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

June 30, 2026

Schwab Advisor Network®
Disclosure Brochure

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This brochure provides information about the qualifications and business practices of Charles Schwab & Co., Inc. ("CS&Co."). If you have any questions about the contents of this brochure, please contact us at 1-800-435-4000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. CS&Co.'s description of itself in this brochure as a Registered Investment Adviser does not imply a certain level of skill or training on the part of CS&Co. or its representatives.

Additional information about CS&Co. is also available on the SEC's website at www.adviserinfo.sec.gov.

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Introduction

Charles Schwab & Co., Inc. ("CS&Co." or "we") is a dual registrant investment adviser and broker-dealer. CS&Co. is registered as an investment adviser with the Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940 ("Advisers Act"). CS&Co. is registered as a broker-dealer with the SEC under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

CS&Co. is organized as a California corporation and was formed in 1971. CS&Co. is an indirect, wholly owned subsidiary of The Charles Schwab Corporation ("CSC"), a Delaware corporation that is publicly traded and listed on the New York Stock Exchange ("NYSE") (symbol: SCHW). CS&Co.'s principal place of business for its investment adviser is in San Francisco, California and the principal place of business for its broker-dealer is in Westlake, Texas.

This brochure describes the referral service to third-party investment advisors through the Schwab Advisor Network®.

CS&Co. sponsors wrap fee programs described in separate disclosure brochures. These brochures are available upon request.

Advisory Business

CS&Co. refers clients ("Clients," once referred) to third-party investment advisors through the Schwab Advisor Network (the "Service"). Advisors who participate in the Service ("Advisors") are independent of, and not affiliated with, CS&Co. These Advisors offer investment management and, in some cases, financial planning services to investors, typically in the communities served by CS&Co.'s branch offices. Information that you provide us about your investment objective, annual income, liquid net worth, total net worth, federal tax rate percentage, age, investment knowledge, investment experience, occupation, number of dependents and other nonpublic information about you and your account(s) will be shared by CS&Co. with any Advisor to whom we refer you.

The Service provides referrals only and ends once we have referred you to an Advisor. Once we make a referral, CS&Co. does not assume any other duties or obligations to the Client from an "investment manager" perspective. The Service is not a referral to or recommendation of specific investments that an Advisor may recommend to you, including the Advisor's proprietary products. It is up to you and your Advisor to decide what types of investments are right for you. Any tax, estate planning, accounting, legal or other advice or services other than investment management and any financial planning as described in this document are beyond the scope of the Service, and CS&Co. makes no representation about the Advisor's ability to perform any of those other services. Those services are strictly a matter between you and your Advisor. If an Advisor refers you to a third party for any services, this, also, is strictly between you and the Advisor and is beyond the scope of the Service.

You are solely responsible for the selection and oversight of your Advisor and for monitoring your Advisor's performance. You can monitor performance in a variety of ways, including promptly reviewing your account statements and trade confirmations, meeting periodically with your Advisor to discuss your investment and any financial planning goals, and withdrawing your Advisor's discretionary or other authority if you are dissatisfied with your Advisor. Some Advisors use third-party advisors and/or vendors for some or all of their Clients' investment and account servicing needs. CS&Co. does not undertake any duty to evaluate any such third parties and has no responsibility for them or their services. You and your Advisor have the sole responsibility for evaluating and monitoring any such third parties.

Before accepting you as a Client, an Advisor will be responsible for helping you decide whether discretionary investment management and, if applicable, financial planning services are right for you. CS&Co. is not responsible for evaluating, monitoring or overseeing an Advisor's management of your account, any financial planning services provided by your Advisor or the Advisor's investment performance or service levels. The attendance of a CS&Co. representative at any of your meetings with an Advisor does not alter your sole responsibility for selecting and monitoring your Advisor.

CS&Co. has no discretionary authority or control with respect to your account, and will effect only those transactions that we understand to have been instructed by you or your Advisor. We will act solely as a broker-dealer, and not as an investment advisor, with respect to transactions for your account during such time as you have engaged an Advisor. We are not an "investment manager" or otherwise a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974, as amended, with respect to your account as a result of the Service. Under the Service, CS&Co. will not provide investment advice or recommendations to buy or sell securities or other property on a regular basis pursuant to an arrangement or understanding that such advice or recommendations shall serve as the primary basis for investment decisions for your account.

Participating Advisor Eligibility Criteria

CS&Co. uses eligibility criteria shown below, among other factors, to help determine which Advisors to admit to the Service. CS&Co. may change or waive criteria for Advisors on a case-by-case basis. Also, on occasion, CS&Co. may, without notice, change the eligibility criteria for Advisors participating in the Service. The Advisor eligibility criteria are as follows:

1. **Fee-Based.** The Advisor must provide predominantly fee-based (as opposed to commission-based) investment advisory services. The Advisor's compensation for any advisory services, including financial planning services to Clients, must be exclusively fee-based. "Fee-based" refers to fees that are hourly, are a fixed dollar amount, are based on assets under management or consist of performance fees based on a share of capital gains or appreciation in the Client's account. Advisors may charge performance-based fees only if allowed to do so under applicable state and federal law and regulation.

2. **Investment Management Experience and Credentials.** All aspects of the investment management services that an Advisor provides to Clients will be rendered by and/or supervised and reviewed by representatives of the Advisor (collectively, "Advisory Supervisors") who are actively managing "securities portfolios," as that term is defined in the Instructions to Form ADV ("Securities Portfolios"), in individual accounts on a fee basis and have, (i) 10 years' experience as an investment advisor representative, as that term is defined under Rule 203A-3 of the Advisers Act ("Investment Advisor Representative"), with Series 7 and 66 or Series 65 licenses, or (ii) 10 years' experience as an investment advisor representative and earned the Chartered Financial Analyst® ("CFA®"), Certified Financial Planner™ ("CFP®"), Certified Public Accountant ("CPA"), Chartered Investment Counselor ("CIC"), Certified Investment Management Analyst ("CIMA") or such other comparable professional designation as CS&Co. may, in its sole discretion, deem acceptable; or (iii) in such manner as CS&Co. in its sole discretion determines qualifies. Advisor must have at least two Advisory Supervisors. A Securities Portfolio is an account in which at least half of its value consists of securities, including cash and cash equivalents.

3. **Financial Planning Experience and Credentials.** If Advisor's services to any Client will include financial planning services, the firm must have at least two CFP® professionals. All aspects of financial planning services provided by Advisor to Clients will be rendered by and/or supervised and reviewed by a representative of Advisor who has at least five years of experience providing comprehensive financial planning services as a CFP®.

4. **Assets Under Management.** An Advisor generally must have at least $500 million in assets under management upon beginning participation in the Service.

5. **Licensing and Registration.** An Advisor must be registered as an investment advisor with the SEC or must be a financial institution that is not required to be registered with the SEC and is subject to oversight by federal and/or state regulatory authorities. CS&Co. makes no representation about any Advisor's compliance with or exclusion or exemption from any state's or other jurisdiction's investment advisor requirements.

Participation in the Service is not open to all investment advisors that satisfy the eligibility criteria described above. As described in "Participation or Interest in Client Transactions," CS&Co. also considers its business relationship outside of the Service in deciding whether to admit particular advisors to the Service. We do not limit participation in the Service to Advisors with the best historical investment performance or Client service levels among their peers.

Investment Performance

CS&Co. does not track the investment performance of accounts managed by Advisors for Clients. It is your responsibility, and not CS&Co.'s, to measure your investment performance. One good way to do this is to measure your performance against your own financial goals. You must make sure that any Advisor you select has a clear understanding of your goals and attitudes toward risk. As a general rule, investors who seek higher returns must assume greater risks of loss of their principal. Historical investment performance results achieved by an Advisor are no guarantee of future performance. Nonetheless, you should examine an Advisor's historical performance over several market cycles, and in both up and down markets. You should compare past results to market indices such as the S&P 500® Index and those of other money managers. The market index or other measure you select for comparison should reflect your own individual goals and tolerance for risk.

Termination

Your agreement with your Advisor should provide that you may terminate your investment advisory arrangement at any time without penalty. This means that if you have prepaid advisory fees, you should receive a pro rata refund if you terminate. In addition, your Advisor cannot assign responsibility for managing your assets to anyone else without your prior consent.

Advisors may terminate their participation in the Service at any time by giving us written notice. Similarly, we may terminate an Advisor's participation in the Service at any time, and we do not have to provide you notice that we have done so. Advisors will have to continue to pay us the fees described in "Participation and Program Transfer Fees," in accordance with the terms of their agreements with us, even after the termination of their agreements with CS&Co.

Most Advisors to whom we may refer will ask that you grant them trading authority or discretionary authority over your account. If you give your Advisor discretionary authority, you authorize your Advisor to act as your agent and attorney-in-fact to instruct us to buy and sell securities or other investments for you without first consulting with you on each transaction. If you give your Advisor trading authority without discretion, you authorize your Advisor to act as your agent and attorney-in-fact to instruct us to buy and sell securities or other investments for you, but your Advisor must consult with you before giving us such instruction. This is a matter between you and the Advisor. We will be authorized to follow the trading orders of the Advisor concerning your account. This will allow the Advisor to act for you in the same manner and with the same force and effect as if you had acted for yourself with respect to transactions for the account and anything else necessary or incidental to purchases and sales for the account. When authorized by you in writing, the Advisor may also transfer money, securities or other property from your account to you or to an account of identical registration at another financial institution. In limited cases, if the Advisor is willing to do so and has provided you with the necessary disclosures, and if CS&Co. agrees to allow it, you may authorize the Advisor to disburse assets (including money) from your account to third parties. However, many Advisors are unwilling to instruct transfers to third parties, and CS&Co. may decline to allow this type of authority over Client accounts. Any authorization you give your Advisor which you request we honor will remain in effect until you let us know in writing that you are terminating the authorization or we let you know that we will no longer honor it.

Fees and Compensation

Fees

We will not charge you for the Service. However, as explained in "Participation and Program Transfer Fees," Advisors pay a fee to CS&Co. to participate in the Service, and CS&Co. receives added compensation from trading activity in CS&Co. accounts managed by your Advisor.

You will pay fees to your Advisor in accordance with the terms and conditions you and your Advisor agreed to. Advisory fees may vary according to several factors, including, but not limited to, the account size, type and servicing requirements. Advisory fees may be negotiable with some Advisors. If you keep a CS&Co. account for custody of your assets managed by an Advisor, you may authorize us to deduct the Advisor's advisory fee from your account, but you do not have to do so. The fees Advisors pay to CS&Co. to participate in the Service may give Advisors an incentive to encourage you to hold assets in custody at CS&Co. (or require you to do so as a condition to managing your account) and to authorize CS&Co. to deduct the advisory fee from your account.

Compensation

Financial Consultants ("FCs") are CS&Co. representatives who are compensated for successful referrals through the Service. FCs may be CS&Co. employees or non-employee independent contractors who, with their own employees, operate Schwab Independent Branches pursuant to a franchise agreement with CS&Co. FCs who operate Schwab Independent Branches are known as Independent Branch Leaders ("IBLs") or, if employed by such IBLs, Independent Branch ("IB") Representatives.

In addition to their base salaries, CS&Co. employee FCs receive compensation for successfully navigating Clients through the Service and other investment advisory programs and for servicing those Clients after successfully recommending such programs. CS&Co. as a company may earn more or less revenue depending on what products and services a CS&Co. employee FC recommends and a Client chooses. CS&Co. employee FC compensation varies by the type of program or services an account participates in. CS&Co. has designed CS&Co. employee FC compensation to

be based on factors that include the time, complexity and expertise necessary to understand and recommend a program and to provide ongoing service to a Client enrolled in a given program. FCs, New Client Investment Consultants, Investor Development Consultants, and other CS&Co. employee investment professionals are also eligible to earn an annual trip through Schwab Chairman's Club for success in bringing net new assets to CS&Co., regardless of subsequent investment or enrollments.

Based on these factors, amounts earned by CS&Co. employee FCs on assets in accounts referred through the Service exceed the amounts earned on assets in commission-based brokerage accounts.

As independent contractors, IBLs receive a monthly "Net Payout" from CS&Co., which includes amounts earned on assets in accounts referred through the Service and assets in commission-based brokerage accounts, and it is from this Net Payout amount that IBLs pay their IB Representative employees. As with CS&Co. employee FCs, the amounts earned by IBLs and IB Representatives vary by the type of program in which an account participates.

For detailed information on the compensation of FCs and other CS&Co. representatives, please visit our website at schwab.com/representative-compensation.

Performance-Based Fees and Side-by-Side Management Fees and Compensation

CS&Co. does not receive performance-based fees in connection with the Service.

Types of Clients

The Service is available to Clients who hold CS&Co. brokerage accounts. Certain types of retirement accounts, including Company Retirement Accounts, are not eligible. Clients may include individuals, institutions, pension plans, trusts, estates, charitable organizations, corporations, and other entities other than government entities.

The Service is generally appropriate for Clients seeking discretionary management of their accounts that is more personalized than what might be available in, for example, a discretionary wrap fee program. The Service is also generally appropriate for Clients looking for an Advisor who can combine discretionary management with financial planning services. CS&Co. requires its representatives to refer only those Clients who plan to invest at least $2,000,000 within six months of their referral. This minimum amount may exceed the Advisor's own minimum requirement for accepting new Clients. An Advisor also may require that you commit a minimum amount of funds to their management before agreeing to manage your account.

Methods of Analysis, Investment Strategies and Risk of Loss

CS&Co. does not recommend or effect securities transactions or investment strategies as part of the Service. As explained in "Advisory Business," CS&Co. seeks to refer Clients to Advisors whose strategies match the Clients' particular goals, objectives and risk tolerance. Every investment strategy, including those involving the trading of securities, involves the risk of loss, which Clients should be prepared to bear.

Cybersecurity Risk

Financial companies rely on the internet, mobile apps, and cloud technology to provide services. Because of this, they can be targets of cyber attacks. These attacks may be carried out by criminals, hackers, activist groups, or even foreign governments. Attacks can include things like viruses, ransomware, phishing attempts, or attempts to overload systems.

If a cyber attack happens, it could lead to:

- Unauthorized access to your personal or financial information;
- Loss, misuse, or change of your data;
- Someone taking over your account;
- Temporary loss of access to services.

CS&Co. uses a variety of security tools and works with outside experts to help protect systems and Client information. However, no system is completely guaranteed to stop all cyber attacks because the methods used by attackers change often and can be hard to detect.

A serious cybersecurity event could interrupt or delay CS&Co.'s ability to provide advisory services to your account(s). If this happens, CS&Co. will work to fix the problem and restore services as quickly as possible.

Artificial Intelligence Technology Risks

CS&Co. uses artificial intelligence ("AI"), such as machine learning and natural language tools, to support parts of our business. AI systems can be complex and may rely on data or models from CS&Co. or from third parties. Some of these systems operate outside of CS&Co.'s direct control, which means they can sometimes produce information that is inaccurate, incomplete, biased, or temporarily unavailable.

Using AI also creates risks related to cybersecurity, data privacy, system reliability, and potential interruptions to our operations. Laws and regulations about AI are rapidly evolving, which may require CS&Co. to update how these tools are used and could increase costs or cause temporary business disruptions. CS&Co. uses controls, reviews, and human oversight to reduce these risks, but no measure can eliminate them completely.

System Outages Risks

The technology used to manage and access your investments may sometimes stop working or experience errors. System outages can happen for many reasons, such as software bugs, power failures, heavy system use, problems with third party providers, or unexpected events like severe weather, natural disasters, or cyber attacks.

If a system outage occurs, it may:

- Limit or delay your ability to view or trade investments;
- Affect CS&Co.'s ability to manage your account or provide advisory services or service your account(s); and
- Take time to fully fix, depending on the cause.

Although CS&Co. works to protect its systems and keep technology running smoothly, no system is completely free from risk.

Disciplinary Information

The SEC and other regulatory agencies and organizations have taken certain disciplinary actions against CS&Co. for violations of investment-related statutes, regulations, and rules. The parties settled these matters and CS&Co. paid fines with respect to certain violations.

1. In June 2022, CS&Co. and its former affiliate Charles Schwab Investment Advisory, Inc. settled a matter with the U.S. SEC related to historical disclosures and marketing of the Schwab Intelligent Portfolios® advisory program ("SIP Program").

   The SEC found that CS&Co., along with its former affiliate, Schwab Wealth Investment Advisory, Inc., violated certain provisions of the Advisers Act, and the rules thereunder, from March 2015 through November 2018. The SEC found that CS&Co. made false and misleading statements in Form ADV Part 2A brochures about the cash allocations in Schwab Intelligent Portfolios accounts, in particular about:

   - CS&Co.'s conflict of interest in setting the cash allocations;
   - the influence of this conflict of interest on the size of the cash allocations; and
   - the negative effect of the cash allocations on performance in Schwab Intelligent Portfolios accounts under market conditions where other assets such as equities outperform cash.

   The SEC also found that CS&Co. failed to sufficiently implement compliance policies designed to prevent the publication of misleading statements. Finally, the SEC found that CS&Co. made similarly misleading statements in advertisements for the Schwab Intelligent Portfolios.

   Without admitting or denying these findings, CS&Co. agreed to pay a total of $186,536,861 in disgorgement, pre-judgment interest, and civil penalties. CS&Co. also agreed to engage an independent consultant to:

   - review CS&Co.'s supervisory, compliance, and other policies and procedures designed to ensure that CS&Co.'s SIP Program-related disclosures, advertising, and marketing communications comply with the requirements of the Advisers Act, and the rules thereunder, and with other applicable federal securities laws with respect to the SIP Program; and
   - submit a report to both CS&Co. and the SEC describing the independent consultant's findings and making recommendations. CS&Co. was required to adopt and implement the independent consultant's final recommendations.

Other Financial Industry Activities and Affiliations

CS&Co. holds dual registrations to act as both a broker-dealer and a registered investment adviser.

CS&Co. is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of FINRA and SIPC. We provide brokerage services to Clients located throughout the United States and, in some circumstances, outside the United States. Incidental to our broker-dealer business, we offer our Clients a variety of investment information services and products, including seminars, periodicals, reports, guides, planning tools, brochures, and other publications about securities and investment techniques and insurance. We also provide certain online data and financial reporting services.

CS&Co. is also registered as an investment adviser under the Advisers Act. In addition to supplying financial planning services programs, CS&Co. also acts as a registered investment adviser for other programs, including:

- Managed Account Connection® ("Connection");
- Managed Account Select®;
- Schwab Managed Portfolios™ ("SMP");
- Schwab Intelligent Portfolios (automated discretionary managed account program);
- Schwab Wealth Advisory (investment advisory and brokerage services);
- Model Market Center™ ("MMC") (a web-based offering available to independent investment advisors that custody assets at CS&Co., Inc. and use the iRebal® platform [a technology offering that is administrative in nature] available on Schwab Advisor Center for account rebalancing and trading);
- Retirement Plan Services—Morningstar Investment Management LLC; and
- Schwab Managed Account Services—for Clients of independent investment advisors.

CS&Co. Affiliates

CS&Co. is a wholly owned subsidiary of CSC.

Other wholly owned subsidiaries of CSC are engaged in investment advisory, brokerage, trust, custody, or banking services.

Charles Schwab Investment Management, Inc. ("CSIM") is an affiliate of CS&Co. In addition to managing certain strategies in the Connection wrap fee program, CSIM also manages the SMP wrap fee program and provides advisory and administrative services to certain CS&Co. affiliated funds marketed under the Schwab Funds® and Schwab ETFs™ names.

Schwab Wealth Advisory, Inc. is a registered investment adviser whose representatives offer periodic non-discretionary investment advice in Schwab Wealth Advisory, a fee-based program sponsored by CS&Co. The Schwab Wealth Advisory program also includes advice on the use of Schwab Wealth Portfolios managed by CSIM and is available only to Schwab Wealth Advisory program Clients. Schwab Wealth Advisory, Inc. representatives may also make recommendations on other discretionary separately managed accounts offered through other CS&Co. managed account programs.

Charles Schwab SG Pte. Ltd. enables accredited investors in Singapore to trade in the U.S. markets. Charles Schwab U.K. Limited and Charles Schwab Hong Kong, Limited enable retail investors in the United Kingdom and Hong Kong, respectively, to trade in the U.S. markets.

CSC provides services to retirement and other employee benefit plans and participants through its subsidiaries: CS&Co., Charles Schwab Bank, SSB and Charles Schwab Premier Bank, SSB; Charles Schwab Trust Bank; and Schwab Retirement Plan Services, Inc.

Charles Schwab Trust Bank, Charles Schwab Trust Company and Charles Schwab Trust Company of Delaware offer trust and custody products and services.

Charles Schwab Futures and Forex LLC is a Commodities Futures Trading Commission-registered futures commission merchant, a member of the Municipal Securities Rulemaking Board and National Future Association forex dealer member, and offers futures and forex trading to qualified Clients.

Charles Schwab Bank, SSB, Member FDIC and Equal Housing Lender is a subsidiary of CSC that offers deposit and lending products to both Schwab brokerage Clients and other Clients who have no relationship with CS&Co.

Participation and Program Transfer Fees

Advisors pay a fee to CS&Co. to participate in the Service (the "Participation Fee"). The Participation Fee is calculated as a percentage of the assets in referred Clients' accounts that are maintained in custody at CS&Co. ("CS&Co. Accounts"). For assets in Clients' accounts that are maintained at, or transferred from CS&Co. to, another custodian ("Non-CS&Co. Accounts"), Advisors pay CS&Co. a one-time Program Transfer Fee. The Participation Fee has the effect of the Advisor sharing with CS&Co. a portion of the fees that it charges you. The Program Transfer Fee applies if your Advisor establishes or transfers custody of the assets it manages for you with or to a custodian other than CS&Co. Advisors also pay CS&Co. Participation Fees (and Program Transfer Fees to the extent applicable) on assets in accounts of Clients' spouses, children and other family members who live with them at the same address ("Household Members") who engage the Advisor at any time after CS&Co.'s referral; this may also include assets in trusts for which the Client or a Household Member is the settlor or trustee. We are entitled to receive the Participation Fee or Program Transfer Fee from your Advisor whether or not you pay your advisory fees to the Advisor. These fees are described in more detail below.

The Participation Fee is paid to CS&Co. if you remain a Client of the Advisor and a CS&Co. Account remains open and managed by the Advisor. The Participation Fee is calculated as a percentage of the value of the assets in the CS&Co. Accounts of the Client and any Household Members who are managed by the Advisor. That percentage is calculated as follows: Within each asset tier below, the average daily balance in the CS&Co. Accounts during the quarter is multiplied by one quarter of the applicable percentage rate.

First $2 Million	0.2625% (26.25 basis points)
Next $3 Million	0.2100% (21.00 basis points)
Next $5 Million	0.1575% (15.75 basis points)
Amount over $10 Million	0.1050% (10.50 basis points)

The Program Transfer Fee is 3.00% (300 basis points) of the value of the assets in, or transferred to, a Non-CS&Co. Account. Because of the Program Transfer Fee, Advisors will have an incentive to encourage you to maintain your assets in custody with CS&Co., rather than another custodian, which is likely to result in CS&Co. receiving compensation for securities transactions in addition to the fees paid by the Advisor. If the Program Transfer Fee applies, your Advisor will be required to disclose to CS&Co. the amount of assets in or transferred to your Non-CS&Co. Account. This may be information that CS&Co. would not otherwise have and which your Advisor would otherwise not disclose to CS&Co. If the assets held in a CS&Co. Account include alternative investments that are not listed on a national exchange or the NASDAQ and that are generally illiquid and/or for which there is no formal trading market, CS&Co. will generally use the value of such assets as reported to CS&Co. by the Advisor or a third party, such as the issuer of the investment, to calculate applicable Program Transfer Fees and Participation Fees.

The Minimum Quarterly Fee is a flat fee of $6,250 that is charged if an Advisor's total Participation Fees for all Clients is less than this threshold amount.

In some instances, CS&Co. will waive or reduce the Participation Fee, Program Transfer Fee, or Minimum Quarterly Fee or will negotiate a different arrangement with a particular Advisor. In other cases, negotiated Participation Fees, Program Transfer Fees, and Minimum Quarterly Fees will be based on, among other things, the total amount of custody or trading business placed by the Advisors' Clients with CS&Co. In these cases, the fees will be set below the non-negotiated levels described above, if specified thresholds of custody and trading business are reached. Also, in some cases the fee will cease to be due after a period (rather than remaining payable for as long as a CS&Co. Account remains open).

In deciding whether to allow an Advisor to participate in the Service, CS&Co. also considers the business relationship the Advisor has as a Client of our Schwab Advisor Services business unit. Schwab Advisor Services provides custody, trading, technology, administrative and other support to independent investment advisors who suggest, recommend or direct their Clients to hold their assets managed by the advisors in accounts at CS&Co. All Advisors that participate in the Service are Clients of Schwab Advisor Services. Additionally, an Advisor's participation in the Service may, in part, depend on the amount and profitability to CS&Co. of the assets in, and trades placed for, the Advisor's Clients' accounts maintained at CS&Co. An Advisor's participation may also be contingent upon the Advisor directing to CS&Co. for custody a specified amount of assets in its Clients' accounts not referred through the Service within a specified time period. This type of arrangement may add to the Advisor's incentive to encourage you to maintain your account at CS&Co. rather than with another custodian.

CS&Co. receives cash compensation from Advisors in the form of ongoing fees in addition to compensation from trading activity in CS&Co. accounts managed by Advisors referred by CS&Co. This compensation received by CS&Co., both from within and outside the Service, creates a conflict of interest and incentive for CS&Co. to select certain Advisors to participate in the Service and to refer Clients like you to those Advisors. CS&Co. addresses these conflicts in several ways, including: (1) establishing the Service participation criteria described in "Advisory Business," and securing Advisors' agreement to adhere to those criteria before admission into the Service and on a yearly basis thereafter; (2) establishing a governance council which, among its other duties, reviews and approves or rejects participation in the Service by advisors requesting exceptions to the participation criteria; and (3) conducting supervisory review of Service referrals for consistency with CS&Co. policies and guidelines relating to the Service.

Products and Services Available to Independent Investment Advisory Firms from CS&Co.
Schwab Advisor Services™ is CS&Co.'s custodial business serving independent investment advisory firms. They provide independent investment advisory firms and their Clients with access to their institutional brokerage services such as trading, custody, reporting, and related services. CS&Co. also makes available various support services to help independent investment advisory firms manage or administer their Clients' accounts. In some circumstances, CS&Co. has also agreed to pay for certain technology, research, marketing, and compliance consulting products and services on behalf of independent investment advisory firms. The availability of these services from CS&Co. benefits independent investment advisory firms because they do not have to produce or pay for these additional services. Independent investment advisory firms that receive these additional services from CS&Co. creates a conflict of interest. Please review your Advisor's Form ADV, Part 2A Brochure, to review what services or products your Advisor receives or business arrangements your Advisor may have with CS&Co.

Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

Code of Ethics

CS&Co. has adopted a code of ethics pursuant to SEC Rule 204A-1 under the Advisers Act (the "Code"). The Code reflects the fiduciary principles that govern the conduct of CS&Co. employees or associated persons when CS&Co. acts as an investment adviser as defined under the Advisers Act. The Code requires that CS&Co.'s covered representatives comply with applicable federal securities laws, report violations of the Code, and for those deemed "access persons" by virtue of providing investment advice or having access to certain related information, report their personal transactions and holdings in certain securities periodically. The Code prohibits access persons from disclosing portfolio transactions or any other non-public information to anyone outside of CS&Co., except as required to effect securities transactions for Clients, or from using the information for personal profit or to cause others to profit. Access persons are also prohibited from engaging in deceptive conduct in connection with the purchase or sale of securities for Client accounts. The Code is subject to change as necessary to remain current with regulatory requirements and internal business policies and procedures. A copy of the Code is available upon request.

Participation or Interest in Client Transactions

Advisors participating in the Service may suggest brokers to you, including CS&Co., for brokerage, custody and other products and services for which you would compensate the broker. Advisors have agreed with CS&Co. not to induce Clients to transfer their accounts from CS&Co. or to establish brokerage or custody accounts at other custodians except when their fiduciary duties to Clients would require doing so. Unless you direct them to the contrary, participating Advisors are likely to use CS&Co. to execute transactions for your account since the total fees for executing trades paid by your account will generally be less. Advisors are, however, not required to use CS&Co. to execute trades for your account. You may direct your Advisor to use a different brokerage firm, but CS&Co. may charge a fee for clearance and settlement of any trade executed through a different brokerage firm and held in custody by CS&Co., in addition to the fees charged by the different brokerage firm.

As a broker-dealer, CS&Co. earns compensation from the products and services available through CS&Co., including execution of trades in investments such as stocks, bonds, and mutual funds and the sale of insurance products. When you or your Advisor use CS&Co. to execute transactions, CS&Co. or one of its affiliates will earn compensation from you and/or a third party.

The compensation earned by CS&Co. from trades placed and securities held in Client accounts that are managed by Advisors contributes to the conflict of interest described in "Participation and Program Transfer Fees."

Personal Trading

CS&Co. monitors the personal securities holdings and trading of representatives. CS&Co. reviews accounts of its representatives custodied at CS&Co. and applicable accounts custodied at other firms. The surveillance program monitors holdings and trades against the Code, CS&Co.'s Compliance Manual, and other applicable policies. Additionally, representatives must disclose all securities accounts they own or control after their hire date, and review and confirm the accuracy of those accounts on a regular basis.

Representatives are prohibited from engaging in activities that violate federal or state securities laws, or rules and regulations of the exchanges or regulatory agencies. These prohibitions include rules against (1) frontrunning customer orders; (2) passing such information to others for that purpose, which means misusing confidential customer trade information for possible personal benefit; and (3) purchasing shares in initial public offerings.

Brokerage Practices

CS&Co. does not select or recommend broker-dealers as a part of the Service. As explained in "Participation and Program Transfer Fees" and "Participation or Interest in Client Transactions," the Program Transfer Fee and other elements of CS&Co.'s written agreement with Advisors create an incentive for them to custody Client accounts at CS&Co.

Review of Accounts

As explained in "Advisory Business," the Service terminates once a referral is made and does not include ongoing review of referred Clients, their accounts or their investments.

The frequency of communications between you and your Advisor will depend upon the terms and conditions of the investment advisory agreement between the two of you. Most Advisors have agreed to provide Clients with quarterly investment performance reports and to offer to meet quarterly with Clients to discuss any changes in the Clients' investment objectives or financial situation. Advisors have also agreed to meet at least annually with Clients to review the investment performance of the Clients' accounts. If you open a CS&Co. Account, we will furnish you (and, if you authorize us to, your Advisor) with account statements and confirmations of all transactions initiated and effected for your account with or through CS&Co. If you have a CS&Co. Account, you will receive account statements at least quarterly, which will indicate security purchases and sales; interest, dividends and other earnings; additions to and withdrawals from the account; fees and other charges; and account value. It is your responsibility to review all confirmations and account statements promptly and to communicate directly with your Advisor if you have any concerns about the management of your account.

Client Referrals and Other Compensation

CS&Co. receives compensation from Advisors participating in the Service, as explained in "Participation and Program Transfer Fees." CS&Co. has also entered into an agreement (the "Referral Agreement") with USAA Investment Services Company ("USAA ISCO") under which CS&Co. will pay USAA ISCO based on a percentage of the assets in CS&Co. accounts attributable to a referral by USAA ISCO, including assets in accounts referred through the Service. Under the Referral Agreement, CS&Co. will pay USAA ISCO an annual percentage amount of 0.15% (or 15 basis points) of asset balances of applicable accounts.

Custody

CS&Co. will provide an account statement, at least quarterly, for each CS&Co. Account managed by your Advisor as long as the CS&Co. Account holds a position or balance. You should review your account statement carefully. Your Advisor will also receive a copy of this account statement.

Investment Discretion

CS&Co. does not have or accept discretionary authority to manage accounts on Clients' behalf as part of the Service.

Voting Client Securities

CS&Co. does not have or accept authority to vote Clients' securities (i.e., proxy voting) as part of the Service.

Financial Information

CS&Co. does not require or solicit prepayment of any fee in connection with the Service and is therefore not required to include a balance sheet for its most recent fiscal year. CS&Co. is not the subject of any financial condition that is reasonably likely to impair its ability to meet its contractual obligations to its Clients. CS&Co. is not the subject of any bankruptcy petition, nor has it been the subject of any bankruptcy petition at any time during the past 10 years.



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