 7 above.

9. Funds deposited at Charles Schwab Bank are insured, in aggregate, up to \$250,000 based on account ownership type, by the Federal Deposit Insurance Corporation (FDIC).

## MANAGED ACCOUNTS

Investments in managed accounts should be considered in view of a larger, more diversified investment portfolio.

### Schwab's Institutional No Transaction Fee (INTF)

The Morningstar Rating®, or "star rating," is calculated for funds with at least a three-year history. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars and the next 22.5% receive 4 stars. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. Ratings do not take into account the effects of sales charges and loads. ©2022 Morningstar, Inc. All rights reserved.

Charles Schwab & Co., Inc. (member SIPC) receives remuneration from fund companies participating in the institutional no transaction fee (INTF) platform for recordkeeping and shareholder services, and other administrative services. Schwab receives greater remuneration on institutional share classes that participate in INTF than it would if the share class were made available with a transaction fee.

## PAL

This offer is subject to change or withdrawal at any time and without notice. Nothing herein is or should be interpreted as imposing an obligation to lend. Pledged Asset Lines are subject to credit and collateral approval. Other conditions and restrictions may apply.

Lines start at \$100,000 (minimum initial advance of \$70,000 applies).

Entering into a Pledged Asset Line and pledging securities as collateral involve a high degree of risk. At any time, including in the event that the loan value of collateral is insufficient to satisfy the minimum loan value of collateral or to support the outstanding loans, Schwab Bank may demand immediate payment of all or any portion of the outstanding obligations, or require additional cash or securities to be added to the Pledged Account maintained at Charles Schwab & Co., Inc. If a Demand is not addressed, the pledged securities may be immediately liquidated without further notice to you, which may result in tax consequences.

Schwab Bank requires that the assets pledged as collateral for the Pledged Asset Line be held in a separate Pledged Account maintained at Charles Schwab & Co., Inc. (Schwab). Schwab Bank, in its sole discretion, will determine at any time the eligible collateral criteria and the loan value of collateral.

Proceeds must be used for a lawful personal, commercial, or business purpose under state, federal, or other applicable law and may not be used to purchase securities, pay down margin loans, or be deposited into any brokerage account.

## SCHWAB BANK

Charles Schwab Bank, SSB and Charles Schwab & Co., Inc. are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation. Brokerage products including the Pledged (Asset) Account, are offered by Charles Schwab & Co., Inc. (Member SIPC). Charles Schwab & Co., Inc. does not solicit, offer, endorse, negotiate, or originate any mortgage loan products and is neither a licensed mortgage broker nor a licensed mortgage lender. Home lending is offered and provided by Rocket Mortgage, LLC, Equal Housing Lender. NMLS# 3030. Rocket Mortgage, LLC is not affiliated with The Charles Schwab Corporation, Charles Schwab & Co., Inc., Charles Schwab Bank, SSB. Deposit and other lending products, including the Pledged Asset Line, are offered by Charles Schwab Bank, SSB, Member FDIC and an Equal Housing Lender.

## BANK ATM FEE

Unlimited ATM fee rebates apply to cash withdrawals using the Schwab Bank Visa® Platinum Debit Card wherever it is accepted. ATM fee rebates do not include any fees imposed by merchants or ATM operators for POS transactions, or fees for stamp purchases, balance inquiries, non-local ATM currency withdrawal fees (referred to as dynamic currency conversion fees), or any other transaction other than an ATM cash withdrawal in local currency from your Schwab Bank account. Schwab Bank makes its best effort to identify those ATM fees eligible for rebate, based on information it receives from Visa and ATM operators. In the event that you have not received a rebate for a fee that you believe is eligible, please call a Schwab Bank Client Service Specialist for assistance at 1-888-403-9000 (or for clients of independent investment advisors, a Schwab Alliance Service Team Member at 1-800-515-2157). Schwab Bank reserves the right to modify or discontinue the ATM surcharge rebate at any time.

If you use your Card to withdraw foreign currency from an ATM, or to pay for a purchase with foreign currency, Schwab Bank charges your account for the U.S. dollar equivalent of the transaction. Depending on the specific arrangements that are in place, the exchange rate and calculation of the U.S. dollar equivalent will be done by the bank at which you conduct the transaction, the network to which the ATM belongs, or Visa. The bank or network may also charge a fee. Schwab Bank does not assess foreign transaction fees (i.e., a fee to convert U.S. dollars to local currency) to debit card holders. See the Schwab Bank Visa Debit Card Agreement for details.

## PRIME BROKER

Third-party firms are not affiliated with Charles Schwab & Co., Inc.

## TRUST

Administrative Trustee Services are provided by Charles Schwab Trust Company of Delaware ("CSTCD"). CSTCD, Charles Schwab Trust Company ("CSTC"), and Charles Schwab & Co., Inc., are separate but affiliated companies and wholly owned subsidiaries of The Charles Schwab Corporation. Schwab Advisor Services™ is a business segment of Charles Schwab & Co., Inc. serving independent investment advisors. CSTCD serves as the administrative trustee of trusts whose investments are managed by independent investment advisory firms that do business with Schwab Advisor Services and are selected solely by the trust's grantor or beneficiaries to provide investment advisory services for the trust. These advisory firms are not owned by, affiliated with or supervised by The Charles Schwab Corporation, CSTCD, CSTC, Charles Schwab & Co., or any of their affiliates or subsidiaries. Schwab Advisor Services and CSTC provide custody, securities brokerage, and related back-office services to the trusts for which CSTCD serves as administrative trustee.

## ANNUITIES

Charles Schwab & Co., Inc., a licensed insurance agency, distributes certain insurance and registered annuity contracts that are issued by insurance companies not affiliated with Schwab. Not all annuity contracts or riders are available in every state.

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 does not provide investment advisors, or their clients, advice or make recommendations about potential investment in funds on the Schwab Alternative Investment platform. It is each investment advisor's responsibility to determine the suitability of such an investment for his or her clients. Alternative investments such as the participating funds are risky, and an advisor's clients may lose their entire investment in a fund.

When accepting an alternative investment, Schwab has neither endorsed nor approved the investment, and Schwab's acceptance of the investment into custody indicates solely that the investment meets the criteria of Schwab's existing systems and procedures, and that the acceptance in no way can be construed to be either an endorsement or evaluation of merit of any kind or an acknowledgment that the investment complies with any sanction, legal authority, or regulatory statute.

Schwab Mobile Deposit service is subject to certain eligibility requirements, limitations, and other conditions. Enrollment is not guaranteed, and standard hold policies apply. Requires a wireless signal or mobile connection. Mobile carrier data charges may 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 Charles Schwab & Co., Inc. ("Schwab"). Independent investment advisors are not owned by, affiliated with, or supervised by Schwab.

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*Own your tomorrow.*