Relationship Summary: Broker-Dealer

December 12, 2025

What you should consider when choosing a brokerage relationship at Schwab.

Charles Schwab & Co., Inc. ("Schwab," "we," or "us") is a broker-dealer registered with the Securities and Exchange Commission (SEC). The summary below highlights the nature of the brokerage relationship with our clients. Schwab is also an investment adviser registered with the SEC and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Our brokerage and investment advisory services and fees differ, and we believe it is important for you to understand those differences. To compare, see a summary of Schwab's investment advisory relationships at **schwab.com/relationship-summary-ia**. For more general information about different financial professionals and investing, including free and simple tools to research firms and their representatives, visit the SEC's website at **www.Investor.gov/CRS**.

We hope you will take the time to read this information and ask questions. We welcome them.

What investment services and advice can you provide me?

We offer a wide range of investment products with no account minimums for most domestic accounts. Our offerings include both affiliated products that are managed by Schwab and unaffiliated investment products that are managed by independent third parties.

- We offer investment and account recommendations if you would like advice.
- We will give you advice that is a one-on-one recommendation and specific to you and your situation at that time. As such, a recommendation only applies at the point in time when we provide it to you.
- The decision to invest will always be yours—we will not place any trades on your behalf without your direction. We do not manage or monitor your brokerage accounts.
- We also provide Schwab research and other market data, but this type of information will never be a recommendation for you specifically.

For more information about our services, go to schwab.com/transparency and read our Best Interest Disclosure.

Questions to Ask

- Given my financial situation, should I choose an investment advisory service?
- Should I choose a brokerage service?
- Should I choose both types of services? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications?
- What do these qualifications mean?

What fees will I pay?

If you place a trade, you will pay a commission or transaction fee in some cases. There can also be expenses built into the trade price or the investment itself.

- The fee you pay is the same whether we recommend an investment to you or not. We earn money from third parties and affiliates on certain products, including cash, mutual funds, and exchange-traded funds (ETFs) held in your account(s), so we have an incentive to encourage investment in those products.
- You may also pay account- or transaction-related fees.
- *You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.*

To see more information about our fees, go to schwab.com/transparency and read our Best Interest Disclosure or go to schwab.com/pricing-guide.

Questions to Ask

- Can you help me understand how these fees and costs might affect my investments?
- If I give you $10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when providing recommendations? How else does your firm make money, and what conflicts of interest do you have?

All recommendations for your brokerage account will be made in a broker-dealer capacity unless otherwise expressly stated. When we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

You should understand and ask us about these conflicts because they can affect the recommendations we provide you. Here are some examples to help you understand what this means. We and our affiliates earn money from:

- Shareholder service fees paid to us by third-party fund providers and affiliated mutual funds, and management fees paid to our affiliate adviser by affiliated mutual funds and ETFs, that are based off the shares which are held in your account(s).
- The "spread" on cash in your accounts—i.e., the difference between what we earn and what we pay you in interest.
- Dealer concessions or transaction fees when trading as principal in your accounts.
- Commissions or trail commissions paid to us by insurance companies when you purchase an annuity or other insurance products.
- Order routing revenue from third-party broker-dealers and exchanges when you place trades and we route your order to the centers.

For more information about our conflicts and our capacity when we provide investment recommendations for retirement accounts, read our Limitations and Conflicts Disclosure found here: schwab.com/transparency/limitations-conflicts. For more information about order routing, go to schwab.com/execution-quality/order-routing-process.

Question to Ask

- How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

Our representatives receive cash payments based on the amount of assets you have with us and the time, complexity, and expertise required to help you with any of our services; specifically, they receive compensation to navigate you to our investment advisory services and service your accounts once enrolled in such services. They earn more for recommending certain services over others, but what they earn is not directly based on the revenue the firm earns.

For more information on how we pay our representatives, go to schwab.com/representative-compensation.

Do you or your financial professionals have legal or disciplinary history?

Yes.

For free and simple tools to research our firm and representatives, visit www.Investor.gov/CRS.

Questions to Ask

- As a financial professional, do you have any disciplinary history?
- For what type of conduct?

Where can I find additional information?

For additional information about our investment advisory or brokerage services, go to schwab.com/transparency. To request a copy of this relationship summary, call 800-435-4000.

Questions to Ask

- Who is my primary contact person?
- Are they a representative of an investment adviser or a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?

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Relationship Summary: Investment Advisory

October 15, 2026

What you should consider when choosing an investment advisory relationship at Schwab.

Charles Schwab & Co., Inc. ("Schwab," "we," or "us") is an investment adviser registered with the Securities and Exchange Commission (SEC). The summary below highlights the nature of investment advisory relationships with our clients. Schwab is also a broker-dealer registered with the SEC and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Our brokerage and investment advisory services and fees differ, and we believe it is important for you to understand those differences. To compare, see a summary of Schwab's brokerage relationship at **schwab.com/relationship-summary-bd**. For more general information about different financial professionals and investing, including free and simple tools to research firms and their representatives, visit the SEC's website at **www.Investor.gov/CRS**.

We hope you will take the time to read this information and ask questions. We welcome them.

What investment services and advice can you provide me?

We sponsor several investment advisory programs that provide different services, feature different investments, have different account minimums and fees, and offer varying levels of account monitoring. Our affiliates participate in some of these programs as discretionary portfolio managers, which grants the affiliate authority to buy and sell securities in your account(s) without your prior consent, or non-discretionary portfolio managers, where you make all of the trade decisions in your account(s).

- For automated advice from a robo-adviser, where our affiliated investment adviser, Charles Schwab Investment Management, Inc. (CSIM), monitors and makes the investment decisions for you: Schwab Intelligent Portfolios® ($5,000 minimum).
- For advice from our affiliate investment adviser, CSIM, or unaffiliated advisers where the advisers monitor and make the investment decisions for you: Schwab Managed Account Services™ (minimums begin at $100,000).
- For accounts managed by CSIM using a particular investment strategy, where the adviser monitors and makes the investment decisions for you: Schwab Managed Portfolios™ ($25,000 minimum).
- For complex or specialized needs, a referral to an unaffiliated professional adviser: Schwab Advisor Network® ($2,000,000 minimum).
- For advice and periodic portfolio reviews from a team of professionals at our affiliated investment adviser, Schwab Wealth Advisory, Inc. (SWAI), where you make the investment decisions: Schwab Wealth Advisory™ ($500,000 minimum).
- For individualized planning advice in a written financial plan with no monitoring: Schwab Wealth Specialties.

To learn more about specific services for each program, go to schwab.com/advisory to access the relevant sections of each program disclosure brochure: (1) Advisory Business; Types of Clients; or (2) Services, Fees and Compensation; Account Requirements and Types of Clients.

Questions to Ask

- Given my financial situation, should I choose an investment advisory service?
- Should I choose a brokerage service?
- Should I choose both types of services? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications?
- What do these qualifications mean?

What fees will I pay?

We charge a fee for some, but not all, of our investment advisory services, including asset-based fees and fixed one-time and recurring fees. Some of these fees may be negotiable.

- Our asset-based or wrap fees are calculated based on the amount of assets in your account and usually billed on a quarterly basis. These fees include most transaction costs, and could be higher than fees charged for investment advisory services that do not include such costs. There are other fees that will apply to your account, such as mutual fund and exchange-traded fund (ETF) operating expenses (including management fees paid to CSIM for funds managed by them), costs for trades executed at a firm other than Schwab, and account services fees.
- The more assets in your accounts, the more money Schwab and its affiliates earn, so we have an incentive to encourage you to invest more assets. We earn money from third parties or affiliates on certain products, including cash, mutual funds, and ETFs held in your accounts, so we have an incentive to encourage such investments.
- You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.
- You will be charged interest on the amount borrowed through margin loans and securities-based loans.

To learn more about specific fees for each program, go to schwab.com/advisory to access the relevant sections of each program disclosure brochure: (1) Fees and Compensation; or (2) Services, Fees and Compensation.

Questions to Ask

- Can you help me understand how these fees and costs might affect my investments?
- If I give you $10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money, and what conflicts of interest do you have?

All recommendations regarding your advisory account will be in an adviser capacity. When we, CSIM, or SWAI act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

You should understand and ask us about these conflicts because they can affect the recommendations we provide you. Here are some

examples to help you understand what this means. We and our affiliates earn money from:

- Shareholder service fees paid to us by third-party fund providers and affiliated mutual funds, and management fees paid to CSIM by affiliated mutual funds and ETFs, that are based off the shares which are held in your accounts.
- The "spread" on cash in your accounts—i.e., the difference between what we earn and what we pay you in interest.
- Fees from third-party advisers participating in our referral service.
- Other compensation and conflicts that are specific to the different programs.

To learn more about specific conflicts for each program, go to schwab.com/advisory to access the relevant sections of each program disclosure brochure: Other Financial Industry Activities and Affiliations; Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Question to Ask

- How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

Our representatives include branch-based Financial Consultants and phone-based representatives who help you select the program or service that best meets your needs. They receive cash payments based on factors like the amount of assets you have with us and the time, complexity, and experience required to help you with any of the services we provide; specifically, they receive compensation to navigate you to our investment advisory services and service your accounts once enrolled in such services. They do earn more for recommending certain services over others, but what they earn is not directly based on the revenue the firm earns.

CSIM Portfolio Managers and SWAI Wealth Advisors receive a fixed base salary and may earn a discretionary bonus based on the financial performance of The Charles Schwab Corporation (CSC). They may also have the potential to participate in discretionary equity awards. For certain CSIM Portfolio Managers, their discretionary bonus is funded on the financial performance of CSC, their strategy's performance results, their strategies' asset growth or a combination of the above.

For more information on how we pay our representatives, go to schwab.com/representative-compensation.

Do you or your financial professionals have legal or disciplinary history?

Yes.

For free and simple tools to research our firm and representatives, visit www.Investor.gov/CRS.

Questions to Ask

- As a financial professional, do you have any disciplinary history?
- For what type of conduct?

Where can I find additional information?

For additional information about our investment advisory or brokerage services, go to schwab.com/transparency. To request a copy of this relationship summary, call 800-435-4000.

Questions to Ask

- Who is my primary contact person?
- Are they a representative of an investment adviser or a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?

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EQUAL HOUSING LENDER

charles SCHWAB

Best Interest Disclosure

October 15, 2026

We act in your best interest when we make recommendations to you.

When Charles Schwab & Co., Inc. ("Schwab," "we," or "us") makes a recommendation to you to open up an account; to buy, sell, or hold any investment; or to pursue an investment strategy (each a "recommendation"), we will do so in your best interest and not put our interest ahead of yours. As part of this promise, we want to make sure you understand our business practices that relate to our investment advice when acting as your broker-dealer.

Schwab is registered with the Securities and Exchange Commission (SEC) as both a broker-dealer and a registered investment adviser. Schwab is a subsidiary of The Charles Schwab Corporation (CSC) and our affiliates include Charles Schwab Bank, SSB, Charles Schwab Premier Bank, SSB, Charles Schwab Trust Bank, and various registered investment advisers whose activities are described in more detail below and in other documents referenced below. This document describes how we interact with you when we make recommendations when acting as a broker-dealer. We refer to this summary, along with the information we link to below about our pricing, how we pay our representatives, and how we give advice and make money, as our "Best Interest Disclosure." You can always find this information, along with Client Relationship Summaries for both brokerage and investment advisory accounts, at **schwab.com/transparency** or by calling us at **800-435-4000**.

We hope you'll take the time to read this information and ask questions. We welcome them.

Type and Scope of Services

Are there account minimums, and will you monitor my account?

When you open a Schwab brokerage account, we act as your custodian and safeguard your account and assets. We also act on your instructions to place trades or move money into or out of your accounts. There is no account minimum to open or maintain individual brokerage or individual retirement accounts. There is a $100,000 minimum for organization accounts.

Our broker-dealer services include execution of both solicited and unsolicited transactions, margin lending, custody of your assets, cash sweep programs, and research and tools available online. From time to time, we may give you a one-on-one recommendation to buy, sell, or hold particular securities; pursue a particular investment strategy; or open an account at Schwab that is specific to you and your situation at that time. When we make those recommendations, you can follow or decline them. It is up to you.

We can make recommendations about specific investments, such as buying or selling stocks of publicly traded companies, bonds, exchange-traded options, mutual funds, or exchange-traded funds (ETFs). We can also recommend investment strategies, including types of accounts, asset allocations, foundational investment plans, or trading strategies particular to your situation. We may provide Schwab research, tools, and other market data, but this type of information will never be a recommendation for you specifically. Unless we otherwise agree with you in writing, we will not monitor, review, or update any recommendations or investments in your account when acting as a broker-dealer. Our recommendations apply only at the time we make them. For example, if you defer action on a recommendation, you should come back to us later for an updated recommendation.

To see the specific terms of our brokerage account agreement with you, please see your particular account agreement at **schwab.com/account-information**.

Capacity When We Make Recommendations

Schwab is both a broker-dealer and investment adviser, and our representatives can act in either a broker-dealer or an investment adviser capacity when making recommendations.

As a broker-dealer, when we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. When we act as a broker-dealer, we will not monitor, review, or update any recommendations or investments in your account. Our recommendations apply only at the time we make them.

As an investment adviser, we have an ongoing duty of care and a duty of loyalty to provide investment advice that is in your best interest. When we act as investment adviser, we provide monitoring of your investments based on the scope of the agreed relationship set forth in an advisory agreement and disclosure brochure.

In all cases, our representatives are required to act in your best interest for all recommendations, including the type of account we recommend. If the nature of our relationship with you has not yet been established, our representatives will consider both brokerage and advisory alternatives.

How will I know what capacity applies to my recommendations?

You will know based on the type of account we recommend or type of recommendation we make and by the agreements that you enter into with Schwab. When we recommend that you open a brokerage account; buy, sell, or hold securities; or pursue investment strategies in a brokerage account; we are acting as a broker-dealer. When we are acting in a broker-dealer capacity, you open a brokerage account and enter into a broker-dealer account agreement. Please see our Broker-Dealer Client Relationship Summary for a list of brokerage services at **schwab.com/transparency**.

Apart from the services we provide for your brokerage account, Schwab can also act as an investment adviser. When we recommend that you enroll in an advisory account, we are acting in an investment adviser capacity. You will know we are acting as an investment adviser because you will enter into an advisory agreement with us and receive an advisory disclosure brochure. Please see our Investment Advisory Client Relationship Summary for a description of our advisory offers at **schwab.com/transparency/relationship-summary-ia**.

If you are a Retirement Investor[1] and a Schwab representative is giving you investment advice (as defined under the Employee Retirement Income Security Act, or "ERISA") about your Retirement Account(s),[2] we are fiduciaries within the meaning of Title I of ERISA and/or the Internal Revenue Code, as applicable, which are laws governing Retirement Accounts. This acknowledgment does not create an ongoing duty to provide advice or monitor your accounts; please reference your contract with us in connection with any obligation to provide ongoing services. This acknowledgement does not create new causes of action under state or federal law, nor does it mandate or create enforceable contractual commitments, or expand upon the remedial provisions of ERISA or the Internal Revenue Code. For more details, please see **schwab.com/limitations-conflicts**.

Material Fees and Costs

What fees does Schwab charge, and are there other product costs?

Schwab Fees. Schwab charges a fee when you engage in certain activities in your accounts. The fee does not vary whether or not you receive a recommendation from us. On rare occasions, fees are waived, discounted, or negotiated based on assets or other business criteria.

Here is a summary:

- $0 for online U.S. exchange-listed stocks, ETFs, and base options (plus $0.65 per contract fee for options trades).
- $6.95 for online trades of over-the-counter (OTC) unlisted stocks and ETFs.
- For online bond and other fixed income trades, $1 per corporate and municipal bond ($10 minimum; $250 maximum). $0 for Treasuries.
- For mutual funds, $0 for Schwab Funds®, Schwab Mutual Fund OneSource® service funds and other No Transaction Fee funds, and up to $74.95 per purchase of all other funds.
- In addition to the above, $25 for most broker-assisted trades, and $5 for automated phone trades.
- Stock borrow fees for short selling, which are based upon the supply/demand of the security and the market value of the client's short position. The daily stock borrow fee is calculated by multiplying short market value (the price of shares at market close multiplied by the number of shares) by the stock borrow rate, which can change daily without prior notice. To calculate the daily stock borrow fee, this number is then divided by 360.
- Account activity fees, including but not limited to fees for account transfers, title transfers, late settlement, mutual fund short-term redemption, and ordering physical certificates.
- Cashiering and administrative services fees, including but not limited to fees for overnight and bulk deliveries, nonsufficient funds, outgoing wire transfers, and custody of non-publicly traded securities.
- For certain securities transactions, Schwab collects an industry fee to offset charges imposed on us by self-regulatory organizations, exchanges and foreign governments.

We show any fees charged to you on your trade confirmations and/or account statement. The specific account activity, administrative services and industry fees, other details, and minimum deposit requirements are described in our pricing guide at **schwab.com/pricing-guide**.

Product or Investment Costs. In addition to the fees above, the investments we recommend have costs that are reflected in the price of the product. These vary by investment. For example:

- Mutual funds and ETFs charge an asset-based ongoing annual fee called the operating expense ratio, or OER, which can vary over time. Mutual funds and ETFs available at Schwab include those managed by a Schwab affiliate (in which case, the Schwab affiliate receives a portion of the OER) and those managed by nonaffiliates. If you have $10,000 in a passively managed ETF with a 0.10% fee, you will pay about $10 a year in fees to the ETF.
- OERs for actively managed mutual funds are generally higher than those for index mutual funds or ETFs. If you have $10,000 in an actively managed mutual fund with a 0.90% OER, you will pay about $90 a year. Schwab does not recommend mutual funds or ETFs with OERs above 2.0%.
- For new-issue fixed income investments like bonds and certificates of deposit, the price includes a concession paid to the selling dealer, which may be Schwab. Schwab's customary selling concession ranges from 0.01% to 3% of the value of the investment. When Schwab acts as principal (e.g. buys or sells bonds directly with you) in a secondary market transaction, the bond price includes our transaction fee as outlined above. It may also include a markup or markdown that reflects a bid-ask spread, which is not subject to a minimum or maximum (but is generally less than 1% of the principal amount). Schwab recommends fixed deferred, fixed indexed, income, and registered annuities (i.e., variable annuities and registered index-linked annuities). The issuing insurance companies charge fees that are either explicitly disclosed or incorporated into the product's benefits or credits; the fees for these products vary depending on the product purchased, any available optional benefits or riders selected, and contingent deferred surrender charges incurred, if any. Any explicit fees are disclosed in the applicable prospectus, contract, and/or marketing materials.
  - Variable annuities are available for an annual fee of 0.60% or less. Annual costs for optional guaranteed benefits are between 0.20% and 1.55%. Annual subaccount investment expenses generally range between 0.03% and 2.29%. There are no annual contract fees or contingent deferred surrender charges.
  - There are generally no explicit fees associated with fixed deferred, fixed indexed, income, and registered index-linked annuities. However, certain fixed deferred and index annuities offer optional riders for which, if selected, there is an explicit annual cost; these costs generally range between 0.30% and 0.80%. For fixed deferred, fixed indexed, and registered index-linked annuities, contingent deferred surrender charges may apply to early withdrawals.
- Schwab recommends alternative investments (i.e., private real estate, private equity, private credit, hedge funds, exchange funds) to eligible, financially qualified clients.
  - The management fee for these alternative investments is up to 1.50%. Additionally, ongoing annual servicing and distribution fees range from 0.25% to 0.85%, however, depending on the fund these additional fees may not apply. Please see the prospectus or private placement memorandum for specific fund expenses.

For specific information, you should review the particular prospectus or offering document for the fund or investment you select, which is available upon request and will be delivered to you at the time of purchase. Prospectuses for Schwab Funds® and Schwab® ETFs can be found at **schwabassetmanagement.com/prospectus**. Prospectuses for registered annuities available through Schwab can be found at **schwab.com/transparency/annuities-prospectuses**. Prospectuses or private placement memorandums for alternative investments will only be made available to eligible, financially qualified clients.

Schwab Advice

Do any limitations apply to what Schwab representatives can recommend?

When our representatives make a recommendation to you, they are required to follow specific policies. These policies place certain limitations on the investment advice we give and the investment products we recommend. Our investment recommendations are designed to be:

- Consistent with generally accepted investing principles
- Based on the circumstances and needs of individual clients
- Compliant with applicable laws and regulations, including the obligation to act in your best interest; and
- Efficient for us to make and deliver

For some services and investment categories, we limit the options available. For example, only stocks that are rated A or B through the Schwab Equity Ratings® system are recommendable to buy. For other categories, such as mutual funds and ETFs, our recommendations are limited to products that we approve based on set criteria. For example:

- Recommendable index and actively managed ETFs and mutual funds, including affiliated and third-party funds, are based on Schwab's quantitative and qualitative analyses of funds relative to their category peers. These include factors such as performance, expenses, assets, size of the fund family, quality of the portfolio managers, and the consistency of the investment process.
- We only recommend investment-grade bonds that are available on the Schwab BondSource® inventory management system.
- We only offer one 529 plan, administered by the State of Kansas, in which a Schwab affiliate manages some of the available funds in the plan.
- The number of annuity products available vary by type. We offer three retail variable annuities from two unaffiliated insurance companies (carriers), two fixed indexed annuities from two unaffiliated carriers, two registered index-linked annuities from two unaffiliated carriers, along with a greater number of income and fixed deferred annuities from four or more unaffiliated carriers.
- Recommendable alternative investments are limited by Schwab's quantitative and qualitative analyses of funds relative to their category peers through initial and ongoing due diligence of unaffiliated managers and funds. Schwab clients must meet qualification requirements including an asset threshold in their Schwab accounts to be eligible to purchase alternative investments.
- We only offer affiliated money market funds.
- When Schwab offers an investment in an initial public offering (IPO), Schwab clients must meet an asset threshold in their Schwab accounts and must participate in certain Schwab client services to be eligible to participate in an IPO or secondary offering.

For more details about material limitations in our recommendations, please see **schwab.com/limitations-conflicts**.

Material Facts About Conflicts of Interest

What are the material facts about conflicts that exist when Schwab representatives provide recommendations?

Schwab, our affiliates, and our representatives may make more or less money depending on the amount and types of assets in your accounts, the frequency and type of trading you do, and other actions you might take based on our recommendations. As a result, we and our representatives have a conflict of interest when we make recommendations to you as described below.

- Schwab and its affiliates earn more from certain assets held in your accounts than others. Higher-earning assets include affiliated mutual funds and ETFs; alternative investments; third-party active semi-transparent (also known as non-transparent) ETFs; mutual funds and ETFs that pay an ongoing shareholder servicing fee; cash from which Schwab or its affiliate banks earn a "spread" between the amount we pay you in interest and the amount we can earn investing that money or lending that money to others; and bonds and other fixed income securities held in Schwab's inventory or for which Schwab receives a dealer concession as a member of the selling group. For detailed information about how Schwab earns money, please see **schwab.com/limitations-conflicts**.
- Schwab and its affiliates may be paid more depending on the type of alternative investment or fund structure (e.g., registered funds and private placements or direct funds and feeder funds). Advisory clients that invest in alternative investments may pay more over the long term in upfront share class fees and management fees than a brokerage account that invests in alternative investments.
- Our representatives receive a base salary and incentive compensation that takes into account many factors, including the time, complexity, and expertise necessary to recommend products to you and service your accounts.
- Our representatives generally earn more money when you enroll in an investment advisory service versus opening a brokerage account. Although our branch-based Financial Consultants earn more when you follow their recommendations and enroll in certain investment advisory services or purchase an annuity, or when you transfer assets into a Schwab account, they do not earn more depending on the types of assets held in your brokerage accounts. For example, they do not earn more whether they recommend Schwab-affiliated ETFs or mutual funds or third-party ETFs or mutual funds. For detailed information about how our representatives are paid, please see **schwab.com/representative-compensation**.

Material Risks With Recommendations

What risks should I understand before I invest?

Our recommendations are based on various factors that change with time, so they are effective only at the time of the recommendation.

While we will take reasonable care in developing and making recommendations to you, securities involve risk, and you may lose money. There is no guarantee that you will meet your investment goals or that our recommended investment strategy will perform as anticipated.

Investing involves the risk of losing your initial investment (principal). Certain asset classes (for example, small-cap stocks) and certain markets (for example, foreign emerging market stocks and bonds) are considered generally riskier than others. Certain investment vehicles carry additional risks. (For example, fixed income vehicles such as bonds 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). Certain methods of investing (for example, using margin) increase risks. Diversification strategies do not ensure a profit and do not protect against losses in declining markets. International investments involve additional risks which include differences in financial accounting standards, currency fluctuations, potential instability, foreign taxes, and regulations and potential for illiquid markets. Commodity-related products carry a high level of risk and are not suitable for all investors. Many investment products may also have limited liquidity creating additional risks for investors holding such products. Past performance is no guarantee of future results. For more information, see risk disclosures specific to the investment product you may be contemplating, as discussed below.

For specific risks for mutual funds, ETFs, and variable and registered index-linked annuities and alternative investments, you should review the particular prospectus or offering document, which is available upon request and will be delivered to you at the time of purchase. Prospectuses for Schwab Funds® and Schwab® ETFs can be found at **schwabassetmanagement.com/prospectus**. Prospectuses for registered annuities offered through Schwab can be found at **schwab.com/transparency/annuities-prospectuses**. Prospectuses or private placement memorandums for alternative investments will only be made available to eligible and financially qualified clients. For specific risks regarding other investment products, see **schwab.com/transparency/account-information**.

[1]"Retirement Investor" means: (1) a participant or beneficiary of an employee benefit plan described in section 3(3) of ERISA or a plan described in section 4975(e)(1)(A) of the Internal Revenue Code (each a "Plan"), with authority to direct the investment of assets in his or her Plan account or take distributions; (2) the beneficial owner of a plan that is an account or annuity described in Internal Revenue Code section 4975(e)(1)(B) through (F) (an "IRA") acting on behalf of the IRA; or (3) a fiduciary of a Plan or an IRA.

[2]"Retirement Account" means an IRA or Plan and includes such Schwab account types as Traditional IRAs, Roth IRAs, Roth Conversion IRAs, Rollover IRAs, Inherited IRAs, Custodial IRAs, SEP-IRAs, SIMPLE IRAs, and Education Savings Accounts and Qualified Retirement Plan (QRP), Keogh, Company Retirement Account (CRA), Pension Trust, Individual 401(k) and 403(b)(7) accounts, and Schwab Personal Choice Retirement Account® (PCRA).



Investment and Insurance Products: Not a Deposit
Not FDIC Insured • Not Insured By Any Federal
Government Agency • No Bank Guarantee • May Lose Value

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