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Schwab Wealth Investment Advisory, Inc.
Schwab Intelligent PortfoliosTM
Disclosure Brochure

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This wrap fee program brochure provides information about the qualifications and business practices of Schwab Wealth Investment Advisory, Inc. ("SWIA"). If you have any questions about the contents of this brochure, please contact us at the phone number above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. SWIA's description of itself in this brochure as a registered investment advisor does not imply a certain level of skill or training on the part of SWIA or its representatives. Additional information about SWIA is also available on the SEC's website at www.adviserinfo.sec.gov.

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Services, Fees and Compensation

Services

Schwab Intelligent Portfolios™ is an advisory program (the “Program” or “SIP”) sponsored by Schwab Wealth Investment Advisory, Inc. (“SWIA”). SWIA is registered as an investment advisor under the Investment Advisers Act of 1940, as amended, and is a wholly owned subsidiary of The Charles Schwab Corporation (“CSCorp”), which is a Delaware corporation that is publicly traded and listed on the NASDAQ (symbol: SCHW). Currently SWIA does not provide investment advisory services outside of the Program.

The Program offers clients investment strategies that consist of diversified portfolios of ETFs in a single account that is managed on a discretionary basis. SWIA provides administration and related services for the Program. Charles Schwab Investment Advisory, Inc. (“CSIA”) provides investment management services for Program accounts on a discretionary basis consistent with clients' chosen investment strategy. Charles Schwab & Co., Inc. (“Schwab”) acts as the qualified custodian for Program accounts and provides trade execution and related services for Program accounts. CSIA and Schwab are affiliates of SWIA.

The Program is only offered online through an interactive website in which clients receive investment strategy recommendations based on personal information supplied through the website. Clients must agree to accept electronic delivery of contracts, disclosure documents, prospectuses, statements, and other materials. Clients are expected to communicate with SWIA via electronic channels, i.e. email, telephone and the internet.

Clients use a web application to determine whether the Program is appropriate for them and, if so, to select an investment strategy. Clients complete their assessment without the guidance of SWIA representatives, and therefore clients should carefully consider whether their participation in the Program is appropriate for their investment needs and goals. Clients can change their investment strategy by going online and completing a new web based assessment. Clients give investment discretion to CSIA to manage their account, which means that CSIA will make all trading decisions in client accounts. Clients will not be allowed to make trades in their account.

Clients may request that certain ETFs be excluded from their account, but CSIA is not required to accept account restrictions that it deems unreasonable. Clients also may request that CSIA use a tax loss harvesting strategy so that tax losses are generated to offset against potential capital gains in their account, subject to meeting minimum balance requirements (currently \$50,000, which is subject to change).

Accounts in the Program are not margin accounts, meaning clients cannot borrow money to buy securities in their Program account and use the securities in the account as collateral for the loan.

Investment Strategies

Using asset allocations and ETF selection parameters determined by SWIA, CSIA has created a number of investment strategies for the Program. The investment strategies consist of diversified portfolios of ETFs combined with a cash investment. Each investment strategy is designed to be consistent with a certain combination of investment objectives and risk tolerance. Certain investment strategies are intended for taxable accounts and others for tax-deferred accounts (such as individual retirement accounts). Certain investment strategies are intended for clients who are looking for some level of income generation.

SWIA may add additional investment strategies at any time without prior notice to clients.

Selection of ETFs

The written parameters established by SWIA place limitations on the universe of ETFs that CSIA may select for the Program. For example, ETFs that do not have a certain level of assets under management are not eligible to be selected by CSIA. Eligible ETFs include ETFs managed by Charles Schwab Investment Management, Inc. (“CSIM”), which is an affiliate of Schwab, CSIA and SWIA (“Schwab ETFs™”). Schwab ETFs pay fees to CSIM that are described in “Participation or Interest in Client Transactions” below.

The percentage of a client account initially invested in Schwab ETFs varies significantly depending on the asset

allocation of the investment strategy. CSIA has discretion to allocate any portion, up to 100%, of an investment strategy into Schwab ETFs.

Rebalancing

Using portfolio management software, CSIA will rebalance a client's Program account periodically by buying and selling ETF shares to return the account to the target asset allocation for the chosen investment strategy. CSIA will use this software to rebalance accounts if the allocation of the ETFs in a client's account deviates by more than an amount specified in SWIA's parameters from the recommended asset allocation due to changes in ETFs' values. Clients must meet a minimum balance requirement in order for their account to be rebalanced. Rebalancing may cause tax consequences, and clients should consult their professional tax advisor about the consequences of rebalancing.

Tax Loss Harvesting

Subject to meeting minimum balance requirements, a client may direct CSIA to employ a tax loss harvesting strategy in managing the client's account. This means that CSIA will sell ETFs in the client's account at a loss to offset a potential capital gains tax liability. If a client chooses to have tax loss harvesting for their account, CSIA will use portfolio management software to sell one or more ETFs in the client's account and replace the ETF(s) with other ETFs. The performance of the new ETFs may be better or worse than the performance of the ETFs that are sold for tax loss harvesting purposes.

Investments of Cash

Each investment strategy involves an allocation to cash (the "Cash Allocation"). The Cash Allocation will generally range from 7% to 30% of an account's value, depending on the investment strategy the client selects. The Cash Allocation is a permanent feature of the Program. This money will not be used to purchase securities for a client's account unless the cash in the client's account exceeds the Cash Allocation for the selected investment strategy.

The Cash Allocation will be accomplished through the enrollment into the Schwab Bank Savings Sweep Program, a program sponsored by Schwab. By enrolling in the Program, clients consent to having the free credit balances in their brokerage accounts included in the Schwab Bank Savings Sweep Program.

Through the Schwab Bank Savings Sweep Program, two deposit accounts are established on behalf of each client at Charles Schwab Bank ("Schwab Bank"): a DDA ("demand deposit account") and an MMDA ("money market deposit account")(collectively, the "Deposit Accounts"). Schwab Bank is an FDIC insured depository institution affiliated with SWIA, Schwab and CSIA.

Under the Schwab Bank Savings Sweep feature, Schwab will automatically make deposits to and withdrawals from the Deposit Accounts at Schwab Bank. The Deposit Accounts are a direct obligation of Schwab Bank and not CSIA, Schwab or CSIA, either directly or indirectly. Funds in the Deposit Accounts at Schwab Bank are eligible for deposit insurance by the FDIC up to a total of \$250,000 for principal and accrued interest per depositor when aggregated with all other deposits held by the depositor in the same insurable capacity at Schwab Bank.

Free credit balances will be deposited into Deposit Accounts without limit even if the amount in the Deposit Accounts exceeds the \$250,000 deposit insurance limit. In addition, for deposit insurance purposes, Deposit Accounts (including certificates of deposit) that a client establishes in one insurable capacity directly with Schwab Bank will be aggregated with the Deposit Accounts established through the Bank Sweep feature in the same insurable capacity. **Clients are responsible for monitoring the total amount of deposits they have at Schwab Bank in order to determine the extent of deposit insurance coverage available to them. Clients should carefully review the Schwab Bank Savings Sweep Program Disclosure Statement for more information on FDIC insurance coverage.**

The operation of the Schwab Bank Savings Sweep Program and Schwab's ability to make changes to such program or move balances to a new sweep product are further described in the Schwab Bank Savings Sweep Feature Disclosure Statement that is made available to clients when they open their accounts.

In accordance with an agreement with Schwab, Schwab Bank has agreed to pay an interest rate to depositors participating in the Schwab Bank Savings Sweep Program that will be benchmarked to an index. Under this agreement, Schwab Bank may change the method of calculating the interest rate upon thirty (30) days' notice to Schwab or upon a regulatory requirement. Schwab will notify clients if it receives such notice from Schwab Bank. This indexed rate may be higher or lower than the interest rates available on other accounts at Schwab Bank or on comparable accounts at other banks. It may also be higher or lower than other cash equivalent investments, such as money market funds, that are available through Schwab. Schwab does not intend to negotiate for rates that seek to compete with other capital preservation investment options that involve market risk, such as money market funds.

Schwab Bank's profit or "spread" from the Deposit Accounts is dependent upon the difference between the interest rate it pays on such deposits and the amount it earns from the use of such deposits. Therefore, Schwab Bank's ability to earn a profit from the Deposit Accounts is in large part based upon the interest rate negotiated with its affiliated broker-dealer, Schwab. This profit is a significant component of the overall profit to Schwab Bank and its affiliates in connection with the Program.

SWIA sets the parameters from which CSIA determines the percentage of the Cash Allocation for each investment strategy. In most of the investment strategies, the percentage of the cash allocation is higher than it would be in a similar strategy in a managed account program sponsored by a Schwab entity or third parties. This is because, as described below under "Fees," clients do not pay a Program fee.

Schwab and SWIA expect that Schwab Bank will earn more income from the Deposit Accounts than Schwab or SWIA will earn for their services or activities in the Program, although CSIM will also earn income from the Schwab ETFs in Program accounts. A significant portion of the revenue contributed to the Schwab entities from the Program will result from the profit earned by Schwab Bank in offering the Deposit Accounts. Schwab Bank will pay Schwab a fee for administrative services provided in support of the Deposit Accounts as disclosed in the Schwab Bank Savings Sweep Program Disclosure Statement and below in "Participation or Interest in Client Transactions."

Fees

The Program includes the following services: (1) SWIA's Program administration services; (2) CSIA's portfolio management services; and (3) Schwab's trade execution and custody services, as well as monthly account statements and trade confirmations. SWIA receives a "Gross Fee" for these services as described below, which is applied against all assets in clients' accounts. SWIA offsets the Gross Fee by a credit (the "Credit Amount") to determine the annual Program fee charged to clients' accounts (which is \$0.00 based on the table below).

	Gross Fee	Credit Amount	Annual Program Fee
All account assets	.20%	.20%	0.00%

The purpose of the Credit Amount is to lower the annual fee by at least the amount of fees received by CSIM, a Schwab affiliate, for investment management services in connection with the Schwab ETFs purchased in a client's account, and the amount of other compensation Schwab receives, if any, from third parties as a result of ETF transactions in a client's account. If the Credit Amount ever exceeds the Gross Fee, SWIA will refund such excess to clients' accounts or use the excess to pay administrative expenses of the Program accounts.

Each ETF, including a Schwab ETF, pays investment advisory, administrative, distribution, transfer agent, custodial, legal, audit, and other customary fees and expenses, as set forth in the ETF prospectus. An ETF pays these fees and expenses, which ultimately are borne by its shareholders. Therefore, CSIM will earn fees from Program clients who invest in Schwab ETFs.

ETFs are available outside of the Program, subject to applicable commissions and/or transaction charges. To the extent that cash used for investment in the Program comes from redemptions of mutual fund shares, ETFs or other investments outside of the Program, there may be tax consequences or additional costs from sales charges previously paid and redemption fees incurred.

SWIA has an agreement with Schwab whereby Schwab pays SWIA's expenses. Pursuant to an agreement among SWIA and CSIA, SWIA pays CSIA an annual fee of \$200,000 for CSIA's services in the Program, which is subject to change. CSIA does not enter into agreements directly with Program clients and accordingly does not receive direct compensation from or negotiate fees with them.

The fees that clients pay directly and indirectly in the Program may be more or less than they would pay if they purchased separately the types of services in the Program. Clients may be able to obtain some or all of the types of services available through the Program on a stand-alone basis from other firms. Factors that bear upon the cost of the Program in relation to the cost of the same services purchased separately include, among other things, the type and size of the account (and other accounts that clients may be able to combine to determine fee breakpoints), the historical and expected size or number of trades for an account, and the number and range of supplementary advisory and other services provided to an account.

Compensation to SWIA Representatives

SWIA representatives are available by web chat or telephone to answer questions about the Program, the investment strategies, the ETFs, and account performance. These representatives do not receive differential compensation for recommending the Program, other products and services, or additional investments in the Program.

Account Requirements and Types of Clients

Clients will open their account, complete a profile assessment, and sign their Program contracts electronically. Clients must agree to accept electronic delivery of contracts, disclosure documents, prospectuses, statements, and other materials. Assistance from a SWIA representative is available by telephone or web chat. Deposits to the account must be made by wire transfer, mobile check deposit, or through the Schwab MoneyLink® service, which allows clients to make electronic transfers of funds to and from their brokerage account.

Clients of the Program may include individuals, IRAs and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), are not eligible for the Program.

The minimum investment required to open an account in the Program is \$5,000 for all accounts. If the market value of a Program account falls below \$5,000 due to withdrawal of assets from the account, SWIA may require the client to deposit additional money to bring the account up to the required minimum, and SWIA reserves the right to terminate the account from the Program. There is also a minimum balance requirement to request CSIA employ a tax loss harvesting strategy, and a minimum balance requirement to maintain a tax loss harvesting strategy.

A client that terminates its advisory agreement with SWIA must also close its Program account and instruct SWIA to either (i) liquidate the account assets and send the proceeds to the client or to an account specified by the client, or (ii) transfer the account assets to another account (at Schwab or another custodian).

SWIA may terminate a client from the Program for withdrawing cash from their account that brings their account balance below the minimum, for failure to maintain a valid email address or for any other reason, in SWIA's sole discretion. Before terminating a client from the Program, SWIA will provide at least 30 days' notice. Depending on the reason for the termination, the client may have the opportunity to resolve the reason for their termination. If the client is unable to remedy the reason for their termination and does not make arrangements to transfer the assets in the client's account to another brokerage account at Schwab or another custodian, then the following will occur: (i) the ETFs in the client's account will be sold; (ii) the client's enrollment in the Schwab Bank Sweep Program will terminate; (iii) the client will be sent a check for the amount in their account; and (iv) the client's Program account will be closed.

Retirement Accounts

SWIA does not and will not render advice on a regular basis pursuant to an arrangement or understanding that such advice shall serve as a primary basis for investment decisions with respect to any retirement account. SWIA and its employees and agents (i) are not fiduciaries as defined under the Internal Revenue Code; (ii) have no investment or other discretion with respect to assets covered by the Program; (iii) will perform no discretionary acts with respect to such assets; (iv) will effect only such transactions as instructed by clients; and (v) will exercise no discretion and provide no advice as to the voting of proxies. CSIA is the sole fiduciary, as defined under the Internal Revenue Code, in performing investment management services and exercising discretion over the assets managed in any retirement account, subject to such reasonable restrictions as the client may impose.

Portfolio Manager Selection and Evaluation

SWIA has selected CSIA as the Program portfolio manager. SWIA believes CSIA possesses the requisite expertise to serve in this capacity. SWIA reviews the performance of the investment strategies quarterly through standardized composite performance reporting.

The fact that SWIA and CSIA are affiliates creates a potential conflict of interest for both firms. SWIA has a potential conflict in selecting and maintaining CSIA as portfolio manager for the Program. CSIA has a potential conflict in selecting ETFs, some of which pay greater compensation to Schwab or other affiliates than other eligible ETFs, for the Program portfolios. SWIA addresses this conflict by establishing written parameters that CSIA must follow in selecting securities for, and removing securities from, Program portfolios, and by reviewing CSIA's performance as Program portfolio manager. CSIA addresses this conflict by adhering to written parameters that do not allow it to consider compensation to Schwab or other affiliates in connection with managing Program portfolios.

Client Information Provided to Portfolio Manager

At the time a client enrolls in the Program, SWIA provides CSIA with information about that client's chosen investment strategy and any reasonable restrictions applicable to the client's Program account. SWIA provides updated information to CSIA as necessary thereafter in order for CSIA to provide portfolio management services under the Program.

Client Contact with Portfolio Manager

Clients who wish to contact CSIA can do so by making a request to a SWIA representative by telephone or web chat. SWIA and its representatives are the primary points of contact for clients in the Program.

Additional Information

Risks

Investing in securities, whether through the Program or otherwise, involves the risk of loss that you should be prepared to bear. The specific risks associated with the ETFs comprising the Program portfolios, as well as the risks associated with securities held in those ETFs, are described in detail in the CSIA Schwab Intelligent Portfolios Disclosure Brochure.

Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of or the integrity of SWIA or its management persons.

Other Financial Industry Activities and Affiliations

In addition to Schwab, SWIA and CSIA, other wholly owned subsidiaries of CSCorp. are engaged in investment advisory, brokerage, trust, custody, or banking services. CSIM provides advisory and administrative services to

certain proprietary mutual funds marketed under the Schwab Funds® and Laudus Funds® names and to Schwab ETFs. CSIA also serves as a separate account manager in other Schwab wrap fee programs.

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

Code of Ethics

SWIA has a code of ethics adopted pursuant to SEC Rule 204A-1 under the Investment Advisers Act of 1940 (the "Code"). The Code reflects the fiduciary principles that govern the conduct of SWIA and its employees and agents when we are acting as an investment advisor. The Code requires that SWIA's covered employees and agents comply with applicable federal securities laws and report violations of the Code. Covered employees and agents who are deemed "access persons" by virtue of providing investment advice or having access to certain related information are prohibited from disclosing Program transactions or any other nonpublic information to anyone except as required to effect securities transactions for clients. The Code also prohibits access persons from using the information for personal profit or the profit of others. Access persons may not engage 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

ETF Trade Execution

Schwab, as broker for Program accounts, routes ETF orders for execution to UBS Securities LLC ("UBS") and other broker-dealers, who may act as market maker or manage execution of the orders in other market venues. Schwab also routes orders directly to all major exchanges and alternative trading systems, including ECNs (electronic trading networks). Schwab may receive remuneration such as liquidity or order flow rebates from a market or firm to which orders are routed, but at all times is committed to best execution.

Schwab considers a number of factors in evaluating execution quality among markets and firms, including execution price and opportunities for price improvement, market depth and order size, the trading characteristics of the security, speed and accuracy of executions, the availability of efficient and reliable order handling systems, liquidity and automatic execution guarantees, and service levels and the cost of executing orders at a particular market or firm. Price improvement occurs when an order is executed at a price more favorable than the displayed national best bid or offer. Schwab regularly monitors the execution quality provided by the various markets and firms to ensure orders are routed to market venues that have provided high-quality executions over time.

ETFs

As described above, CSIM receives advisory fees from Schwab ETFs selected for Program accounts.

Schwab has established the Schwab ETF OneSource™ program ("ETF OneSource") under which ETFs can be traded without a commission on buy and sell transactions. Schwab receives payments from the third party ETF sponsors or their affiliates participating in ETF OneSource for recordkeeping, shareholder services and other administrative services that Schwab provides to participating ETFs. In addition, Schwab promotes the ETF OneSource program to its customers, and a portion of the fees paid to Schwab offsets some or all of Schwab's costs of promoting and administering ETF OneSource. Schwab does not receive payment to promote any particular ETF to its customers.

ETF sponsors or their affiliates pay a fixed program fee to Schwab each year for each ETF participating in ETF OneSource. The program fees vary, but can range up to \$250,000 per year for each participating ETF. ETF sponsors or their affiliates also pay Schwab an asset-based fee based on a percentage of total ETF assets purchased by Schwab customers after the ETF was added to ETF OneSource. The amount of the asset-based fee can range up to 0.15% annually. Schwab ETFs do not pay any program or asset-based fees to participate in ETF OneSource.

Assets in Program accounts are not included in the calculation of the asset-based fee to be paid to Schwab by an ETF sponsor or its affiliates. Schwab may exclude other assets or other types of transactions from the asset-based fee paid by an ETF sponsor or its affiliates.

Cash Investments

Schwab Bank intends to use the cash balances in the Deposit Accounts to fund current and new lending activities and investments. The profitability on loans and investments is generally measured by the difference, or "spread," between the interest rate paid on the Deposit Accounts and other costs of maintaining the Deposit Accounts, and the interest rate and other income Schwab Bank earns on the loans and investments made with the funds in the Deposits Accounts. Funds in the Deposit Accounts can also benefit Schwab Bank by providing it with increased liquidity, stable funding, and low-cost deposits.

Schwab Bank will pay Schwab a fee for administrative services provided in support of the Deposit Accounts in an amount up to a \$20 annual flat fee for each brokerage account that sweeps into a Deposit Account. This fee is more fully described in the Schwab Bank Savings Sweep Program Disclosure Statement.

Addressing Potential Conflicts

SWIA has a potential conflict in selecting and maintaining CSIA as portfolio manager for the Program. CSIA has a potential conflict in selecting ETFs, some of which pay greater compensation to Schwab or other affiliates than other eligible ETFs, for the Program portfolios. SWIA addresses these conflicts through disclosure in this Brochure, and by establishing written parameters that prohibit CSIA from considering compensation to Schwab or CSIM in selecting ETFs for the Program and by reviewing CSIA's performance as Program portfolio manager. CSIA addresses this conflict by adhering to written parameters that do not allow it to consider compensation to Schwab or other affiliates in connection with managing Program portfolios. SWIA also monitors its representatives for compliance with the Code and has established policies and guidelines that SWIA representatives must follow when assisting clients in the Program. SWIA representatives are supervised by their direct managers for compliance with SWIA's policies and guidelines.

Personal Trading

SWIA monitors the personal securities holdings and trading of SWIA representatives. SWIA reviews accounts of its representatives custodied at Schwab and applicable accounts custodied at other firms. The surveillance program monitors holdings and trades against the Code and other applicable policies. Additionally, SWIA representatives must disclose all securities accounts they own or control after their hire date and review and confirm the accuracy of those accounts on an annual basis during their employment.

Review of Accounts

SWIA will contact Program clients at least once a year via electronic channels to ask them to update their information on the Program website if there have been any material changes. Clients who have experienced material changes to their financial circumstances or investment objectives, or who wish to impose or modify restrictions on the management of their Program accounts, should promptly update their information on the Program website.

Program clients receive electronically a separate confirmation of each transaction, and a monthly account statement detailing positions and activity in their accounts during the preceding month. The statement includes a summary of all transactions made on the client's behalf, all contributions and withdrawals made to or from the account, all fees and expenses charged to the account, and the account value at the beginning and end of the period. The statement may be based upon information obtained from third parties.

Client Referrals and Other Compensation

SWIA does not make payments to its representatives or other persons for referring clients to the Program. Schwab makes payments to its representatives for referring clients to the Program, which are described in a separate Schwab brochure relating to the Program.

Financial Information

SWIA does not require or solicit prepayment of the Program Fee and is therefore not required to include a balance sheet for its most recent fiscal year. SWIA is not the subject of any financial condition that is reasonably likely to impair its ability to meet its contractual obligations to its clients. SWIA is not the subject of any bankruptcy petition, nor has it been the subject of any bankruptcy petition at any time during the past ten years.