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Schwab Financial Planning Services Disclosure Brochure

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

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

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Advisory Business

Charles Schwab & Co., Inc. ("Schwab") 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). Schwab has been registered as an investment adviser since July 24, 1987.

Schwab offers various fee-based financial planning services as described in this brochure (collectively, the "Service"): the Schwab Plan Comprehensive™, the Schwab Personal Financial Plan™ (the "PFP"), and the Schwab Equity Compensation Consultation (the "ECC"). A Schwab representative who specializes in financial planning (the "Specialist") will work with the client to analyze their goals and then provide a written report (the "Analysis").

At Schwab's discretion, based on the complexity of the needs, amount of enrolled assets, client preference, and other factors, some clients might be offered a Schwab Plan Comprehensive, a Schwab Personal Financial Plan, or a Schwab Equity Compensation Consultation.

These financial planning services may include analysis of certain aspects of financial planning as related to the client's situation, such as retirement needs, education funding, estate planning, or stock option grants, as applicable.

The PFP is a comprehensive financial planning service, with access to other specialized features, as appropriate. The PFP includes a consultation with a Specialist who will analyze the client's situation and provide a written analysis. The PFP covers general and complex financial planning topics as applicable to the client, which may include retirement planning, including Social Security and pension analysis, portfolio allocation, estate and legacy planning, charitable giving, and education funding.

The ECC offers personalized advice on complex equity compensation, including stock option grants and related strategies. Through a detailed discovery process, the ECC helps clients review goals, risk tolerance, and concerns and provides customized guidance based on the client's situation.

For the Schwab Plan Comprehensive, Specialists use a digital planning tool and consider client answers to questions regarding financial situation, including assets and liabilities, overall goals, and risk tolerance. The planning tool provides the basis for a planning conversation with the client and may include topics as applicable to the client, such as retirement planning, savings, and estate planning.

During the enrollment process for the Schwab Plan Comprehensive, clients acknowledge and electronically consent to receive records and disclosures electronically and to sign agreements electronically. This includes delivery of regulatory documents such as the disclosure brochure and the disclosure brochure supplement. Each client has an obligation to maintain an accurate and up-to-date email address and to ensure that he/she has the ability to read, download, print, and retain electronic documents.

The Specialist will help the client identify and prioritize goals using information provided by the client. The Specialist will review the Analysis with the client, help prioritize next steps, and assist in developing an action plan. The Service suggests a general asset allocation and relevant action items, as appropriate, based on the client's stated risk tolerance, age, investment time horizon, and investment experience. The plan also will incorporate sources of information provided by the client in the discovery process. The Specialist relies on this information without independent verification. As such, it is the client's responsibility to ensure that it is accurate and complete.

The Analysis is provided on a discrete basis and at a point-in-time and does not involve ongoing advice. Therefore, it is important for the client to monitor his or her personal situation and current events, such as changes in tax laws and financial markets. The client should consult with their tax advisor or CPA on all tax-related matters and with their attorney on all legal matters before taking any action suggested in the Analysis or financial planning analysis generally.

The financial plan will typically consider assets held in the client's Schwab brokerage or advisory accounts; however, Schwab has no discretionary authority or responsibility with respect to the client's brokerage accounts discussed as part of the Analysis. Schwab does not give legal or tax advice. The client should carefully consider all relevant factors before deciding how or whether to implement recommendations contained in the Analysis or financial planning analysis generally. Any asset allocation shown in the Analysis could differ from the actual allocation provided under other investment advisory services offered by Schwab. After Schwab has presented and explained the Analysis to the client, all obligations associated with the Service will end.

If the client chooses to implement through Schwab any or all of the recommendations based on the Service described above, Schwab may execute transactions for the client's account as agent or principal as described below, outside of the Service.

Fees and Compensation

Fees

Standard Service fees are as follows: \$300 for a point-in-time Schwab Plan Comprehensive; \$2,000 for the PFP; and \$2,000 for the ECC. For unique circumstances that require significantly additional or specialized financial planning, additional costs may apply and will be disclosed to the client.

Discounts or waivers may apply to certain client groups (such as employees of certain businesses and clients of certain independent investment advisers who have a business relationship with Schwab), to clients enrolled in other Schwab investment advisory services, to clients purchasing multiple versions of the Service, as a result of special promotions or marketing campaigns, or otherwise at Schwab's discretion.

Discounts may also be given to employees of Schwab and its affiliates. The fee is payable when the client signs the Financial Planning Services Agreement and returns it to Schwab. If the client decides to cancel participation in the Service, they should inform their Specialist within five (5) business days of signing the Financial Planning Services Agreement in order to receive a full refund. An employer, independent investment adviser, or other group may arrange to pay the Service fees on behalf of its employees, clients, or members.

Compensation

Specialists, including Financial Planners, are not compensated for recommending particular investment products or services.

Financial Planner Compensation

Financial Planners receive compensation in the form of a salary and a bonus based on factors such as corporate and individual performance.

Financial Consultant Compensation

As part of delivering the Schwab Plan Comprehensive, Financial Consultants may recommend specific Schwab-sponsored investment advisory programs to clients, as appropriate. However, Financial Consultants are not compensated for referring clients to the Schwab Plan Comprehensive, PFP, or ECC. In addition to their base salaries, Financial Consultants receive compensation for successfully navigating clients to investment advisory programs and for servicing those clients after enrollment in such programs. Schwab as a company may earn more or less revenue depending on what products and services a Financial Consultant recommends and a client chooses. Financial Consultant compensation varies by the type of program or service an account participates in. As detailed in the applicable disclosure brochure for the advisory program, Schwab has designed Financial Consultant compensation to be based on factors that include the time, complexity, and expertise necessary to understand and recommend a program and to provide ongoing service to a client enrolled in a given program.

Performance-Based Fees and Side-By-Side Management

Schwab does not receive performance-based fees in connection with the Service, and side-by-side management is not applicable.

Independent Branch Leaders

Independent Branch Leaders (“IBLs”) and Independent Branch representatives (“IB representative”) may refer clients to the Service for Schwab Plan Comprehensive, PFP, or ECC. For any referrals made by the IBL in his/her branch, the IBL will receive a one-time payment based on the fee paid for the plan (50% of the amount paid). Go to schwab.com/representative-compensation to learn more about how we compensate our investment professionals.

Benefits to Schwab Affiliates

As a result of discussions related to the Schwab Plan Comprehensive, the PFP, or the ECC, clients may be recommended to or learn of certain investment or banking products and services, including advisory offerings sponsored by Schwab, and enrollment in such products, services or offers would result in revenue to Schwab and its affiliates.

Conflicts of Interest and How They Are Addressed

As described in the “Benefits to Schwab Affiliates” section, Schwab and its affiliates earn revenue if clients choose to enroll in products or offers which would result in revenue to Schwab and its affiliates.

Specialists and Schwab representatives, such as Financial Consultants, are subject to training, supervision, regulatory requirements, and internal policies and controls that are reasonably designed so that clients are recommended only to those products, services, and advisory offers that are appropriate for them in light of their financial circumstances.

In addition, as detailed in the “Compensation” section above, Specialists are not compensated for recommending particular investment products or services, including any advisory offerings sponsored by Schwab.

Types of Clients

The Service is available to investors in need of in-depth, point-in-time personalized financial planning.

Methods of Analysis, Investment Strategies, and Risk of Loss

The methods of analysis that Schwab uses to produce the Analysis, and to inform the Specialist’s discussion of the Analysis, include the creation of personal financial statements (i.e., current net worth, projected net worth statement, and Monte Carlo analysis, which is described below) based on the information the client provides through statements and conversations. The accuracy of the information the client provides is crucial to the usefulness of the Analysis.

The Analysis is based on the information provided by the client and on static assumptions—e.g., fixed return rates and fixed life expectancies. In reality these variables will not be static—market fluctuations will affect overall asset performance, and uncertain life expectancies may cause clients to outlive their resources or fail to accumulate necessary resources.

Monte Carlo analysis is a statistical method that helps assess the effect of these risks by randomizing return rates, which helps analyze the risk of market fluctuations.

Monte Carlo analysis is a projection of the future that attempts to represent the majority of all possible outcomes under a given set of inputs, and does not represent the full universe of all possible futures. Monte Carlo analysis is not a guarantee of future outcomes.

Exercising and/or selling equity compensation may create additional tax consequences. The client should consult with their tax advisor or CPA on all tax-related matters. Failure to exercise options prior to expiration may result in forfeiture of value. Equity compensation such as stock options and restricted stock is subject to market fluctuation which could lead to loss of value.

Cybersecurity Risk

Information security risks for financial institutions are increasing, in part

because of the use of the internet and mobile technologies to conduct financial transactions, and the increased sophistication and activities of organized crime, activists, hackers and other external parties, including foreign state actors. Our systems and those of other financial institutions have been and will continue to be the target of cyber-attacks, malicious code, computer viruses, ransomware, and denial of service attacks that could result in unauthorized access, misuse, loss or destruction of data (including confidential client information), account takeovers, and the unavailability of service or other events. We seek to reduce these risks through controls and procedures believed to be reasonably designed to address these risks. Despite our efforts to ensure the integrity of our systems, we may not be able to anticipate or to implement effective preventive measures against all security breaches of these types, and security breaches could still occur that would halt or impair our ability to provide advisory services. System interruptions, errors or downtime can result from a variety of causes, including changes in client use patterns, technological failure, changes to our systems, linkages with third-party systems and power failures and can have a significant impact on our business and operations. It could take an extended period of time to restore full functionality to our technology or other operating systems in the event of an unforeseen occurrence, which could affect our ability to manage client assets and deliver advisory services. We will respond to breaches with appropriate resources in an effort to contain and remediate the cause of the breach and restore operations.

Disciplinary Information

The SEC and other regulatory agencies and organizations have taken certain disciplinary actions against Schwab for violations of investment-related statutes, regulations, and rules. The matters have been settled, and Schwab has paid fines with respect to certain violations.

1. In June 2022, Schwab and its affiliate Charles Schwab Investment Advisory, Inc. (collectively, “Schwab,” for purposes of this matter description only) reached an agreement with the United States Securities and Exchange Commission (“SEC”) to settle a matter related to historical disclosures and marketing of the Schwab Intelligent Portfolios® advisory program (the “Program”).

As part of the settlement, the SEC found that Schwab, along with its former affiliate, Schwab Wealth Investment Advisory, Inc., violated certain provisions of the Investment Advisers Act of 1940, as amended, and the rules thereunder, from March 2015 through November 2018. The SEC found that Schwab made false and misleading statements in Form ADV Part 2A brochures about the cash allocations in Program accounts, in particular about: (1) Schwab’s conflict of interest in setting the cash allocations; (2) the influence of this conflict of interest on the size of the cash allocations; and (3) the negative effect of the cash allocations on performance in Program accounts under market conditions where other assets such as equities outperform cash. The SEC also found that Schwab failed to sufficiently implement compliance policies designed to prevent the publication of misleading statements. Finally, the SEC found that Schwab made similarly misleading statements in advertisements for the Program.

Without admitting or denying these findings, Schwab agreed to pay a total of \$186,536,861 in disgorgement, pre-judgment interest, and civil penalties. Schwab also agreed to engage an independent consultant to: (1) review Schwab’s supervisory, compliance, and other policies and procedures designed to ensure that Schwab’s SIP-related disclosures, advertising, and marketing communications comply with the requirements of the Investment Advisers Act of 1940, as amended, and the rules thereunder, and with other applicable federal securities laws with respect to the Program; and (2) submit a report to both Schwab and the SEC describing the independent consultant’s findings and making recommendations. Schwab may identify any recommendations that it considers to be unduly burdensome, impractical, or inappropriate and attempt to reach agreement over such recommendations with the independent consultant, and Schwab must ultimately adopt and implement the independent consultant’s final recommendations.

2. A disciplinary action initiated by the Financial Industry Regulatory Authority ("FINRA") asserted that, in violation of FINRA Rules 2010 and 3310(a), Schwab failed to implement policies and procedures that were reasonably designed to detect and cause the reporting of suspicious incoming wire transactions occurring in August 2011. Without admitting or denying the findings, Schwab consented to the described sanctions and to the entry of findings. Therefore, in December 2013, Schwab was censured, fined \$175,000, and required to conduct a comprehensive review of the adequacy of its Anti-Money Laundering policies, systems, procedures (written or otherwise), and training with respect to detecting and reporting suspicious incoming wire transfers.
3. A disciplinary action initiated by FINRA asserted that Schwab failed on 44 occasions during the second quarter of 2011 and on 245 occasions during the first half of the 2012 review period to provide written notification disclosing to its customers a call date that was consistent with the disclosed yield to call in violation of SEC Rule 10b-10. Without admitting or denying the allegations, Schwab consented on August 23, 2013, to a censure and a monetary fine of \$12,500.
4. A disciplinary action initiated by the Chicago Board of Options Exchange ("CBOE") alleged that Schwab: (1) violated CBOE Rule 9.21 by disseminating sales literature and failed to withhold the sales literature from circulation prior to incorporating the required changes specified by the CBOE; and (2) violated CBOE Rule 4.2 by failing to adequately supervise its associated persons to assure compliance with Rule 9.21. Without admitting or denying these allegations, Schwab consented to a censure and a monetary fine of \$10,000 on May 29, 2013.
5. In May 2013, the CBOE alleged that from approximately November 8, 2011, through approximately December 7, 2011, Schwab failed to have adequate supervisory procedures to assure compliance with the SEC Rule 14E-4 relating to partial short tender activity. The CBOE accepted Schwab's offer of settlement consisting of a \$10,000 fine and a censure. Schwab neither admitted nor denied the allegations.

Other Financial Industry Activities and Affiliations

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

Schwab is also registered as an investment adviser under the Investment Advisers Act of 1940. In addition to the Service, Schwab provides other investment advisory services. The Schwab Wealth Advisory™ program is offered through Schwab's affiliated Registered Investment Adviser Schwab Wealth Advisory, Inc. Other programs in which Schwab acts as a Registered Investment Adviser include the Schwab Managed Portfolios™ ("SMP"), Managed Account Select® and Managed Account Connection® wrap fee programs sponsored by Schwab. Schwab also sponsors Schwab Intelligent Portfolios Solutions™ an investment advisory service that can include both financial planning and periodic guidance from Schwab planning consultants and discretionary portfolio management. Schwab also makes referrals to unaffiliated independent investment advisers through the Schwab Advisor Network®

TD Ameritrade Holding Corporation is a wholly owned subsidiary of CSCorp. TD Ameritrade, Inc. and TD Ameritrade Clearing, Inc., SEC-registered broker-dealers and members FINRA/SIPC, are separate but affiliated companies and subsidiaries of TD Ameritrade Holding Corporation. TD Ameritrade, Inc. is a registered broker-dealer. TD Ameritrade Clearing, Inc., an SEC-registered clearing broker-dealer, provides clearing and execution services for securities brokerage businesses. TD Ameritrade Investment Management, LLC is a Registered

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

Charles Schwab Futures and Forex LLC is a CFTC-registered Futures Commission Merchant and NFA Forex Dealer Member and offers futures and forex trading to qualified clients.

Charles Schwab Bank, SSB; Charles Schwab Premier Bank, SSB; and Charles Schwab Trust Bank are affiliates and subsidiaries of the Charles Schwab Corporation.

The Charles Schwab Corporation also provides services to retirement and other employee benefit plans and participants through its separate but affiliated companies and subsidiaries: Charles Schwab Bank, SSB and Charles Schwab Premier Bank, SSB; Charles Schwab & Co., Inc.; Schwab Retirement Plan Services, Inc.; and Schwab Retirement Plan Services Company. Trust and custody products and services are offered by Charles Schwab Trust Bank ("Trust Bank"). Brokerage products and services are offered by Charles Schwab & Co., Inc. (Member SIPC). Schwab Retirement Plan Services, Inc. and Schwab Retirement Plan Services Company provide recordkeeping and related services with respect to retirement plans.

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

Code of Ethics

Schwab has a code of ethics adopted pursuant to SEC Rule 204A-1 under the Investment Advisers Act of 1940 (the "Code"). The Code is intended to reflect the fiduciary principles that govern the conduct of covered representatives when they are acting in an investment advisory capacity. The Code requires that covered representatives comply with applicable federal securities laws; report violations of the Code; and, for those deemed "access persons" by virtue of their involvement in providing investment advice or having access to certain related information, 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 or its affiliates, except as required to effect securities transactions for clients, or from using the information for personal profit or to cause others to profit. Access persons are also prohibited from engaging in deceptive conduct in connection with the purchase or sale of securities for client accounts. The Code is subject to change as necessary to remain current with regulatory requirements and internal business policies and procedures. A copy of the Code is available upon request.

Participation or Interest in Client Transactions

Schwab does not effect securities transactions as part of the Service.

Personal Trading

Schwab monitors the personal securities holdings and trading of its representatives. Schwab 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, Schwab's Compliance Manual, and other applicable policies. Additionally, covered 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.

Brokerage Practices

Schwab does not select or recommend broker-dealers for client transactions as part of the Service.

Review of Accounts

The Service is not ongoing and does not include periodic review of clients' financial situations. As described in "Advisory Business," clients of the Service receive a written Analysis, the contents of which

vary according to clients' particular financial situations and according to the type of Service selected by the client.

Client Referrals and Other Compensation

Schwab has entered into an agreement (the "Referral Agreement") with USAA Investment Services Company ("USAA ISCO") under which Schwab will pay USAA ISCO based on a percentage of the assets in Schwab accounts attributable to a referral by USAA ISCO, including assets in accounts discussed as part of the Analysis. Under the Referral Agreement, Schwab will pay USAA ISCO an annual percentage amount of 0.15% (or 15 basis points) of asset balances of applicable accounts.

Representatives of Schwab's affiliate TD Ameritrade, Inc. receive a payment from TD Ameritrade, Inc. for referring clients to Schwab for services not available through TD Ameritrade, Inc., including the Service and other investment advisory services offered by Schwab. Representatives receive this payment regardless of whether referred clients avail themselves of the Schwab service for which they have been referred.

Custody

This item is not applicable to the financial planning services described in this brochure.

Investment Discretion

Schwab does not have or accept investment discretion over client accounts as part of the Service.

Voting Client Securities

Schwab does not have or accept authority to vote clients' securities (i.e., proxy voting) as part of the Service.

Financial Information

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





March 31, 2023

Summary of Material Changes to the Schwab Financial Planning Services Disclosure Brochure (Form ADV Part 2A)

Since March 31, 2022

Introduction

Charles Schwab & Co., Inc. ("Schwab") is required under the Investment Advisers Act of 1940 (the "Advisers Act") to create and provide to clients like you disclosure brochures for the investment advisory services we provide, including Schwab Financial Planning Services. The Advisers Act also requires that we update our disclosure brochures annually. This document summarizes the material changes to the Schwab Financial Planning Services Disclosure Brochure (the "Brochure"). If you'd like to receive a copy of the updated disclosure brochure, 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.

This brochure, which describes Schwab's fee-based Financial Planning Services, has undergone the following changes since March 31, 2022.

- **Conflicts of Interest and How They Are Addressed.** Schwab has enhanced its disclosures regarding conflicts of interest related to use of products and services.
- **Other Financial Industry Activities and Affiliations.** Schwab has enhanced its disclosures regarding its current relationships with affiliates.
- **Disciplinary Information.** Schwab has added a disclosure regarding its agreement with the United States Securities and Exchange Commission ("SEC") to settle a matter related to historical disclosures and marketing of the Schwab Intelligent Portfolios® advisory program.