IN THE WORLD OF FINANCIAL SERVICES,
WE’RE DIFFERENT.

Here’s how.

charles SCHWAB

PEOPLE KNOW SCHWAB IS DIFFERENT FROM THE MOMENT THEY ENCOUNTER US.

The differences, as identified by our clients and employees, are many and real. They are felt in our branches, on our websites and mobile apps, and even over the telephone.

The source of those differences is our purpose, which is to help everyone be financially fit. It shapes everything we do.

Our purpose focuses on helping every client be successful. That means helping our retail clients — those who work directly with Schwab — become smarter investors. It means helping our corporate clients manage their retirement and stock plans so their employees can be financially fit. It means giving independent investment advisors the services and support they need to serve their clients.

Our purpose compels us to help everyone — regardless of their age, assets, or previous experience as an investor. Everyone deserves equal access to financial markets, and to the tools and products that make investing possible. Everyone deserves information and advice to make good decisions, and the world-class service to make investing easy. Perhaps most of all, everyone deserves a fair deal.

We've learned that when we stay focused on our purpose, our own business succeeds. Most importantly, pursuing our purpose allows us to make a difference in the financial lives of millions of Americans.

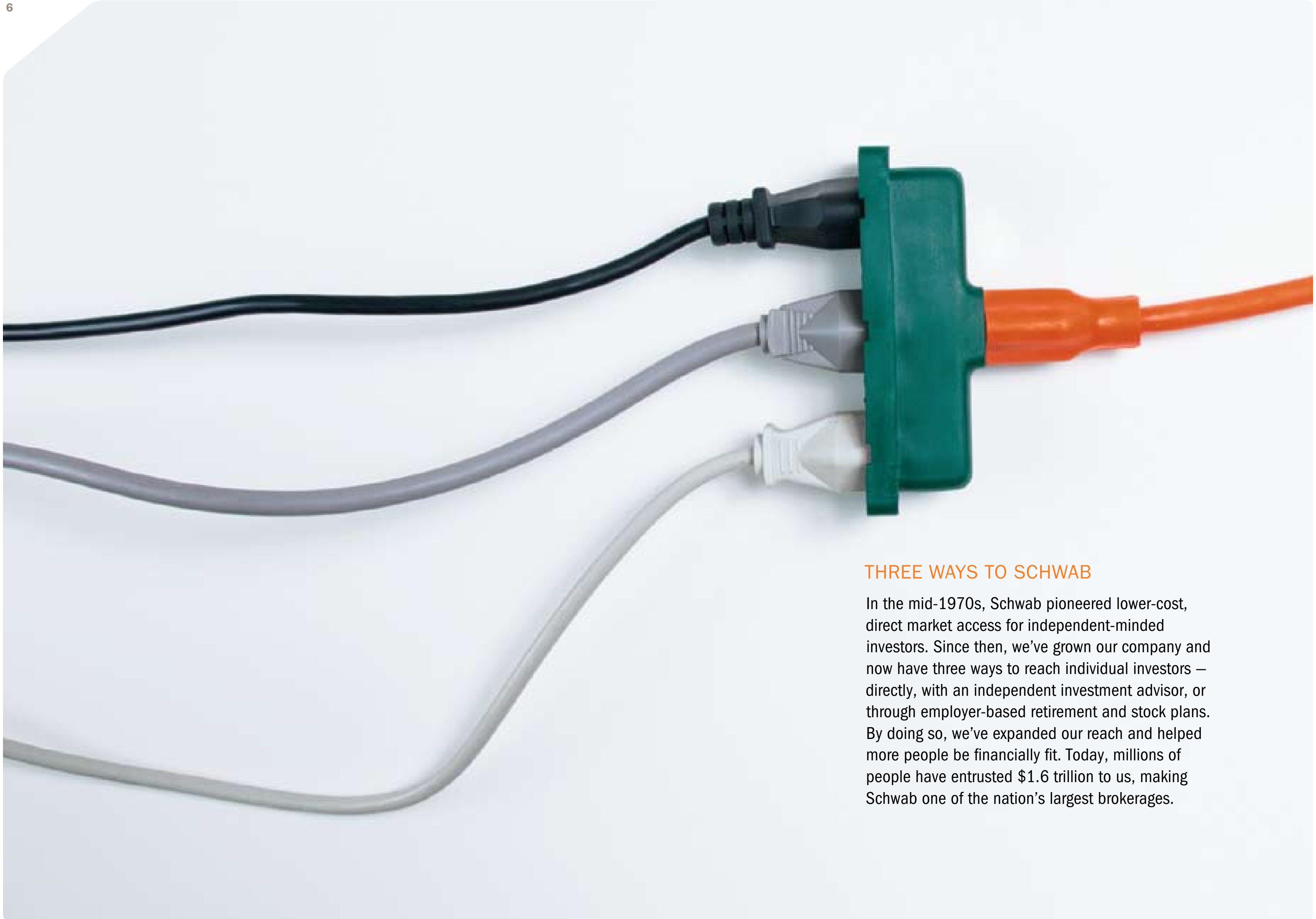
At Schwab, what we do may not be different from other firms. How we do it is.

OPPORTUNITY FOR ALL

How we make financial fitness accessible to everyone.

"It doesn't matter how much money you have to invest, Schwab treats you with fairness, empathy, and respect."

Everyone matters, and our business is built to reflect that. Today, almost everyone can participate in the market – and half of Americans do. Schwab delivers the value those investors want, plus the personalized service they deserve, regardless of how much – or how little – any client has to invest.



THREE WAYS TO SCHWAB

In the mid-1970s, Schwab pioneered lower-cost, direct market access for independent-minded investors. Since then, we've grown our company and now have three ways to reach individual investors — directly, with an independent investment advisor, or through employer-based retirement and stock plans. By doing so, we've expanded our reach and helped more people be financially fit. Today, millions of people have entrusted $1.6 trillion to us, making Schwab one of the nation's largest brokerages.

A PIONEER IN ADVISOR SERVICES

Independent investment advisors and their firms need support to help their own clients succeed. That's why we hold assets for more than 6,000 advisors, making us a leader in advisor services, one of the fastest growing segments of our industry. Schwab also provides business consulting, back office support, technology, and other services. We understand independent advisors. We work closely with them, from the long established to the newly independent, to improve their businesses, make their operations more efficient, and help them meet their clients' expectations every day.

BREADTH

We make it our business to understand and meet the broad range of needs people have at every stage of their financial lives. We help first-time investors build portfolios that follow time-tested theories of asset allocation and diversification. When people change jobs, we make it easy to roll over 401(k) assets into an IRA. For parents, our 529 college fund helps secure their kids' education. And many people in retirement turn to our CDs and fixed income products.*

BUNDLE IN ADVICE

Advice matters. That's true of investing in general, and it's true for the millions of Americans who save for retirement through a workplace 401(k). So when Schwab helps companies manage their retirement plans, easy and affordable access to advice is part of the package. Participants can get help and guidance from Schwab representatives by phone or through online and on-site education programs.

* See important disclosures, inside back cover

OFFER MORE, CHARGE LESS

Nothing erodes client financial success, day in and day out, more than high costs. Our scale and operating discipline allow us to reduce fees and lower our operating expense ratios on our funds, so we can pass along savings to our clients. We can also offer the Schwab One® brokerage account with no account service fees at all.

ONE-STOP SHOP

From the very beginning, we believed that investors deserved the best financial products and services available, regardless of which company created them. That's why we built our business to offer third-party products in addition to our own. Doing so enabled us to create Mutual Fund Marketplace®, an easy, quick, one-stop shop for mutual funds.*

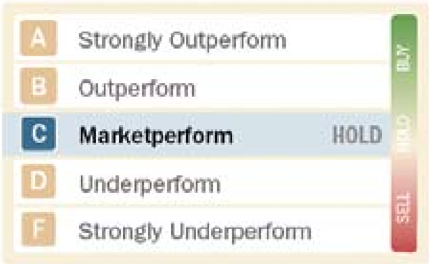
* See important disclosures, inside back cover

INNOVATE BY LISTENING

How we develop the products, services, and technologies that meet people's needs and shape our industry.

CLIENT CONNECTION

Experience is a great teacher. We want to learn from our clients' experiences, and we want to help clients learn from each other. Client Connection is an online forum that invites clients to share their perspectives and opinions. In addition to our business advisory councils and client surveys, what we learn from Client Connection helps inform our business: how we develop products, what technologies we invest in, and how we improve our service.



SCHWAB EQUITY RATINGS®

People need a consistent, reliable way to assess stocks. This is why Schwab developed a proprietary methodology to rate approximately 3,000 of the largest market-cap stocks each week. Schwab Equity Ratings assigns a report card grade — A through F — to identify stocks we believe will outperform or underperform the market for the next 12 months. Unlike traditional brokerage firms, we rate an equal number of stocks as "buys" and "sells," relying on investment factors that matter to long-term stock performance.*

* See important disclosures, inside back cover

ACTIVE INVESTING

Thousands of Schwab clients trade more than 500 times a year. As independent and self-directed as these investors are, they still want tools and resources to stay on top of the markets. Our StreetSmart Edge™ software supports these investors by providing them with advanced, customizable trading tools that allow them to create and test trading strategies, efficiently analyze stock performance, and quickly make trades. StreetSmart Edge also helps active investors manage risk, set price conditions, and track gains and losses in real time.*

* See important disclosures, inside back cover

ANY ATM, NO FEE (EVEN THIS ONE)

Giving clients access to their money shouldn't cost them more money. That's why Schwab rebates transaction fees when our clients use any ATM anywhere in the world, whether they're withdrawing cash from their banking or brokerage accounts.*

* See important disclosures, inside back cover

EXCHANGE TRADED FUNDS

People respond to a product that's smart and affordable, like our proprietary Exchange Traded Funds (ETFs)†. Clients can trade ETFs commission-free online in their Schwab accounts, and our ETFs offer operating expense ratios among the lowest in the industry. Fifteen months after their launch, our proprietary ETFs surpassed $3 billion in client assets. Our approach to ETFs clearly pleased our customers, and other firms had to play catch-up.*

BANKING AND BROKERAGE

Our banking and brokerage services are linked, making it easier for people to manage their money. When customers open a Schwab One® brokerage account, they can get a Schwab Bank High Yield Investor Checking® account with no minimum balance requirement or monthly service charges.*

ANYWHERE, ANYTIME APPS

People rarely sit still. With our integrated brokerage and banking mobile applications, clients can keep moving with access to online trading, transaction histories, and real-time market information. Since we started offering wireless access a decade ago, we've looked for new ways to make access to Schwab accounts easier. These new apps take that commitment a step further, covering banking, Schwab-administered benefit plans, and Schwab 529 College Savings Plans.*

* See important disclosures, inside back cover
† Restrictions apply: Online trades of Schwab ETFs™ are commission-free at Schwab, while trades of third-party ETFs are subject to commissions. Broker-assisted and automated phone trades are subject to service charges. All ETFs are subject to management fees and expenses.

FIXED INCOME SOLUTIONS

Some investors tell us they use their portfolios to save for the future; others need investments to generate income now. That's why we offer clients thousands of fixed income solutions, including bonds, mutual funds, and professionally managed accounts. Our five Municipal Bond Ladder Separately Managed Account strategies allow fixed income investors to shift their money away from aggressive growth investments toward conservative tax-advantaged solutions. Managed by PIMCO®, one of the most respected bond managers in America, these strategies are competitively priced and allow people to generate income when they need it most.*

* See important disclosures, inside back cover

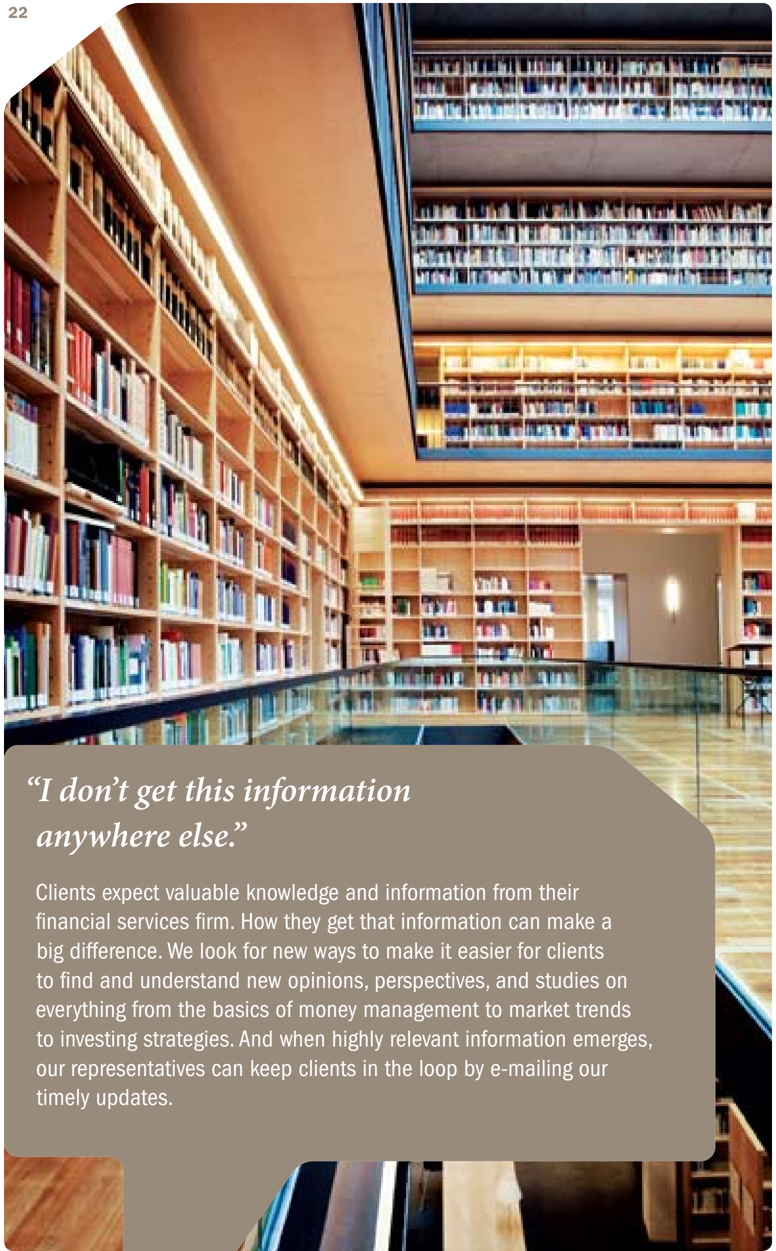
IT TAKES TWO. SOMETIMES MORE.

We can't do it all on our own and we're okay with that. If our clients need a product or service we don't provide, we reach out and work with the companies that do. Last year, we joined forces with global investment bank J.P. Morgan to give our clients greater access to new issue municipal bonds and award-winning fixed income research. We also made it easier to research and invest with an online new issue municipal bond calendar.*

* See important disclosures, inside back cover

EMPOWERING INVESTORS

How we deepen our clients' engagement and make them smarter investors.



"I don't get this information anywhere else."

Clients expect valuable knowledge and information from their financial services firm. How they get that information can make a big difference. We look for new ways to make it easier for clients to find and understand new opinions, perspectives, and studies on everything from the basics of money management to market trends to investing strategies. And when highly relevant information emerges, our representatives can keep clients in the loop by e-mailing our timely updates.

SCHWAB MONEYWISE®

Our MoneyWise website and workshop programs help people master the basics of money management. The site provides relevant information, news and opinion, as well as guidance on how to handle life events like saving for college or a change in employment. Weekly tips offer practical, easy-to-digest actions that have immediate, positive impact, while the site's Twitter and Facebook posts help younger audiences understand that it's never too early to learn how money works.

COMMUNITY OUTREACH

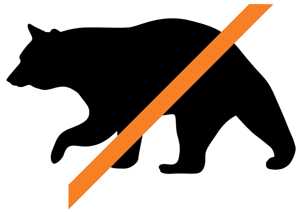
Our commitment to improving financial literacy often means teaming up with organizations already doing good work in the community. We help teenagers through our *Money Matters: Make It Count* classes with Boys & Girls Clubs of America. Our volunteer programs allow employees to bring their financial knowledge and experience to local schools. And we provide financial counseling to adults through Single Stop USA in San Francisco, Goodwill Industries International in Indianapolis, and Foundation Communities in Austin, Texas, where we have an on-site counseling center.

"They help me with what to do next."

Most financial goals are achieved in small steps. Schwab financial consultants help turn a financial plan into a less-daunting, step-by-step process. In addition, we provide online checklists, tools, and calculators, including suggestions on how people can better spend, save, and invest.

NEITHER BULL NOR BEAR

Take the volatility of the marketplace, add dense economic data, and combine with a constant chorus of talking heads. It's no surprise that investors are often confused. But Schwab's perspective on the market is objective, accessible, and developed by experts such as Chief Investment Strategist Liz Ann Sonders and a team of market analysts. Using a fact-based approach, they offer exclusive written commentary and webcasts on Schwab.com that cut through the noise with a balanced read on the market.

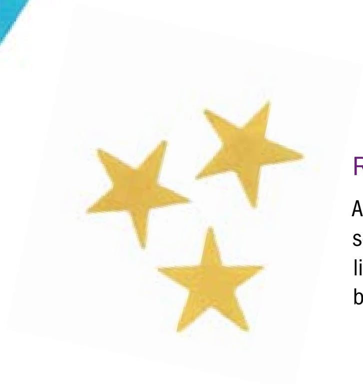


SCREENING FOR SERVICE

Schwab's hiring process is designed to target candidates who are passionate about helping others. For certain service center jobs, we use a screening test to help us identify applicants who are well-suited to working directly with clients. Once on board, new hires continue their training, learning how to listen to and understand what clients really need.

GENTLE REMINDERS

Instead of waiting for calls to come in, we reach out to clients to provide gentle reminders. One way we do this is by creating phone-based teams dedicated to making outbound calls so that individuals, independent advisors, and company plan sponsors hear from us on a consistent basis.



REWARD SERVICE

At Schwab, compensation is linked to service. We reward our employees for listening well, exhibiting patience, and building the right solutions for clients.

IMPACT®

Being an industry leader means sharing ideas, creating connections, and expanding opportunities. It means caring for the health of the industry itself. That's why Schwab created IMPACT, one of the largest industry events for independent investment advisors. Every year, IMPACT brings together presenters, exhibitors, and subject-matter experts to help independent advisors grow their client bases, create stronger industry relationships, and develop the strategies that will help them help their clients prepare for the future.

THROUGH CLIENTS' EYES

How we build a culture of service.

"Schwab is unambiguously different, from Chuck on down."

Anyone who has met Chuck Schwab quickly realizes his passion for investors. Nearly four decades ago, he founded this company based on a personal vision for how investing should be — more accessible, affordable, and understandable. Today, more than 12,000 employees share that vision.

MILLIONS OF CONVERSATIONS A YEAR

One-on-one conversations make a difference. In a single year, Schwab call center representatives personally answer more than 13 million calls. In addition, financial consultants at Schwab branches conduct about 600,000 face-to-face meetings a year. That's a lot of time spent talking to clients and helping them stay on the path to financial fitness.

WE DON'T WATCH THE CLOCK

The difference between a three-minute phone call and a seven-minute call matters. In three minutes, Schwab reps can reset a password. In seven minutes, our reps can answer client questions and perhaps propose a solution. We see every conversation as an opportunity to help someone, so we resist putting arbitrary limits on the time our people spend with clients.

NO-SCRIPT SERVICE

Not long ago, an outside organization interested in creating an alliance with us asked to see our call center script. Problem was, we didn't have one. But that's not a problem for our clients, who expect to be treated like individuals. At Schwab, we listen and respond to each client's needs rather than reading from a script full of predetermined answers.

DIRECT DIAL-BACK

Sometimes, one phone call isn't enough to get all the answers a client needs. That's why, when a call requires follow-up, we provide the direct number to call back the same representative our client talked to the first time.

24/7/365

People's lives rarely stick to a schedule. They need help when they need it, not on Tuesday between 1 and 5. Schwab makes its technical and customer service available to clients 24 hours a day, seven days a week, 365 days a year.

DIY

Everyone wants great service but not everyone wants it the same way. Sometimes, people want to conduct business electronically — without direct personal service. Our systems process more than 250 million log-ins to Schwab.com, plus 14 million automated calls a year. At Schwab, do-it-yourself is a choice, not a last resort.

NEW CLIENT CONCIERGE

Regardless of the size of their accounts, many new clients are assigned to Schwab investment professionals to help with paperwork and asset transfers — and to connect them with other Schwab services they might want. We want to make it as easy as possible to start investing with Schwab.

SERVICE IN THE FIRST PERSON

When we say, “Talk to Chuck,” we really mean, “Talk to Nina.” Or Stephen. Or Alma. This means that when clients call, they talk to a person – someone who knows their name and their history with Schwab. This, of course, applies to individual investors who have a personal relationship with their financial consultant, but it’s also important for independent investment advisors and company plan sponsors. They need a go-to person who not only understands financial services, but someone who understands their business.

IMPORTANT DISCLOSURES

Page 9,17: THE SCHWAB 529 COLLEGE SAVINGS PLAN

Before investing, carefully consider the plan's investment objectives, risks, charges, and expenses. This information and more about the plans can be found in the *Schwab 529 Guide and Participation Agreement* available from Charles Schwab & Co., Inc., and should be read carefully before investing.

You may request a *Schwab 529 Guide and Participation Agreement* by calling (800) 435-4000 or going to Schwab.com/529. If you are not a Kansas taxpayer, consider before investing whether your or the beneficiary's home state offers a 529 plan that provides its taxpayers with state tax and other benefits not available through this plan. Tax and financial aid treatment of 529 plans is subject to change.

As with any investment, it is possible to lose money by investing in this plan.

The Schwab 529 College Savings Plan is available through Charles Schwab & Co., Inc., and is managed by American Century Investment Management, Inc. The Plan was created by the Kansas State Legislature under the provisions of Section 529 of the Internal Revenue code and is administered by Kansas State Treasurer Lynn Jenkins, CPA.

Notice: Accounts established under the Schwab 529 Plan and their earnings are neither insured nor guaranteed by the State of Kansas, the Kansas State Treasurer, American Century Investment or Charles Schwab & Co., Inc. Accounts established under the Schwab 529 Plan are domiciled at American Century Investment and not at Schwab.

Page 11: MUTUAL FUND MARKETPLACE®

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

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

Page 14: SCHWAB EQUITY RATINGS®

Schwab Equity Ratings and the general buy/hold/sell guidance are not personal recommendations for any particular investor or client and do not take into account the financial, investment, or other objectives or needs of, and may not be suitable for, any particular investor or client. Investors and clients should consider Schwab Equity Ratings as only a single factor in making their investment decision while taking into account the current market environment.

Page 15: STREETSMART EDGE™

Schwab's StreetSmart Edge is available for Schwab Active Investing clients. Access to NASDAQ TotalView® is provided for free to non-professional clients who have made 120 or more equity and/or options trades in the last 12 months, 30 or more equity and/or options trades in either the current or previous quarters, or maintain $1 million or more in household balances at Schwab. Schwab Active Investing clients who do not meet these requirements can subscribe to NASDAQ TotalView for a quarterly fee. Professional clients may be required to meet additional criteria before obtaining a subscription to NASDAQ TotalView. This offer may be subject to additional restrictions or fees, and may be changed at any time.

Page 16: ATM FEES

Unlimited ATM fee rebates apply to cash withdrawals using the Schwab One Visa® Platinum Check Card or the Schwab Bank Visa® Platinum Debit Card (also referred to as a "Check Card" or "Visa Check Card") at ATMs where they are accepted. ATM fee rebates do not apply to any fees other than fees assessed for using an ATM to withdraw cash from your Charles Schwab & Co., Inc. Schwab One® brokerage account or your Charles Schwab Bank account. Charles Schwab & Co., Inc. and Charles Schwab Bank make their best efforts to identify those ATM fees eligible for rebate, based on information they receive from Visa and from ATM operators. In the event that you have not received a rebate for a fee that you believe is eligible, please call a Schwab One Client Service Specialist at (800) 421-4488 or a Schwab Bank Client Service Specialist at (888) 403-9000. Charles Schwab & Co., Inc. and Charles Schwab Bank reserve the right to modify or discontinue this ATM fee rebate at any time.

Page 17: EXCHANGE TRADED FUNDS

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

Some specialized exchange traded funds can be subject to additional market risks. Investment returns will fluctuate and are subject to market volatility such that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Unlike mutual funds, shares of ETFs are not individually redeemable directly with the ETF.

Commission-free trades are available through the broker-dealer subsidiary of The Charles Schwab Corporation, Charles Schwab & Co., Inc., member SIPC. Schwab ETFs are distributed by SEI Investments Distribution Co. (SIDCO). SIDCO is not affiliated with The Charles Schwab Corporation or any of its affiliates.

Page 17: SCHWAB BANK

Brokerage Products: Not FDIC-Insured · No Bank Guarantee · May Lose Value

Charles Schwab & Co., Inc. and Charles Schwab Bank are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation. Brokerage products are offered by Charles Schwab & Co., Inc., member SIPC. Deposit and lending products and services are offered by Charles Schwab Bank, Member FDIC and an Equal Housing Lender.

Page 17: SCHWAB MOBILE APPLICATIONS

System availability and response times are subject to market conditions and mobile connection limitations. Trades received outside normal market hours will be entered for the next business day.

Page 18: FIXED INCOME

Fixed income securities are subject to increased loss of principal during periods of rising interest rates. Investment value will fluctuate, and bonds, when sold, may be worth more or less than original cost. Fixed income securities are subject to various other risks including changes in interest rates and credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, tax ramifications and other factors. Prior to investing, you should read and consider carefully information contained in the offering circular, preliminary prospectus, or preliminary official statement (each, an "Offering Document"). Tax-exempt income may be subject to the Alternative Minimum Tax (AMT) and capital gain taxes. Consult the Offering Document and a tax advisor regarding your particular tax situation.

Investments in managed accounts should be considered in view of a larger, more diversified investment portfolio. Investors should carefully consider information contained in Schwab's Managed Account Services brochure and PIMCO®'s Form ADV or brochure. You can request this information by calling Schwab at (800) 435-4000.

PIMCO is a registered trademark of Pacific Investment Management Company LLC.

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Page 19: J.P. MORGAN

J.P. Morgan's Institutional research team was rated the #1 All-America Fixed Income Research team by *Institutional Investor*, 2010. J.P. Morgan is the marketing name for JPMorgan Chase & Co. and its subsidiaries and affiliates worldwide. J.P. Morgan Securities LLC is a member of NYSE and SIPC.

OTHER:

Schwab Advisor Services™ (formerly Schwab Institutional®) includes the custody, trading, and support services of Schwab.

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