



March 31, 2021

Schwab Private Client Investment Advisory, Inc. Disclosure Brochure

Schwab Private Client Investment Advisory, Inc.
211 Main Street
San Francisco, CA 94105
Tel: 1-888-672-4922
www.schwab.com

This brochure provides information about the qualifications and business practices of Schwab Private Client Investment Advisory, Inc. ("SPCIA"). 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 or by any state securities authority. SPCIA'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 SPCIA or its representatives.

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

Contents

| | |
|---|---|
| Advisory Business | 1 |
| Fees and Compensation | 1 |
| Performance-Based Fees and Side-by-Side Management | 1 |
| Types of Clients | 1 |
| Methods of Analysis, Investment Strategies and Risk of Loss | 1 |
| Equities Risks | 1 |
| Schwab Equity Ratings® Risks | 2 |
| Large- and Mid-Cap Risks | 2 |
| Small-Cap and International Risks | 2 |
| Mutual Fund Management Risks | 2 |
| Fixed Income Risks | 2 |
| General | 2 |
| Interest Rate Risks | 2 |
| State and Regional Factors | 2 |
| Credit Risks | 2 |
| High Yield Risks | 2 |
| Emerging Markets Risks | 2 |
| Frontier Markets Risks | 2 |
| Currency Risks | 2 |
| Commodities Risks | 3 |
| Real Estate Risks | 3 |
| Options Risks | 3 |
| Disciplinary Information | 3 |
| Other Financial Industry Activities and Affiliations | 3 |
| Code of Ethics, Participation or Interest in Client Transactions and Personal Trading | 3 |
| Code of Ethics | 3 |
| Participation or Interest in Client Transactions | 3 |
| Personal Trading | 3 |
| Brokerage Practices | 4 |
| Review of Accounts | 4 |
| Client Referrals and Other Compensation | 4 |
| Investment Discretion | 4 |
| Voting Client Securities | 4 |
| Custody | 4 |
| Financial Information | 4 |
| Fiduciary Advisor Disclosure | 4 |
| Compensation of the Fiduciary Advisor and Related Parties | 4 |
| Consider Impact of Compensation on Advice | 5 |
| Investment Returns | 5 |
| Parties Participating in Development of SPC | 5 |
| Use of Personal Information | 5 |
| Independent Audit of Advice Arrangement | 5 |

Advisory Business

Schwab Private Client Investment Advisory, Inc. ("SPCIA") is a wholly owned subsidiary of The Charles Schwab Corporation ("CSCorp"), a Delaware corporation that is publicly traded and listed on the NYSE (symbol: SCHW). SPCIA has been registered as an investment advisor since January 1, 2012. This document contains important information about SPCIA and how it is compensated for the investment advice provided to Schwab Private Client™ ("SPC") accounts. You should carefully consider this information in your evaluation of the SPC service and the advice you receive in the service.

SPCIA provides non-discretionary portfolio management services for the SPC wrap fee program that is sponsored by its affiliate, Charles Schwab & Co., Inc. ("Schwab"). SPC combines non-discretionary investment advice based on your overall financial picture developed through analysis and discussion of various wealth management topics. SPCIA provides periodic recommendations in your SPC account about how to allocate assets and which securities to buy, sell, and hold. You may indicate a preference to avoid investing in certain securities or types of securities but since SPC is a non-discretionary service, you decide whether to implement recommendations received through the SPC program. In addition, SPC includes trade execution, asset custody and other brokerage services for an asset-based fee. Private Client Advisors, Senior Associate Private Client Advisors, Fixed Income Specialists, Options Specialists and other SPC Representatives who provide investment advice to SPC accounts are employees of SPCIA ("SPCIA Representatives"). SPCIA Representatives, in particular phone-based Private Client Advisors, provide periodic recommendations in SPC accounts about how to allocate assets and which securities to buy, sell and hold.

Schwab will periodically review SPC accounts to identify mutual fund shares that may be eligible for a tax-free exchange with a lower-cost share class of the same fund and may initiate such exchanges as detailed in the SPC Agreement. SPCIA Representatives' investment advice is delivered in periodic conversations in which a client's financial situation and SPC accounts are reviewed and investment recommendations are made. The compensation of SPC Representatives does not vary based on the securities that are recommended to clients.

In addition to being employees and investment advisor representatives of SPCIA, SPCIA Representatives are also associated persons and registered broker-dealer representatives (though not employees) of Schwab in order to access Schwab order-entry and other systems in connection with the investment advice delivered to SPC accounts.

As of December 31, 2020, the assets enrolled in the SPC program amounted to approximately \$127,883,000,000. SPCIA acts as non-discretionary portfolio manager for these assets. SPCIA does not manage any assets on a discretionary basis. More information about SPC is available in the SPC Disclosure Brochure provided to SPC clients.

Fees and Compensation

Pursuant to an agreement between SPCIA and Schwab, Schwab pays SPCIA a fee for the investment advice provided to SPC accounts equal to: (1) the costs and expenses incurred by SPCIA in connection with SPC; plus (2) an additional amount of 10% of those costs and expenses. Schwab also provides SPCIA with human resources, legal, compliance, supervisory, operational and other administrative and technological support services.

Pursuant to an agreement between SPCIA and Charles Schwab Trust Company ("CSTC"), CSTC also pays SPCIA a designated recurring flat fee (which is subject to change upon written agreement) to provide sub-advisory services to CSTC. Specifically, upon CSTC's request,

SPCIA provides non-discretionary investment recommendations to CSTC on securities held in trust accounts.

SPCIA does not enter into agreements directly with SPC clients, Schwab clients, or CSTC clients and accordingly does not receive direct compensation from them or negotiate fees with them.

Performance-Based Fees and Side-by-Side Management

SPCIA does not receive performance-based fees in connection with SPC.

Types of Clients

SPC is available to individuals, trusts and estates, and corporations or other businesses in their eligible Schwab brokerage accounts. Eligible accounts include individual retirement accounts ("IRAs") and certain other retirement accounts. Other types of retirement plan accounts are excluded from SPC, as are offshore trust accounts and charitable gift accounts.

SPC is intended for clients who want a dedicated team to provide a non-discretionary, fee-based relationship in which SPCIA provides periodic investment advice and portfolio planning in addition to the brokerage services provided by Schwab. SPC is not intended for clients who want or need someone else to manage their investments on a discretionary basis. It is generally not intended for day trading or highly active trading, or trading in mutual funds based on market timing. Another Schwab-sponsored service may be better for investors who want a set mutual fund portfolio, money market funds, underwritten offerings (e.g., initial public offerings), or for investors with high cash balances or insufficient assets in their enrolled accounts. Schwab, as the sponsor of SPC, currently imposes an initial enrollment minimum of \$1 million. Schwab may reduce or waive this minimum in certain situations, including on the basis of individual negotiations or business considerations. Portfolios with lower enrolled assets (e.g., due to withdrawals or enrollment in SPC during a time when a lower asset minimum was in place) may be allowed to remain enrolled in the program.

Methods of Analysis, Investment Strategies and Risk of Loss

SPCIA bases its non-discretionary investment advice on principles of asset allocation, risk tolerance and diversification, taking into account individual clients' circumstances and needs. Recommended strategies may include a combination of long-term (in which securities are held for at least five years), intermediate-term (in which securities are held for three to five years), and short-term (in which securities are held for less than three years) strategies. Recommended investments may include individual equities, equity and fixed income mutual funds, exchange-traded funds ("ETFs"), individual fixed income securities, options, and separately managed accounts. Recommendations are subject to advice policies and guidelines adopted by SPCIA. Consistent with the advice policies and guidelines, SPCIA Representatives may supplement their advice with their own sources of information, which may include financial newspapers and periodicals and research reports prepared by third parties.

Investments in securities, including equities, mutual funds, ETFs, bonds and other fixed income securities, involve various risks, including but not limited to those summarized below.

Equities Risks

The prices of equity securities, along with the value of mutual funds and ETFs that invest in them, rise and fall daily. These price movements may result from factors affecting individual companies, industries or the securities market as a whole. Individual companies may report poor results or be negatively affected by industry

and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. In addition, the equity market tends to move in cycles, which may cause stock prices to fall over short or extended periods of time.

Schwab Equity Ratings® Risks

Schwab Equity Ratings is Schwab's proprietary stock evaluation system and evaluates securities on the basis of multiple factors that fall into five categories: sentiment, valuation, growth, stability, and quality. SPCIA's advice policies and guidelines dictate the use of Schwab Equity Ratings in making recommendations to buy or sell individual stocks. Given that systematic stock evaluation approaches cannot capture all the dynamics that affect individual stock returns, Schwab Equity Ratings may not capture more subjective, qualitative influences on return and risk such as management changes and pending lawsuits. Furthermore, the ratings may not reflect the possible impact of late-breaking news. The quality of the ratings depends on the accuracy of financial data provided by third parties, including the companies rated through the approach, as well as the extent to which there is a correlation between the factors used by Schwab Equity Ratings with future returns on the individual stocks rated.

Large- and Mid-Cap Risks

Large- and/or mid-cap segments of the stock market (as well as mutual funds and ETFs that focus on these segments) bear the risk that these types of stocks tend to go in and out of favor based on market and economic conditions. However, stocks of mid-cap companies tend to be more volatile than those of large-cap companies because mid-cap companies tend to be more susceptible to adverse business or economic events than larger, more established companies. During a period when large- and mid-cap U.S. stocks fall behind other types of investments—bonds or small-cap stocks, for instance—the performance of investment strategies focused on large- and/or mid-cap stocks will lag the performance of these other investments.

Small-Cap and International Risks

Historically, small-cap and international stocks have been riskier than large- and mid-cap stocks. Stock prices of smaller companies may be based in substantial part on future expectations rather than current achievements and may move sharply, especially during market upturns and downturns. Small-cap companies themselves may be more vulnerable to adverse business or economic events than larger, more established companies. International investments involve additional risks, including differences in financial accounting standards, currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets. International companies may be more vulnerable to geopolitical factors than U.S. companies. During a period when small-cap and/or international stocks fall behind other types of investments—bonds or large-cap stocks, for instance—the performance of investment strategies focused on small-cap or international stocks (or mutual funds or ETFs investing in small-cap or international stocks) will lag the performance of these other investments.

Mutual Fund Management Risks

Mutual fund managers may base investment decisions for funds using historical information. There is no guarantee that a strategy based on historical information (or any strategy) will produce the desired results in the future. In addition, if market dynamics change, the effectiveness of that kind of strategy may be limited. Either of these risks may cause the investment strategy of a particular fund to underperform its benchmark or similar funds. There

also can be no assurance that all of the key personnel will continue to be associated with the fund for any length of time.

Fixed Income Risks

General

Bond markets rise and fall daily, and fixed income investments are subject to various risks. As with any investment whose performance is tied to bond markets, the value of a fixed income mutual fund or ETF will fluctuate, which means that you could lose money.

Interest Rate Risks

When interest rates rise, bond prices usually fall, and with them the value of a mutual fund or ETF holding the bonds. A decline in interest rates generally raises bond prices, and with them potentially the value of a bond fund, but could also hurt the investment performance of a mutual fund or ETF by lowering its yield.

State and Regional Factors

The value and performance of fixed income securities from a given state or geographic region (along with mutual funds or ETFs invested in such securities) could be affected by local, state and regional factors, including erosion of the tax base and changes in the economic climate. National governmental actions, such as the elimination of tax-exempt status, also could affect performance. In addition, a mutual fund or ETF may be more sensitive to adverse economic, business or political developments if a substantial portion of it is invested in securities that are financing similar projects.

Credit Risks

A decline in the credit quality of a fixed income security, whether real or perceived, could cause the value of that security (or a mutual fund or ETF invested in the security) to fall if the issuer or guarantor fails, or it's suspected that the issuer or guarantor will fail, to make a timely principal or interest payment or otherwise honor its obligations. The emphasis of a fixed income strategy on quality and preservation of capital also could cause a mutual fund or ETF to underperform certain other types of bond investments, particularly those that take greater maturity and credit risks.

High Yield Risks

High yield securities and unrated securities of similar credit quality (sometimes called junk bonds) are subject to greater levels of credit and liquidity risks than investment-grade bonds. High yield securities and the ETFs or mutual funds that invest in them may be considered speculative.

Emerging Markets Risks

These and other risks (e.g., nationalization, expropriation, or other confiscation of assets of foreign issuers) are greater for those ETFs or mutual funds investing in companies tied economically to emerging countries, the economies of which tend to be more volatile than the economies of developed countries.

Frontier Markets Risks

The risks associated with investing in foreign or emerging markets generally are magnified in frontier markets, also known as "next emerging markets." Some frontier markets may operate in politically unstable regions of the world and may be subject to additional geopolitical/disruption of markets risks.

Currency Risks

Fluctuations in exchange rates may adversely affect the value of a strategy's foreign currency holdings and investments denominated in foreign currencies.

Commodities Risks

Commodities involve unique risks that may be distinct from those that affect stocks and bonds, including worldwide supply and demand factors, weather conditions, currency movements, and international government policies regarding commodity reserves and choice of currency for commodity pricing.

Real Estate Risks

Real estate–related investments may be adversely affected by factors affecting the real estate industry, which may include changes in interest rates and social and economic trends. Real Estate Investment Trusts (“REITs”) may also be subject to the risk of fluctuations in income from underlying real estate assets, poor performance by the REITs’ manager, prepayments and defaults by borrowers, adverse changes in tax laws, and, with respect to U.S. REITs, their failure to qualify for the special tax treatment granted to REITs under the Internal Revenue Code of 1986 and/or to maintain exempt status under the Investment Company Act.

Options Risks

Options carry a high level of risk and are not suitable for all investors. Certain requirements must be met to trade options through Schwab. Please read the options disclosure document titled “Characteristics and Risks of Standardized Options” by calling Schwab at 1-800-435-4000 for a current copy or by visiting www.optionsclearing.com. Supporting documentation for any claims or statistical data is available on request.

Covered calls provide downside protection only to the extent of premiums received, and prevent any profitability above the strike price of the call. Hedging and protective strategies generally involve additional costs and do not assure a profit or guarantee against loss. Please contact a tax advisor for the tax implications involved in these strategies. Multiple-leg option strategies will involve multiple commissions. Commissions, taxes and transactions costs should be considered.

Disciplinary Information

SPCIA has no legal or disciplinary events that it is required to report.

Other Financial Industry Activities and Affiliations

In its role as sponsor of SPC, Schwab (SPCIA’s affiliate) provides trade execution, asset custody and other brokerage services to SPC accounts. Please see the SPC Disclosure Brochure for more information on Schwab’s role in SPC. Pursuant to the interaffiliate agreement between SPCIA and Schwab, SPCIA Representatives may also periodically assist non-SPC Schwab brokerage clients with service requests during times of high market activity. In addition, upon the request of its affiliate Charles Schwab Trust Company (“CSTC”), SPCIA may periodically provide sub-advisory services to CSTC in connection with the management of trust assets.

TD Ameritrade Holding Corporation is a wholly owned subsidiary of CSCorp. TD Ameritrade, Inc. and TD Ameritrade Clearing, Inc., members FINRA and SIPC, are separate but affiliated companies and subsidiaries of TD Ameritrade Holding Corporation. TD Ameritrade, Inc. is a dual registered broker-dealer and investment advisor. TD Ameritrade Clearing, Inc. provides clearing and execution services for securities brokerage business. TD Ameritrade Investment Management, LLC, and TradeWise Advisors, Inc. are registered investment advisors. TD Ameritrade Trust Company, a non-depository trust company, provides custody, directed trustee, recordkeeping, plan design support, and plan administration for TD Ameritrade Retirement Plan. TD Ameritrade Futures & Forex LLC is an NFA-registered Futures Clearing Merchant and offers futures and forex trading services.

TD Ameritrade Singapore Pte. Ltd. and TD Ameritrade Hong Kong Ltd. enable retail investors in Singapore and Hong Kong to trade the U.S. markets. Clients can trade stocks, ETFs, options, futures, and options on futures using the thinkorswim® trading platform.

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

Code of Ethics

SPCIA 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 SPCIA and its employees—such as when we make recommendations to SPC accounts. The Code requires that SPCIA’s covered employees comply with applicable federal securities laws and report violations of the Code. All SPCIA employees are deemed “access persons” by virtue of providing investment advice or having access to certain related information. Therefore, they must report their personal transactions and holdings in certain securities periodically and get clearance before buying certain securities, including private offerings. The Code prohibits access persons from disclosing portfolio transactions or any other non-public information to anyone outside of Schwab, 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.

You can get a copy of the Code by asking your SPCIA Representatives or calling SPCIA at 1-888-672-4922.

Participation or Interest in Client Transactions

SPCIA’s affiliate, Schwab, sponsors SPC and receives compensation from certain mutual funds, fixed income securities and other investments held in SPC accounts. This compensation is in addition to the explicit asset-based fee that SPC clients pay to Schwab. Charles Schwab Investment Management, Inc. (“CSIM”), another SPCIA affiliate, earns compensation from affiliated mutual funds and ETFs held in SPC accounts. SPC clients receive detailed disclosures about Schwab’s and CSIM’s SPC-related compensation in the SPC Disclosure Brochure. This compensation is also described in “Compensation of the Fiduciary Advisor and Related Parties” below.

Personal Trading

Schwab, pursuant to an interaffiliate agreement with SPCIA, monitors the personal securities holdings and trading of SPCIA Representatives. SPCIA reviews such accounts custodied at Schwab and applicable accounts custodied at other firms.

The surveillance program monitors holdings and trades against the Code, the Compliance Manual, and other applicable policies. Additionally, SPCIA 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.

SPCIA 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 front running customer orders (i.e., if an SPCIA Representative were to buy or sell a security to possibly capitalize on advance knowledge of an imminent customer transaction that is expected to influence the market price, or were to pass such information to others for that purpose); so-called “shadowing” (i.e., to misuse confidential customer trade information for possible personal benefit); and purchasing shares in initial public offerings.

Brokerage Practices

Clients with accounts enrolled in SPC agree in writing with Schwab that all brokerage transactions for equity securities will be executed by Schwab, which may not always obtain as favorable a price as another broker or dealer could obtain depending on the circumstances.

Review of Accounts

SPCIA Representatives review SPC accounts periodically during the year in preparation for and as part of conversations with clients. As part of these reviews, SPCIA Representatives evaluate the composition and performance of SPC accounts in light of clients' financial goals, risk tolerance and individual circumstances.

Client Referrals and Other Compensation

As explained in "Fees and Compensation," Schwab compensates SPCIA for providing non-discretionary portfolio management services to SPC accounts. Except as specified in that section, neither Schwab nor SPCIA compensates any party for referrals of SPC clients.

Investment Discretion

SPCIA does not have or exercise discretionary authority to manage accounts enrolled in SPC.

Voting Client Securities

SPCIA has no discretionary authority over SPC accounts and does not vote client securities in SPC accounts.

Schwab's proxy voting procedures are described in the SPC Disclosure Brochure.

Custody

Schwab has custody of client assets in SPC accounts and, at least quarterly, sends SPC clients account statements detailing account positions and activities during the preceding period. Account statements include a summary of all transactions made on behalf of the account, all deposits and withdrawals made to or from the account, all fees and expenses charged to the account, and the value of the account at the beginning and end of the period. You should review these statements carefully.

Financial Information

SPCIA does not require or solicit prepayment of SPC fees and is therefore not required to include a balance sheet for its most recent fiscal year. SPCIA is not the subject of any financial condition that is reasonably likely to impair its ability to meet its contractual obligations to its clients. SPCIA 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.

Fiduciary Advisor Disclosure

This document contains important information about SPCIA and how it is compensated for the investment advice provided to you if you have an IRA (as defined in 29 C.F.R. 2550.408g-1(c)(4), which, for example, includes Simplified Employee Pension IRAs and SIMPLE retirement accounts) enrolled in SPC (collectively, "Retirement Accounts"). In providing investment advisory services to Retirement Accounts, SPCIA intends to rely on exemptions to the prohibited transaction restrictions of the Employee Retirement Income Security Act ("ERISA") and the Internal Revenue Code ("IRC") set forth in sections 408(b)(14) and 408(g) of ERISA and sections 4975(d)(17) and 4975(f)(8) of the IRC and the regulations thereunder. These exemptions are subject to certain conditions,

including the requirement that we provide certain disclosures to you. We intend that the disclosures contained in this document will provide the information required to be disclosed under the exemptions. You should carefully consider this information in your evaluation of our investment advice.

SPCIA has been selected by you to provide investment advisory services for your Retirement Account. SPCIA will be providing these services as a fiduciary advisor, as defined in IRC section 4975(f)(8)(J)(i) and, to the extent applicable, as a fiduciary under ERISA. Through your enrollment of your Retirement Account in SPC, you will have expressly authorized the investment advice arrangement described in the portion of this document titled "Fiduciary Advisor Disclosure."

Compensation of the Fiduciary Advisor and Related Parties

SPCIA is not compensated directly by you for the advice it provides. SPCIA receives a fee from Schwab for the investment advice provided to SPC accounts equal to: (1) the costs and expenses incurred by SPCIA in connection with SPC; plus (2) an additional amount of 10% of those costs and expenses. Schwab also provides SPCIA with human resources, legal, compliance, supervisory, operational and other administrative and technological support services. SPCIA is not compensated based on the particular investments recommended or held in Retirement Accounts. SPCIA's affiliate, Schwab, is compensated by you for the broker-dealer services it provides in SPC. This asset-based fee is known as the "SPC Fee" and, effective October 1, 2018, begins at 0.80% of assets (adjusting downward depending on assets in your enrolled accounts), subject to certain exceptions, as detailed in the SPC Disclosure Brochure provided to SPC clients.

SPCIA's affiliate, Schwab, also will be providing other services in SPC for which it will be compensated. These services include: (1) trade execution, asset custody and other broker-dealer services in SPC (collectively, "Broker-Dealer Services"); and (2) recordkeeping, shareholder services and other administrative services that Schwab provides to shareholders of affiliated and third-party mutual funds available to Retirement Accounts (collectively, "Shareholder Services").

SPCIA's affiliate, CSIM, also provides investment advisory and/or administrative services to two affiliated mutual fund families, Schwab Funds® and Laudus Funds® (collectively, "Schwab Affiliate Funds"), and to a family of affiliated ETFs ("Schwab ETFs™"), whose funds are available in Retirement Accounts.

When SPCIA recommends that you invest your Retirement Account assets in options and you follow that advice, Schwab will receive compensation from you in the form of a trade commission that is not covered by the SPC Fee. The amount that will be paid by you is \$0.65 per contract. More information concerning option trading commissions is available in the *Charles Schwab Pricing Guide for Individual Investors*, available online at www.schwab.com/pricing. This information should be reviewed carefully before you make an investment decision.

When SPCIA recommends that you invest your Retirement Account assets in Schwab Affiliate Funds and you follow that advice, Schwab may receive compensation from the fund on the amount you invest. These amounts may be indirectly paid by you as part of the operating expense ratio ("OER") of the Schwab Affiliate Fund. The amounts paid to Schwab for Schwab Affiliate Funds will vary depending on the particular fund in which you invest. Specific information concerning the fees paid to Schwab by Schwab Affiliate Funds is available in the SPC Disclosure Brochure and in the applicable fund prospectus and statement of additional information. This information should be reviewed carefully before you make an investment decision.

When SPCIA recommends that you invest your Retirement Account assets in unaffiliated mutual funds and you follow that advice, Schwab will receive compensation from the fund on the amount you invest. These amounts may be indirectly paid by you as part of the OER of the unaffiliated mutual fund. The amounts paid to Schwab for unaffiliated mutual funds will vary depending on the particular fund in which you invest and may range up to 0.45% of the assets held at Schwab. At this rate, the fund or fund service provider pays Schwab up to \$45 per year for each \$10,000 in fund assets held by an investor for the shareholder services provided by Schwab. All of these fees may be subject to monthly or quarterly minimums, and Schwab may receive additional one-time fees to establish a fund at Schwab or additional flat fees for other services provided by Schwab. Specific information concerning the fees paid to Schwab by unaffiliated mutual funds is available in the SPC Disclosure Brochure. This information should be reviewed carefully before you make an investment decision.

Specific information concerning the fees paid to Schwab by unaffiliated ETFs is available in the SPC Disclosure Brochure. This information should be reviewed carefully before you make an investment decision.

When SPCIA recommends that you invest your Retirement Account assets in Schwab Affiliate Funds or Schwab ETFs™ and you follow that advice, CSIM will receive compensation from the fund on the amount you invest. The amounts paid to CSIM for Schwab Affiliate Funds and Schwab ETFs will vary depending on the particular fund in which you invest. For certain Schwab Affiliate Funds and Schwab ETFs, CSIM compensates other fund service providers out of the fees it receives. Specific information concerning the advisory and/or administrative fees paid to CSIM by each Schwab Affiliate Fund and Schwab ETF is available in the applicable fund prospectus. Schwab also may receive shareholder service fees from certain Schwab Affiliate Funds, as disclosed in the fund prospectus. This information should be reviewed carefully before you make an investment decision.

When SPCIA recommends that you enroll your Retirement Account in a Schwab-sponsored advisory program other than SPC, and you follow that advice, Schwab will receive compensation from the explicit asset-based fee that you pay in connection with that program and may also, along with CSIM potentially, receive the types of compensation described above from the underlying assets held in your Retirement Account.

In addition to the above, Schwab also receives other fees or compensation, such as fees to offset processing costs incurred by Schwab for the exchange of securities for equity, options, or other covered security sell transactions. A complete list of Schwab's charges and fees appears in the *Charles Schwab Pricing Guide for Individual Investors*, which is available online at www.schwab.com/pricing. This information should be reviewed carefully before you make an investment decision.

Consider Impact of Compensation on Advice

The fees and other compensation that Schwab and other SPCIA affiliates receive as a result of assets held in SPC Retirement Accounts are a significant source of revenue for these affiliates. You should carefully consider the impact of any such fees and compensation in your evaluation of the investment advice that SPCIA provides. Consider that you may arrange for the provision of advice by another advisor that may have no material affiliation with or receive no compensation in connection with the investments recommended by SPCIA.

Investment Returns

While understanding investment-related fees and expenses is important in making informed investment decisions, it is also important to consider additional information about your investment options, such as performance, investment strategies and risks. Specific information related to the past performance and historical rates of return of SPC accounts has not been provided to you due to the fact that: (1) SPC is a non-discretionary investment advisory service in which clients can reject SPCIA's recommendations or place trades on their own without SPCIA's input; and (2) investment advice in SPC accounts does not consist of fixed portfolios or allocations, but is particular, within the limits set by SPCIA's advice policies and guidelines, to the needs and circumstances of individual SPC clients. You can find information on the past and current performance of your Retirement Account by referring to your Schwab Performance Report.

For investments with returns that vary over time, past performance does not guarantee how your investment in the same or similar investment will perform in the future; your investment could lose money.

Parties Participating in Development of SPC

Schwab is the sponsor of SPC and has participated in the development of advice policies and guidelines independently adopted by SPCIA and applied to advice given by SPCIA to SPC accounts.

In particular, recommendations by SPCIA Representatives to purchase or sell mutual fund shares are subject to mutual fund advice policies and guidelines which state that "buy" recommendations are restricted to funds on one of a number of recommendable lists of funds. Although compensation to Schwab and its affiliates was not directly considered in the selection of funds for any recommendable list, by design, the majority of mutual funds on the recommendable lists are no-load, no-transaction-fee funds that are part of the Schwab Mutual Fund OneSource® service, with some prominence given to Schwab Affiliate Funds. Schwab and its affiliate, CSIM, generally earn more money when clients purchase and hold OneSource and Schwab Affiliate Funds.

Use of Personal Information

SPCIA will request from you information relating to age, time horizons, risk tolerance, current investments, other assets or sources of income, and investment preferences. This information will be shared with Schwab in order to process trade orders and maintain your SPC accounts. All personal information that SPCIA or Schwab collects about you is subject to the CSCorp Privacy Policy, available online at www.schwab.com/privacy.

Independent Audit of Advice Arrangement

SPCIA's advice arrangement for Retirement Accounts is audited annually by an independent auditor for compliance with the requirements of the exemptions and related regulations relied on by SPCIA. The auditor furnishes SPCIA with a copy of the auditor's findings within 60 days of its completion of the audit. Within 30 days of the completion of the auditor's written report, SPCIA will furnish you with a copy of the auditor's report or make the auditor's report available to you on Schwab's website. Please go to www.schwab.com/auditreportspcia for instructions on how to access the auditor's report.

Should you have any questions about SPCIA or the information contained in this document, you may contact SPCIA at the phone number on the front of this SPCIA Disclosure Brochure.





March 2021

Summary of Material Changes to the Disclosure Brochures (Form ADV, Part 2A)

**For the following services since
March 2020:**

- Schwab Private Client™
- Schwab Managed Portfolios™
- Schwab Managed Account Services™
for Clients of Investor Services

Contents

Introduction 1

Schwab Private Client™ 2

Schwab Private Client Disclosure Brochure and
Schwab Private Client Disclosure Brochure
(For International Clients). 2

Schwab Private Client Investment Advisory, Inc.
Disclosure Brochure 2

Schwab Managed Portfolios™ 3

Schwab Managed Portfolios Disclosure Brochure . . . 3

Charles Schwab Investment Management, Inc.
Schwab Managed Portfolios Disclosure Brochure . . . 3

Schwab Managed Account Services™ 4

Schwab Managed Account Services Disclosure
Brochure (for Clients of Schwab Investor Services) . . 4

Charles Schwab Investment Management, Inc.
Windhaven® Strategies Disclosure Brochure 5

Charles Schwab Investment Management, Inc.
ThomasPartners® Strategies Disclosure Brochure . . 5

Charles Schwab Investment Management, Inc.
USAA Managed Portfolios – UMP®
Disclosure Brochure 6

Charles Schwab Investment Management, Inc.
Wasmer Schroeder™ Strategies
Disclosure Brochure 7

Introduction

Charles Schwab & Co., Inc. (“Schwab”) is required under the Investment Advisers Act of 1940 (the “Advisers Act”) to create and provide to clients disclosure brochures for the investment advisory services we offer, including: Schwab Private Client™, Schwab Managed Portfolios™ and Schwab Managed Account Services™. The Advisers Act also requires that we update our disclosure brochures annually and provide existing clients with a summary of the material changes to the brochure(s) for their service since the date of the last annual update.

This document summarizes the material changes to these disclosure brochures and to the brochures of Schwab affiliates that also participate in the services as portfolio managers. These brochures have also undergone various non-material changes since the last annual revisions were made. Such changes—normally small edits made to enhance clarity or minor updates to numerical values that vary from year to year—are not described below. Unaffiliated third-party portfolio managers participating in these services are responsible for distributing their own summaries separately.

If you’d like to receive a copy of any of these updated disclosure brochures, please call 1-877-566-9109 (or +1-415-667-8400 when calling from outside the U.S.) or email updateddisclosures@schwab.com. You can also find copies of our latest disclosure brochures on the website of the United States Securities and Exchange Commission (SEC) at www.adviserinfo.sec.gov.

Securities, products, and services are not available in all countries and are subject to country-specific restrictions.

Schwab Private Client™

Schwab Private Client Disclosure Brochure and Schwab Private Client Disclosure Brochure (For International Clients)

These brochures, which describe Schwab's role as the sponsor of the Schwab Private Client wrap fee program ("SPC"), have undergone the following changes since March 30, 2020.

- **Other Financial Industry Activities and Affiliations.** The brochure was updated to reflect new affiliate relationships with TD Ameritrade entities.
- **Other Financial Industry Activities and Affiliations.** The brochure was updated to reflect that Schwab is a Futures Commission Merchant and offers futures trading to qualified clients.
- **Client Referrals and Other Compensation.** The brochure was updated to reflect referrals received from USAA Investment Management Company and from representatives of TD Ameritrade, Inc.
- **Types of Clients.** The brochure was updated to reflect the increase in the initial enrollment minimum from \$500,000 to \$1 million.

Schwab Private Client Investment Advisory, Inc. Disclosure Brochure

This brochure describes the role of Schwab's affiliate, Schwab Private Client Investment Advisory, Inc. ("SPCIA"), as the non-discretionary portfolio manager for accounts enrolled in SPC. For clients with retirement accounts enrolled in SPC, the full text of the updated "Fiduciary Advisor Disclosure" section of the brochure can be found on page 8, as required in order to rely on exemptions from certain prohibited transaction restrictions of the Employee Retirement Income Security Act and the Internal Revenue Code. This brochure has undergone the following changes since March 30, 2020.

- **Other Financial Industry Activities and Affiliations.** The brochure was updated to reflect new affiliate relationships with TD Ameritrade entities.
- **Client Referrals and Other Compensation.** The brochure was updated to reflect referrals received

from USAA Investment Management Company and from representatives of TD Ameritrade, Inc.

- **Fiduciary Advisor Disclosure.** A complete updated version of the Fiduciary Advisor Disclosure is attached at the back of this booklet.
- **Types of Clients.** The brochure was updated to reflect the increase in the initial enrollment minimum from \$500,000 to \$1 million.

Schwab Managed Portfolios™

Schwab Managed Portfolios Disclosure Brochure

This brochure, which describes Schwab's role as the sponsor of the Schwab Managed Portfolios wrap fee program ("SMP"), has undergone the following changes since March 30, 2020.

- **Other Financial Industry Activities and Affiliations.** The brochure was updated to reflect new affiliate relationships with TD Ameritrade entities.
- **Other Financial Industry Activities and Affiliations.** The brochure was updated to reflect that Schwab is a Futures Commission Merchant and offers futures trading to qualified clients.
- **Client Referrals and Other Compensation.** The brochure was updated to reflect referrals received from USAA Investment Management Company and from representatives of TD Ameritrade, Inc.

Charles Schwab Investment Management, Inc. Schwab Managed Portfolios Disclosure Brochure

This brochure, which describes the role of Schwab's affiliate, Charles Schwab Investment Management, Inc. ("CSIM"), as the portfolio manager for accounts enrolled in Schwab Managed Portfolios (the "SMP Program"), has undergone the following material changes since March 30, 2020.

- **Advisory Business.** CSIM has updated the disclosure to reflect the investment management services it provides for the USAA Managed Portfolios – UMP® and the Wasmer Schroeder™ Strategies.

- **Other Financial Industry Activities and Affiliations.** CSIM has modified the discussion of its relationship with affiliates to disclose new and modified relationships.
- **Brokerage Practices.** CSIM has updated information pertaining to its trading process for the different types of accounts it manages, the relationships among separate trading groups and portfolio management groups, and how trade rotation and trade allocation are handled.
- **Client Referrals and Other Compensation.** CSIM has modified the discussion to reflect its relationship with affiliates.

Schwab Managed Account Services™

Schwab Managed Account Services Disclosure Brochure (for Clients of Schwab Investor Services)

This includes Managed Account Select® (“Select”) and Managed Account Connection® (“Connection”).

This brochure, which describes Schwab’s role as the sponsor of the Select and Connection wrap fee programs, has undergone the following changes since March 30, 2020.

- **Services, Fees and Compensation.** The brochure was updated to describe the addition of USAA Managed Portfolios – UMP® strategies to the Connection program. The brochure was also amended to reflect that as of January 2021, clients will have access to fixed income Wasmer Schroeder™ Strategies through the Connection program.
- **Program Fee.** New fee schedules for municipal bond ladder strategies in the Select program effective January 2021, coinciding with the launch of the affiliated Wasmer Schroeder Strategies, were also added.
- **Other Charges and Compensation.** A description of compensation that Schwab receives from active semi-transparent ETFs available at Schwab was added. The brochure was also updated to reflect

referrals received from USAA Investment Management Company and from representatives of TD Ameritrade, Inc.

- **Other Financial Industry Activities and Affiliations.** The brochure was updated to reflect that Schwab is a Futures Commission Merchant and offers futures trading to qualified clients.
- **Schwab Affiliates.** This section was updated to reflect new affiliate relationships with TD Ameritrade entities.

Charles Schwab Investment Management, Inc. Windhaven® Strategies Disclosure Brochure

The following summarizes the material changes since March 30, 2020, to the Charles Schwab Investment Management, Inc. (“CSIM”) Windhaven Strategies disclosure brochure:

- **Advisory Business.** CSIM has updated the disclosure to reflect the investment management services it provides for the USAA Managed Portfolios – UMP® and the Wasmer Schroeder™ Strategies.
- **Other Financial Industry Activities and Affiliations.** CSIM has modified the discussion of its relationship with affiliates to disclose new and modified relationships.
- **Brokerage Practices.** CSIM has updated information pertaining to its trading process for the different types of accounts it manages, the relationships among separate trading groups and portfolio management groups, and how trade rotation and trade allocation are handled.
- **Client Referrals and Other Compensation.** CSIM has modified the discussion to reflect its relationship with affiliates.

Charles Schwab Investment Management, Inc. ThomasPartners® Strategies Disclosure Brochure

The following summarizes the material changes since March 30, 2020, to the Charles Schwab Investment Management, Inc. (“CSIM”) ThomasPartners Strategies disclosure brochure:

- **Advisory Business.** CSIM has updated the disclosure to reflect the investment management services it provides for the USAA Managed Portfolios – UMP® and the Wasmer Schroeder™ Strategies.
- **Fees and Compensation.** CSIM has modified the discussion of its fees to disclose the new way in which fees are calculated for Direct Clients.
- **Other Financial Industry Activities and Affiliations.** CSIM has modified the discussion of its relationship with affiliates to disclose new and modified relationships.
- **Brokerage Practices.** CSIM has updated information pertaining to its trading process for the different types of accounts it manages, the relationships among separate trading groups and portfolio management groups, and how trade rotation and trade allocation are handled.
- **Client Referrals and Other Compensation.** CSIM has modified the discussion to reflect its relationship with affiliates.
- **Custody.** CSIM has modified the discussion to reflect its relationship with affiliates.

Charles Schwab Investment Management, Inc. USAA Managed Portfolios – UMP Disclosure Brochure

The following summarizes the material changes since May 26, 2020, to the Charles Schwab Investment Management, Inc. (“CSIM”) USAA Managed Portfolios – UMP disclosure brochure:

- **Advisory Business.** CSIM has updated the disclosure to reflect the investment management services it provides for the Wasmer Schroeder Strategies.
- **Methods of Analysis, Investment Strategy, and Risk of Loss.** CSIM has modified the discussion of methods of analysis, investment strategies, and certain risks currently disclosed in the brochure where CSIM believes that additional disclosure would be beneficial to investors in the current market environment.

- **Other Financial Industry Activities and Affiliations.** CSIM has modified the discussion of its relationship with affiliates to disclose new and modified relationships.
- **Brokerage Practices.** CSIM has updated information pertaining to its trading process for the different types of accounts it manages, the relationships among separate trading groups and portfolio management groups, and how trade rotation and trade allocation are handled.

Charles Schwab Investment Management, Inc. Wasmer Schroeder™ Strategies Disclosure Brochure

The following summarizes the material changes since July 1, 2020, to the Charles Schwab Investment Management, Inc. (“CSIM”) Wasmer Schroeder Strategies disclosure brochure:

- **Fees and Compensation.** CSIM has modified the discussion of its fees to provide additional information on how client assets are valued for purposes of fee calculations.
- **Methods of Analysis, Investment Strategy, and Risk of Loss.** CSIM has modified the discussion of methods of analysis, investment strategies, and certain risks currently disclosed in the brochure where CSIM believes that additional disclosure would be beneficial to investors in the current market environment.
- **Other Financial Industry Activities and Affiliations.** CSIM has modified the discussion of its relationship with affiliates to disclose new and modified relationships.
- **Brokerage Practices.** CSIM has updated information pertaining to its trading process for the different types of accounts it manages, the relationships among separate trading groups and portfolio management groups, and how trade rotation and trade allocation are handled.
- **Client Referrals and Other Compensation.** CSIM has modified the discussion to reflect its relationship with affiliates.

- **Custody.** CSIM has modified the discussion to reflect its relationship with affiliates.

“Fiduciary Advisor Disclosure” section of the Schwab Private Client™ Investment Advisory, Inc. Disclosure Brochure

Fiduciary Advisor Disclosure

This document contains important information about SPCIA and how it is compensated for the investment advice provided to you if you have an IRA (as defined in 29 C.F.R. 2550.408g-1(c)(4), which, for example, includes Simplified Employee Pension IRAs and SIMPLE retirement accounts) enrolled in SPC (collectively, “Retirement Accounts”). In providing investment advisory services to Retirement Accounts, SPCIA intends to rely on exemptions to the prohibited transaction restrictions of the Employee Retirement Income Security Act (“ERISA”) and the Internal Revenue Code (“IRC”) set forth in sections 408(b)(14) and 408(g) of ERISA and sections 4975(d)(17) and 4975(f)(8) of the IRC and the regulations thereunder. These exemptions are subject to certain conditions, including the requirement that we provide certain disclosures to you. We intend that the disclosures contained in this document will provide the information required to be disclosed under the exemptions. You should carefully consider this information in your evaluation of our investment advice.

SPCIA has been selected by you to provide investment advisory services for your Retirement Account. SPCIA will be providing these services as a fiduciary advisor, as defined in IRC section 4975(f)(8)(J)(i) and, to the extent applicable, as a fiduciary under ERISA. Through your enrollment of your Retirement Account in SPC, you will have expressly authorized the investment advice arrangement described in the portion of this document titled “Fiduciary Advisor Disclosure.”

Compensation of the Fiduciary Advisor and Related Parties

SPCIA is not compensated directly by you for the advice it provides. SPCIA receives a fee from Schwab for the investment advice provided to SPC accounts

equal to: (1) the costs and expenses incurred by SPCIA in connection with SPC; plus (2) an additional amount of 10% of those costs and expenses. Schwab also provides SPCIA with human resources, legal, compliance, supervisory, operational and other administrative and technological support services. SPCIA is not compensated based on the particular investments recommended or held in Retirement Accounts. SPCIA's affiliate, Schwab, is compensated by you for the broker-dealer services it provides in SPC. This asset-based fee is known as the "SPC Fee" and, effective October 1, 2018, begins at 0.80% of assets (adjusting downward depending on assets in your enrolled accounts), subject to certain exceptions, as detailed in the SPC Disclosure Brochure provided to SPC clients.

SPCIA's affiliate, Schwab, also will be providing other services in SPC for which it will be compensated. These services include: (1) trade execution, asset custody and other broker-dealer services in SPC (collectively, "Broker-Dealer Services"); and (2) recordkeeping, shareholder services and other administrative services that Schwab provides to shareholders of affiliated and third-party mutual funds available to Retirement Accounts (collectively, "Shareholder Services").

SPCIA's affiliate, CSIM, also provides investment advisory and/or administrative services to two affiliated mutual fund families, Schwab Funds® and Laudus Funds® (collectively, "Schwab Affiliate Funds"), and to a family of affiliated ETFs ("Schwab ETFs™"), whose funds are available in Retirement Accounts.

When SPCIA recommends that you invest your Retirement Account assets in options and you follow that advice, Schwab will receive compensation from you in the form of a trade commission that is not covered by the SPC Fee. The amount that will be paid by you is \$0.65 per contract. More information concerning option trading commissions is available in the *Charles Schwab Pricing Guide for Individual Investors*, available online at www.schwab.com/pricing. This information should be reviewed carefully before you make an investment decision.

When SPCIA recommends that you invest your Retirement Account assets in Schwab Affiliate Funds

and you follow that advice, Schwab may receive compensation from the fund on the amount you invest. These amounts may be indirectly paid by you as part of the operating expense ratio (“OER”) of the Schwab Affiliate Fund. The amounts paid to Schwab for Schwab Affiliate Funds will vary depending on the particular fund in which you invest. Specific information concerning the fees paid to Schwab by Schwab Affiliate Funds is available in the SPC Disclosure Brochure and in the applicable fund prospectus and statement of additional information. This information should be reviewed carefully before you make an investment decision.

When SPCIA recommends that you invest your Retirement Account assets in unaffiliated mutual funds, and you follow that advice, Schwab will receive compensation from the fund on the amount you invest. These amounts may be indirectly paid by you as part of the OER of the unaffiliated mutual fund. The amounts paid to Schwab for unaffiliated mutual funds will vary depending on the particular fund in which you invest and may range up to 0.45% of the assets held at Schwab. At this rate, the fund or fund service provider pays Schwab up to \$45 per year for each \$10,000 in fund assets held by an investor for the shareholder services provided by Schwab. All of these fees may be subject to monthly or quarterly minimums, and Schwab may receive additional one-time fees to establish a fund at Schwab or additional flat fees for other services provided by Schwab. Specific information concerning the fees paid to Schwab by unaffiliated mutual funds is available in the SPC Disclosure Brochure. This information should be reviewed carefully before you make an investment decision.

Specific information concerning the fees paid to Schwab by unaffiliated ETFs is available in the SPC Disclosure Brochure. This information should be reviewed carefully before you make an investment decision.

When SPCIA recommends that you invest your Retirement Account assets in Schwab Affiliate Funds or Schwab ETFs™ and you follow that advice, CSIM will receive compensation from the fund on the amount you invest. The amounts paid to CSIM for

Schwab Affiliate Funds and Schwab ETFs will vary depending on the particular fund in which you invest. For certain Schwab Affiliate Funds and Schwab ETFs, CSIM compensates other fund service providers out of the fees it receives. Specific information concerning the advisory and/or administrative fees paid to CSIM by each Schwab Affiliate Fund and Schwab ETF is available in the applicable fund prospectus. Schwab also may receive shareholder service fees from certain Schwab Affiliate Funds, as disclosed in the fund prospectus. This information should be reviewed carefully before you make an investment decision.

When SPCIA recommends that you enroll your Retirement Account in a Schwab-sponsored advisory program other than SPC, and you follow that advice, Schwab will receive compensation from the explicit asset-based fee that you pay in connection with that program and may also, along with CSIM potentially, receive the types of compensation described above from the underlying assets held in your Retirement Account.

In addition to the above, Schwab also receives other fees or compensation, such as fees to offset processing costs incurred by Schwab for the exchange of securities for equity, options, or other covered security sell transactions. A complete list of Schwab's charges and fees appears in the *Charles Schwab Pricing Guide for Individual Investors*, which is available online at www.schwab.com/pricing. This information should be reviewed carefully before you make an investment decision.

Consider Impact of Compensation on Advice

The fees and other compensation that Schwab and other SPCIA affiliates receive as a result of assets held in SPC Retirement Accounts are a significant source of revenue for these affiliates. You should carefully consider the impact of any such fees and compensation in your evaluation of the investment advice that SPCIA provides. Consider that you may arrange for the provision of advice by another advisor that may have no material affiliation with or receive no compensation in connection with the investments recommended by SPCIA.

Investment Returns

While understanding investment-related fees and expenses is important in making informed investment decisions, it is also important to consider additional information about your investment options, such as performance, investment strategies, and risks.

Specific information related to the past performance and historical rates of return of SPC accounts has not been provided to you due to the fact that:

(1) SPC is a non-discretionary investment advisory service in which clients can reject SPCIA's recommendations or place trades on their own without SPCIA's input; and (2) investment advice in SPC accounts does not consist of fixed portfolios or allocations, but is particular, within the limits set by SPCIA's advice policies and guidelines, to the needs and circumstances of individual SPC clients. You can find information on the past and current performance of your Retirement Account by referring to your Schwab Performance Report.

For investments with returns that vary over time, past performance does not guarantee how your investment in the same or similar investment will perform in the future; your investment could lose money.

Parties Participating in Development of SPC

Schwab is the sponsor of SPC and has participated in the development of advice policies and guidelines independently adopted by SPCIA and applied to advice given by SPCIA to SPC accounts.

In particular, recommendations by SPCIA Representatives to purchase or sell mutual fund shares are subject to mutual fund advice policies and guidelines which state that "buy" recommendations are restricted to funds on one of a number of recommendable lists of funds. Although compensation to Schwab and its affiliates was not directly

considered in the selection of funds for any recommendable list, by design, the majority of mutual funds on the recommendable lists are no-load, no-transaction-fee funds that are part of the Schwab Mutual Fund OneSource® service, with some prominence given to Schwab Affiliate Funds. Schwab and its affiliate, CSIM, generally earn more money when clients purchase and hold OneSource and Schwab Affiliate Funds.

Use of Personal Information

SPCIA will request from you information relating to age, time horizons, risk tolerance, current investments, other assets or sources of income, and investment preferences. This information will be shared with Schwab in order to process trade orders and maintain your SPC accounts. All personal information that SPCIA or Schwab collects about you is subject to the CSCorp Privacy Policy, available online at www.schwab.com/privacy.

Independent Audit of Advice Arrangement

SPCIA's advice arrangement for Retirement Accounts is audited annually by an independent auditor for compliance with the requirements of the exemptions and related regulations relied on by SPCIA. The auditor furnishes SPCIA with a copy of the auditor's findings within 60 days of its completion of the audit. Within 30 days of the completion of the auditor's written report, SPCIA will furnish you with a copy of the auditor's report or make the auditor's report available to you on Schwab's website. Please go to www.schwab.com/auditreportspcia for instructions on how to access the auditor's report.

Should you have any questions about SPCIA or the information contained in this document, you may contact SPCIA at the phone number on the front of the SPCIA Disclosure Brochure.

This page is intentionally blank.



Questions?

Please call 1-800-435-4000.

Clients calling from outside
the U.S.: +1-415-667-8400.

March 31, 2021

Annual Notice

If you are enrolled in a Schwab managed account, please take a moment to ensure the program is still meeting your needs and find out if there are changes you'd like to make.

We invite you to review your account(s) noted below. Please give us a call if you:

- Have had any changes in your financial situation or investment objectives.
- Would like to add, delete, or modify investment restrictions related to your account(s). You may impose reasonable restrictions subject to the discretion of management.

If you have questions or would like to make changes, please reach out to your designated Schwab Service Representative or call us at (800) 435-4000.

Clients calling from outside the U.S. can reach us at (415) 667-8400. Otherwise, we'll assume there are no changes in your financial situation, investment objectives, or restrictions, and no further action is required on your part.

Thank you for investing with Schwab. We value your business and want you to know that you can count on us for assistance with all of your financial needs.

Sincerely,

Schwab Investor Services

This page is intentionally blank.

This page is intentionally blank.

This page is intentionally blank.

This page is intentionally blank.

This page is intentionally blank.

This page is intentionally blank.



Please note that this notice does not apply to Schwab accounts managed by an independent investment advisor.

Independent investment advisors are not owned by, affiliated with, or supervised by Schwab.

©2021 Charles Schwab & Co., Inc.

All rights reserved. Member SIPC.

CC4863745 (0321-1578) REG66722-09 (03/21)

00256898