Relationship Summary: Broker-Dealer

December 12, 2025

What you should consider when choosing a brokerage relationship at Schwab.

Charles Schwab & Co., Inc. ("Schwab," "we," or "us") is a broker-dealer registered with the Securities and Exchange Commission (SEC). The summary below highlights the nature of the brokerage relationship with our clients. Schwab is also an investment adviser registered with the SEC and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Our brokerage and investment advisory services and fees differ, and we believe it is important for you to understand those differences. To compare, see a summary of Schwab's investment advisory relationships at **schwab.com/relationship-summary-ia**. For more general information about different financial professionals and investing, including free and simple tools to research firms and their representatives, visit the SEC's website at **www.Investor.gov/CRS**.

We hope you will take the time to read this information and ask questions. We welcome them.

What investment services and advice can you provide me?

We offer a wide range of investment products with no account minimums for most domestic accounts. Our offerings include both affiliated products that are managed by Schwab and unaffiliated investment products that are managed by independent third parties.

- We offer investment and account recommendations if you would like advice.
- We will give you advice that is a one-on-one recommendation and specific to you and your situation at that time. As such, a recommendation only applies at the point in time when we provide it to you.
- The decision to invest will always be yours—we will not place any trades on your behalf without your direction. We do not manage or monitor your brokerage accounts.
- We also provide Schwab research and other market data, but this type of information will never be a recommendation for you specifically.

For more information about our services, go to schwab.com/transparency and read our Best Interest Disclosure.

Questions to Ask

- Given my financial situation, should I choose an investment advisory service?
- Should I choose a brokerage service?
- Should I choose both types of services? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications?
- What do these qualifications mean?

What fees will I pay?

If you place a trade, you will pay a commission or transaction fee in some cases. There can also be expenses built into the trade price or the investment itself.

- The fee you pay is the same whether we recommend an investment to you or not. We earn money from third parties and affiliates on certain products, including cash, mutual funds, and exchange-traded funds (ETFs) held in your account(s), so we have an incentive to encourage investment in those products.
- You may also pay account- or transaction-related fees.
- *You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.*

To see more information about our fees, go to schwab.com/transparency and read our Best Interest Disclosure or go to schwab.com/pricing-guide.

Questions to Ask

- Can you help me understand how these fees and costs might affect my investments?
- If I give you $10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when providing recommendations? How else does your firm make money, and what conflicts of interest do you have?

All recommendations for your brokerage account will be made in a broker-dealer capacity unless otherwise expressly stated. When we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

You should understand and ask us about these conflicts because they can affect the recommendations we provide you. Here are some examples to help you understand what this means. We and our affiliates earn money from:

- Shareholder service fees paid to us by third-party fund providers and affiliated mutual funds, and management fees paid to our affiliate adviser by affiliated mutual funds and ETFs, that are based off the shares which are held in your account(s).
- The "spread" on cash in your accounts—i.e., the difference between what we earn and what we pay you in interest.
- Dealer concessions or transaction fees when trading as principal in your accounts.
- Commissions or trail commissions paid to us by insurance companies when you purchase an annuity or other insurance products.
- Order routing revenue from third-party broker-dealers and exchanges when you place trades and we route your order to the centers.

For more information about our conflicts and our capacity when we provide investment recommendations for retirement accounts, read our Limitations and Conflicts Disclosure found here: schwab.com/transparency/limitations-conflicts. For more information about order routing, go to schwab.com/execution-quality/order-routing-process.

Question to Ask

- How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

Our representatives receive cash payments based on the amount of assets you have with us and the time, complexity, and expertise required to help you with any of our services; specifically, they receive compensation to navigate you to our investment advisory services and service your accounts once enrolled in such services. They earn more for recommending certain services over others, but what they earn is not directly based on the revenue the firm earns.

For more information on how we pay our representatives, go to schwab.com/representative-compensation.

Do you or your financial professionals have legal or disciplinary history?

Yes.

For free and simple tools to research our firm and representatives, visit www.Investor.gov/CRS.

Questions to Ask

- As a financial professional, do you have any disciplinary history?
- For what type of conduct?

Where can I find additional information?

For additional information about our investment advisory or brokerage services, go to schwab.com/transparency. To request a copy of this relationship summary, call 800-435-4000.

Questions to Ask

- Who is my primary contact person?
- Are they a representative of an investment adviser or a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?

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Relationship Summary: Investment Advisory

March 31, 2026

What you should consider when choosing an investment advisory relationship at Schwab.

Charles Schwab & Co., Inc. ("Schwab," "we," or "us") is an investment adviser registered with the Securities and Exchange Commission (SEC). The summary below highlights the nature of investment advisory relationships with our clients. Schwab is also a broker-dealer registered with the SEC and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Our brokerage and investment advisory services and fees differ, and we believe it is important for you to understand those differences. To compare, see a summary of Schwab's brokerage relationship at schwab.com/relationship-summary-bd. For more general information about different financial professionals and investing, including free and simple tools to research firms and their representatives, visit the SEC's website at www.Investor.gov/CRS.

We hope you will take the time to read this information and ask questions. We welcome them.

What investment services and advice can you provide me?

We sponsor several investment advisory programs that provide different services, feature different investments, have different account minimums and fees, and offer varying levels of account monitoring. Our affiliates participate in some of these programs as discretionary portfolio managers, which grants the affiliate authority to buy and sell securities in your account(s) without your prior consent, or non-discretionary portfolio managers, where you make all of the trade decisions in your account(s).

- For automated advice from a robo-adviser, where our affiliated investment adviser, Charles Schwab Investment Management, Inc. (CSIM), monitors and makes the investment decisions for you: Schwab Intelligent Portfolios® ($5,000 minimum).
- For advice from our affiliate investment adviser, CSIM, or unaffiliated advisers where the advisers monitor and make the investment decisions for you: Schwab Managed Account Services™ (minimums begin at $100,000).
- For accounts managed by CSIM using a particular investment strategy, where the adviser monitors and makes the investment decisions for you: Schwab Managed Portfolios™ ($25,000 minimum).
- For complex or specialized needs, a referral to an unaffiliated professional adviser: Schwab Advisor Network® ($2,000,000 minimum).
- For advice and periodic portfolio reviews from a team of professionals at our affiliated investment adviser, Schwab Wealth Advisory, Inc. (SWAI), where you make the investment decisions: Schwab Wealth Advisory™ ($500,000 minimum).
- For individualized planning advice in a written financial plan with no monitoring: Schwab Financial Planning Services.

To learn more about specific services for each program, go to schwab.com/advisory to access the relevant sections of each program disclosure brochure: (1) Advisory Business; Types of Clients; or (2) Services, Fees and Compensation; Account Requirements and Types of Clients.

Questions to Ask

- Given my financial situation, should I choose an investment advisory service?
- Should I choose a brokerage service?
- Should I choose both types of services? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications?
- What do these qualifications mean?

What fees will I pay?

We charge a fee for some, but not all, of our investment advisory services, including asset-based fees and fixed one-time and recurring fees. Some of these fees may be negotiable.

- Our asset-based or wrap fees are calculated based on the amount of assets in your account and usually billed on a quarterly basis. These fees include most transaction costs, and could be higher than fees charged for investment advisory services that do not include such costs. There are other fees that will apply to your account, such as mutual fund and exchange-traded fund (ETF) operating expenses (including management fees paid to CSIM for funds managed by them), costs for trades executed at a firm other than Schwab, and account services fees.
- The more assets in your accounts, the more money Schwab and its affiliates earn, so we have an incentive to encourage you to invest more assets. We earn money from third parties or affiliates on certain products, including cash, mutual funds, and ETFs held in your accounts, so we have an incentive to encourage such investments.
- You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.
- You will be charged interest on the amount borrowed through margin loans and securities-based loans.

To learn more about specific fees for each program, go to schwab.com/advisory to access the relevant sections of each program disclosure brochure: (1) Fees and Compensation; or (2) Services, Fees and Compensation.

Questions to Ask

- Can you help me understand how these fees and costs might affect my investments?
- If I give you $10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money, and what conflicts of interest do you have?

All recommendations regarding your advisory account will be in an adviser capacity. When we, CSIM, or SWAI act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

You should understand and ask us about these conflicts because they can affect the recommendations we provide you. Here are some examples to help you understand what this means. We and our affiliates earn money from:

- Shareholder service fees paid to us by third-party fund providers and affiliated mutual funds, and management fees paid to CSIM by affiliated mutual funds and ETFs, that are based off the shares which are held in your accounts.
- The “spread” on cash in your accounts—i.e., the difference between what we earn and what we pay you in interest.
- Fees from third-party advisers participating in our referral service.
- Other compensation and conflicts that are specific to the different programs.

To learn more about specific conflicts for each program, go to schwab.com/advisory to access the relevant sections of each program disclosure brochure: Other Financial Industry Activities and Affiliations; Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Question to Ask

- How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

Our representatives include branch-based Financial Consultants and phone-based representatives who help you select the program or service that best meets your needs. They receive cash payments based on factors like the amount of assets you have with us and the time, complexity, and experience required to help you with any of the services we provide; specifically, they receive compensation to navigate you to our investment advisory services and service your accounts once enrolled in such services. They do earn more for recommending certain services over others, but what they earn is not directly based on the revenue the firm earns.

CSIM Portfolio Managers and SWAI Wealth Advisors receive a fixed base salary and may earn a discretionary bonus based on the financial performance of The Charles Schwab Corporation (CSC). They may also have the potential to participate in discretionary equity awards. For certain CSIM Portfolio Managers, their discretionary bonus is funded on the financial performance of CSC, their strategy’s performance results, their strategies’ asset growth or a combination of the above.

For more information on how we pay our representatives, go to schwab.com/representative-compensation.

Do you or your financial professionals have legal or disciplinary history?

Yes.

For free and simple tools to research our firm and representatives, visit www.Investor.gov/CRS.

Questions to Ask

- As a financial professional, do you have any disciplinary history?
- For what type of conduct?

Where can I find additional information?

For additional information about our investment advisory or brokerage services, go to schwab.com/transparency. To request a copy of this relationship summary, call 800-435-4000.

Questions to Ask

- Who is my primary contact person?
- Are they a representative of an investment adviser or a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?

June 30, 2026

Schwab Wealth Advisory™ Disclosure Brochure

Charles Schwab & Co., Inc. Disclosure Brochure for the Schwab Wealth Advisory Wrap Fee Program (For U.S. and International Clients)

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San Francisco, CA 94105
Tel: 1-800-435-4000
Schwab.com

International Clients
Tel: +1-415-667-8400
International.schwab.com

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

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

Contents

Introduction

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

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

This brochure explains CS&Co.'s sponsored investment advisory wrap fee program, Schwab Wealth Advisory (SWA or the "SWA Program"), including how the program works and who it is designed to serve. It is intended to help you understand the SWA Program and decide whether it may be appropriate for you. CS&Co. offers other investment advisory and broker-dealer programs, which are described in separate disclosure brochures or other documents that are available upon request.

Item 4 – Services, Fees, and Compensation

The SWA Program is an investment advisory wrap fee program sponsored by CS&Co. Under the SWA Program, you pay an asset-based fee ("SWA Fee") that covers investment advisory services, brokerage services, custody of your assets, administrative services, and certain other fees and expenses. Because these services are bundled into one wrap fee, the total cost of the SWA Program may be higher than if you purchased investment advice, brokerage services, and other services separately.

You will not pay a separate commission for each transaction, however there are some fees you may pay that are not included in the SWA Fee. Details about how the SWA Fee is calculated and what it covers is described in the "Program Fees" section of this document.

Program Services

The SWA Program provides periodic non-discretionary investment advice through Schwab Wealth Advisory, Inc. ("SWAI"), an SEC -registered investment adviser affiliated with CS&Co. and an indirect, wholly owned subsidiary of CSC. Under this program, SWAI makes investment recommendations, but does not have authority to make investment decisions or place trades on your behalf. You retain full control over your accounts and decide whether to implement any recommendations.

While you are enrolled in the SWA Program, CS&Co. will collect and review only the financial information you provide, along with the CS&Co. accounts you choose to enroll in the program (your "SWA Accounts" or "Portfolio"). An employee of SWAI ("SWAI Associate(s)") will meet with you periodically to review your Portfolio and discuss your goals, financial situation, and investment strategy. Based on these discussions, the SWAI Associate will provide investment recommendations.

Non-discretionary investment advice under the SWA Program may also include recommendations to invest in separately managed accounts ("SMAs"). SMAs are managed on a discretionary basis by affiliated or unaffiliated money managers (each an "MM"). Non-discretionary advice may also include recommendations regarding initial enrollment in an SMA, continued enrollment, and how to allocate assets among different investment strategies. Your SWAI Associate can help you request certain reasonable investment restrictions on your SMA; however, any such restrictions are subject to review and approval by the MM and may limit the MM's ability to manage the account.

Schwab Wealth Portfolios are SMAs available only to clients enrolled in the SWA Program and are included in your Portfolio. Schwab Wealth Portfolios consists of multi-asset-class portfolio strategies composed of SMAs, mutual funds, exchange traded funds ("ETFs"), or a combination of these investments, held within a single account. Schwab Wealth Portfolios strategies are managed on a discretionary basis by Charles Schwab Investment Management, Inc. ("CSIM"), a Schwab affiliate doing business as Schwab Asset Management®. If your Schwab Wealth Portfolios strategy is removed or "unenrolled" from your SWA Portfolio, CSIM's authority with respect to that account will terminate. At the time of unenrollment, you will have an opportunity to instruct CSIM to hold or liquidate the securities in your account.

SWAI Associates may also make recommendations regarding SMAs that are available outside of the SWA Program and are not considered SWA Accounts. These SMAs may be offered through Schwab Managed Account Services™ ("MAS") or Schwab Managed Portfolios™ ("SMP") and may be managed by affiliated or unaffiliated Money Managers. Accounts advised through MAS or SMP are not part of the SWA Program and are subject to the terms, disclosures, and agreements applicable to those programs.

For all SMAs, the MM, and not SWAI, is responsible for managing the strategy and making investment and trading decisions, as described in the MM's disclosure documents. SWAI's role is limited to recommendations relating to the appropriateness and selection of SMAs and periodically reviewing them for continued appropriateness in light of your goals and overall investment objectives. Not all clients will have SMAs, and SMAs are not suitable for all clients.

Each MM is described in its Form ADV brochure (the "MM Brochure") which outlines the MM's investment strategy and discretionary authority. The MM's discretionary authority over your SMA will remain in full force and effect even if you become incapacitated or disabled, unless and until you revoke or terminate the MM's authority by providing notice to CS&Co.

Certain securities are available only through a specific MM's investment strategy. As a result, if your account is unenrolled from an MM's investment strategy or the MM's authority is otherwise terminated, the MM will sell those securities as part of the termination process.

You can also get more information about an MM and its strategy in the MM Profile ("MM Profile," which beginning in August 2026 is also referred to as "MM Factsheet") During a transitional period, you may see references in materials to both the MM Profile and MM Factsheet, which refer to the same document.

SWAI Associates provide investment recommendations based on the information you provide and may consider the total value of your accounts when giving advice. You retain full control over your non-discretionary SWA Accounts and decide whether to follow any recommendation. CS&Co. and SWAI do not have authority to make investment decisions, place trades without your approval, or move money in your accounts, and you are responsible for monitoring your investments and account activity.

Role of CS&Co.

CS&Co. is the sponsor of the SWA Program and serves as the broker-dealer and custodian for assets held in your SWA Accounts. In addition to selecting SWAI as the non-discretionary manager and setting certain Program parameters, CS&Co. executes trades in your SWA Accounts in its role as a broker-dealer, except for Schwab Wealth Portfolios, which have different trade execution arrangements. Additional information about how trades are executed for Schwab Wealth Portfolios is described in the "Order Routing and Execution" section of this brochure.

To help you track your progress toward your financial goals, you may request for CS&Co. to provide quarterly reports that include account activity, portfolio analysis, and investment performance information for your SWA Accounts.

Role of SWAI

SWAI is an affiliate of CS&Co. and is registered with the SEC as an investment adviser. SWAI serves as the non-discretionary investment adviser for your SWA Accounts under your advisory agreement with CS&Co. (the "SWA Agreement").

SWA Advisory Team and Roles

Your SWA team may include several professionals who support you in different ways. The specific individuals and roles may change over time based on your needs and CS&Co.'s service model.

CS&Co. Representatives and Roles

Financial Consultants (FCs)

- Financial Consultants ("FCs") are employees or, if operating from a Franchise Services branch, independent contrators of CS&Co. FCs may introduce you to the SWA Program and recommend your enrollment if the program is appropriate for you.

SWAI Associates

The following professionals are employees of SWAI and investment adviser representatives:

Wealth Advisor

- Provides periodic non-discretionary investment advice based on your goals and financial situation.
- Makes recommendations about asset allocation and whether to buy, sell, or hold investments.
- Provides financial planning services based on your goals and financial situation, which may include investment planning and investment management; retirement planning; education and family support planning, including college savings; estate planning considerations, such as account titling and beneficiary designations; risk management and insurance planning; and tax planning strategies, as available to clients residing in the U.S. or other eligible jurisdictions.

Associate Wealth Advisor

- Supports the Wealth Advisor, assists during enrollment, and provides ongoing planning and advice support.

Specialists

- Include Financial Planners, Equity Compensation Consultants, Tax/Trust/Estate Specialists, Portfolio Transition Specialists, Fixed Income and Options Specialists, Alternative Investment Consultants, and other subject matter specialists.
- Provide point-in-time wealth management education and planning support on specific topics, such as retirement planning, tax-aware investing considerations, estate planning, or stock option planning, as available to clients residing in the U.S. or other eligible jurisdictions.
- Do not manage your portfolio or make discretionary investment decisions.

Director, Wealth and Asset Management Solutions (DWAMS)

- When engaged by an FC, will discuss your goals with you and evaluate whether SWA Program enrollment may be appropriate; if not, will direct you back to the FC for next steps and alternative solutions.
- Do not provide investment advice or portfolio management for SWA Accounts and do not assess the ongoing suitability of the SWA Program for you.

Some SWAI Associates are also registered representatives of CS&Co., so they can access CS&Co.'s brokerage systems and, if requested, enter trades in your SWA Accounts. When performing brokerage services, including trade execution, they act in their capacity as registered representatives of CS&Co.

SWAI Associates provide guidance based on the information you provide, and it is your responsibility to notify them of changes in your personal or financial situation that may affect prior recommendations. You should also consider changes in tax laws and financial markets when evaluating advice. SWAI Associates do not provide legal or tax advice, including advice on foreign tax matters, and you should consult your own tax or legal professionals before taking action.

Neither SWAI nor CS&Co. acts as a money manager for purposes of the Employee Retirement Income Security Act (ERISA) with respect to any IRA or other retirement account enrolled in the SWA Program. You are responsible for deciding whether and how to implement any recommendations and are not required to use SWAI or CS&Co. to do so. Investment availability may vary depending on your country of residence.

Financial Planning Services

At your request, or if a SWAI Associate believes it would be helpful, you may be referred to a SWAI Specialist for specific planning support or point-in-time investment advice at no additional cost. Depending on your needs, you may receive a Schwab Plan Comprehensive™, Schwab Personal Financial Plan™, or a Schwab Equity Compensation Consultation (collectively, "Financial Planning Services"). These services address selected financial planning topics, such as retirement, education funding, estate planning considerations, or stock option grants.

Financial Planning Services are provided by a team of professionals and are available to U.S. based SWA clients. Neither SWAI nor CS&Co. has discretionary authority over your accounts or assumes responsibility for managing your brokerage accounts as a result of these services.

Cash Management

As part of portfolio management under the SWA Program, your SWA Accounts may hold a portion of its assets in cash or cash equivalent investments. This cash is used to support the investment strategy, including providing liquidity for trading, rebalancing, and other portfolio needs. Cash, including money market funds, may also be maintained to ensure there are sufficient funds available to pay your SWA Fee, which is automatically deducted from your account on a quarterly basis.

CS&Co. does not charge the SWA Fee on cash or money market fund assets held in your SWA Accounts.

CS&Co.'s Cash Features Program

The Cash Features Program is a service that CS&Co. provides that permits the uninvested cash, or free credit balance, in your account to earn income while those funds remain uninvested:

- Schwab® Government Money Fund – Sweep Shares ("SWGXX") (available only to clients who reside in the U.S. and other eligible jurisdictions); or
- Schwab One® Interest feature that earns interest (available only to clients who reside outside SWGXX-eligible jurisdictions).

Your free credit balance is the uninvested cash in your account, minus the funds necessary to pay for transactions that are waiting to settle and any applicable charges to your account.

The SWA Program uses SWGXX as the default sweep feature, unless you instruct us to use the non-interest-bearing Schwab One Interest feature. The SWGXX feature is only available to SWA Clients who reside in the U.S. Those SWA Clients who reside outside of the U.S. will have their uninvested cash, or free credit balances, automatically deposited into the Schwab One Interest feature that earns interest or, as an exception, the Schwab One Interest feature that does not earn interest.

1. **The SWGXX feature.** This sweep feature invests you in a money market fund that generally may pay a higher yield than certain other cash sweep options. If your accounts currently have a different sweep feature, you authorize and direct CS&Co. to establish or change your cash sweep feature to SWGXX generally within one week of enrollment into the SWA Program, unless you instruct us not to do so. If your enrollment in the SWA Program is terminated at any time for any reason and if, at that time, you are not otherwise eligible for SWGXX as your cash sweep feature, CS&Co. may without further notice or consent redeem your shares in the fund and invest or deposit the proceeds in a replacement cash sweep feature for which you are eligible. A different cash sweep feature may apply to your non-SWA accounts. An investment in a money market fund is not a deposit, is not guaranteed by or an obligation of any bank, and is not insured by the Federal Deposit Insurance Corporation ("FDIC").
2. **The Schwab One Interest feature.** This feature, which earns interest and is available only to clients who reside outside the U.S., pays you interest on your free credit balances. If your account is eligible for the Schwab One Interest feature as your cash feature, your free credit balance will remain in your account and earn interest. A free credit balance in your account is not a deposit, is not guaranteed, is not the obligation of any other bank, and is not FDIC-insured. A Schwab One Interest feature that does not earn interest is available as an exception to all clients. Please see your account statement and the Cash Features Program Disclosure Statement for the terms and conditions of the Schwab One Interest feature.

Fees

All SWA Accounts are subject to the SWA Fee, which is an asset-based fee that compensates CS&Co. for the services provided under the SWA Program. The SWA Fee applies to your account and, if applicable, to other accounts you elect to include in the same billing group by completing the required documentation (each a "Billing Group").

A Billing Group consists of accounts whose assets are combined for fee-calculation purposes. CS&Co. will aggregate the balances of all billable assets across your Billing Group to determine the total asset value used to calculate the blended fee. Different portions of that aggregated value are charged at different fee rates according to the applicable fee tier. The total SWA Fee is calculated in arrears and then is automatically deducted proportionately across the accounts in your Billing Group on a quarterly basis.

The SWA Fee is calculated as a blended fee and is assessed across your Billing Group based on the combined value of all billable assets in your SWA accounts and, if applicable, the SWA accounts of other members of your household.

The SWA Fee covers non-discretionary investment advice, equity trade commissions, mutual fund transaction fees, commissions on fixed-income transactions in your SWA Accounts.

The SWA Fee is subject to a quarterly minimum, which represents the minimum amount charged for the advisory services provided during a quarter. The quarterly minimum is not a separate fee or an additional charge beyond the SWA Fee. The quarterly minimum is equal to the lesser of:

- $1,000, or
- 1.60% of your total billable assets, calculated on a quarterly basis.

The 1.60% amount applies only for purposes of determining the minimum fee and does not replace or change the standard fee rates shown in the Fee Schedule. If the use of a $1,000 minimum would result in a charge that is higher than 1.60% of your total billable assets for the quarter, you will be charged the lower amount instead.

If your account is enrolled for only part of a quarter, the quarterly minimum generally does not apply, and fees are calculated based on the number of days your account is enrolled.

Fee Schedules

The following fee schedules describe the SWA Fee, which is charged on all client accounts enrolled in the SWA Program.

Standard SWA Fee Schedule (effective October 1, 2024)
This fee schedule applies to each account in your SWA Portfolio, including Schwab Wealth Portfolios.

Billable Assets	Annual Percentage Rate
Amounts up to US$1 million	0.80%
Next US$1 million (more than US$1M up to US$2M)	0.75%
Next US$3 million (more than US$2M up to US$5M)	0.70%
Next US$5 million (more than US$5M up to US$10M)	0.50%
Next US$15 million (more than US$10M up to US$25M)	0.30%
Assets over US$25 million	0.30% (or less, as negotiated)

Grandfathered SWA Fee Schedule (effective October 1, 2018 through September 30, 2024)
This fee schedule applies to clients who enrolled in the SWA Program before October 1, 2024, and whose SWA Accounts are subject to a "Grandfathered SWA Fee Schedule." If you, or someone in your household (such as a person with the same last name living at the same address), have continuously maintained at least one SWA Account since your initial enrollment in the SWA Program, the pricing under your assigned Grandfathered SWA Fee Schedule will continue to apply. In that case, the Grandfathered SWA Fee Schedule assigned to your Account(s) will also apply to any new SWA Accounts you open on or after October 1, 2024, including new Schwab Wealth Portfolios accounts.

Billable Assets	Annual Percentage Rate
Amounts up to US$1 million	0.80%
Next US$1 million (more than US$1M up to US$2M)	0.75%
Next US$3 million (more than US$2M up to US$5M)	0.70%
Assets over US$5 million	0.30%

Clients who enrolled prior to October 1, 2018, or who are on a legacy discounted rate, may be on a separate fee schedule that is not listed in this document. SWA Fee Schedules set prior to 2018 do not apply to Accounts enrolled in Schwab Wealth Portfolios strategies.

How the SWA Fee Is Calculated

Billable Assets
The SWA Fee is charged on the value of the following types of assets (billable assets) held in your SWA Accounts:

- Stocks and other equity investments, such as common or preferred stock and similar equity securities.
- ETFs and closed end funds, such as interval funds and tender funds.
- Mutual fund shares, other than money market funds and certain other non-billable funds.
- Fixed income investments, such as bonds, Treasury securities, municipal bonds, certificates of deposit (CDs), and other similar debt investments.
- Unit investment trusts (UITs) for U.S. clients, and UCITS funds for non-U.S. clients, where applicable.
- Alternative investments purchased through Schwab Alternative Investments Select, provided CS&Co. receives a valuation at least quarterly.
- Assets purchased using margin or other CS&Co. lending arrangements, such as a Pledged Asset Line®.
- Assets invested in a Schwab Wealth Portfolios SMA.

Non-Billable Assets
The SWA Fee is not charged on the following types of assets held in your SWA Accounts:

- Cash balances, including money waiting to be invested or received from dividends or the sale of investments.
- Money market funds and certain mutual funds, including mutual fund shares on which a sales charge has been or will be paid to CS&Co., and other funds CS&Co. designates as non-billable.
- Certain alternative investments, except for alternative investments purchased through Schwab Alternative Investments Select or later combined with those investments. For these nonbillable alternative investments, CS&Co. generally provides a quarterly credit to reduce or offset the SWA Fee charged on them.
- Certain other investments, such as options and direct investments in commodities or commodity futures.
- Certain non-securities products, including insurance products, annuities, and education savings plans, which are available only to U.S. based SWA clients.
- Assets held in SMAs made available through the MAS or SMP programs.

Fees Not Covered by the SWA Fee
The SWA Fee does not cover all costs related to your accounts. Certain fees and expenses can be charged in addition to the SWA Fee when applicable, including:

- Fund level fees, such as sales charges or redemption fees charged by mutual funds, unit investment trusts (UITs), closed end funds, and similar investment products.
- Short-term fund redemption fees, including fees charged by CS&Co. or by the fund itself for certain mutual fund transactions.

- Fees charged by other broker-dealers for transactions executed through firms other than CS&Co. that settle into or out of your SWA Accounts.
- Alternative investment fees, including custody, transaction, management, performance, processing, capital call, or redemption fees, depending on the investment and how it was purchased or transferred.
- Options trading fees.
- Certain transaction related fees, such as processing charges, transfer taxes, reorganization fees, certificate delivery fees, odd lot differentials, or other fees required by law.

CS&Co. may reduce or change the SWA Fee for certain clients based on factors such as account size, promotional offers, or individual negotiations. The fee schedules provided reflect standard pricing, but discounts or negotiated fee arrangements may apply at any asset level. If you have questions about the SWA Fee you are paying or believe it was calculated incorrectly, you should contact your SWA team promptly.

For a complete list of CS&Co.'s brokerage commissions, charges, and fees, please refer to the *Charles Schwab Pricing Guide for Individual Investors*, available at **schwab.com/pricing**.

If you have CS&Co. accounts that are not enrolled in the SWA Program, any fees charged for those accounts are separate from and in addition to the SWA Fee.

Advisory Program Credit for Schwab Wealth Portfolios
For IRAs and other retirement accounts invested in Schwab Wealth Portfolios, CS&Co. or its affiliates may receive payments from the investments held in your account. CS&Co. calculates a monthly advisory fee credit equal to these payments and applies the credit to reduce or offset the SWA Fee you pay. The credit is deposited into your account no later than the 25th day of the following month in which CS&Co., CSIM, or their affiliates process the payment.

Fee Considerations
The cost of the SWA Program, including Schwab Wealth Portfolios, may be higher or lower than paying separately for similar investment advisory or portfolio management services.

You could choose to obtain similar services on your own through CS&Co. or other firms. Some investment strategies in the SWA Program may be similar to mutual funds managed by the same investment manager, which may have higher or lower expenses than the SWA Fee.

Whether the SWA Fee costs more or less than paying separately depends on several factors, including:

- The size and type of your account, including whether accounts are grouped for pricing
- Your current and expected level of trading activity
- The number and type of advisory services you use

The SWA Fee affects the overall performance of your accounts, including total return and income. You should consider the impact of the SWA Fee, particularly when investing in income producing securities, ETFs, or mutual funds that also have their own internal expenses.

CS&Co. offers different types of quarterly performance reports to support different client needs. Certain report types will display performance information calculated net of the SWA Fee, and others will show performance gross of the SWA Fee. Review your report carefully and notify your SWAI Associate if you have questions.

CS&Co. and its affiliates earn more total revenue when you invest in SMAs managed by CSIM than when you invest in SMAs managed by a third-party MM, which creates a potential conflict of interest. CS&Co. addresses this conflict through policies and procedures designed to support recommendations that are in your best interest.

CS&Co. pays SWAI for investment advisory services based on SWAI's costs, plus an additional amount of 10% of those costs and expenses.

Order Routing and Execution

The SWA Fee includes the cost of executing equity trades. For non-discretionary SWA Accounts, trades are routed to and executed through CS&Co. as the default order routing method. This default routing does not apply to Schwab Wealth Portfolios accounts. For Schwab Wealth Portfolios, trades are executed through broker-dealers other than CS&Co., and the cost of such trade execution is included in the SWA Fee.

In some cases, routing trades to CS&Co. may result in a less favorable price than could be obtained through another broker or dealer. CS&Co. executes trades for SWA clients on an agency basis and does not charge commissions on fixed income transactions in SWA Accounts. The SWA Fee covers execution of fractional share trades.

SWAI does not have authority to make trading decisions on your behalf and does not combine or "aggregate" client trades. SWAI also does not participate in or solicit soft dollar arrangements.

Non-Directed Trades
When CS&Co. executes equities and listed options trades for Schwab Wealth Portfolios, it looks at several factors to help determine execution quality of markets, venues, third-party algorithms, and trading counterparties, including:

- Price and opportunities for price improvement;
- Market depth and order size;
- How actively the security trades;
- Speed and accuracy of execution;
- Reliability of order handling systems; and
- Liquidity and the likelihood that limit orders will be filled.

Price improvement occurs when an order is executed at a price more favorable than the displayed national best bid or offer.

CS&Co. sends client orders to a variety of unaffiliated broker-dealers, major stock exchanges, and alternative trading systems. CS&Co. regularly monitors how well these firms execute orders to help ensure clients receive consistent, high-quality executions.

CS&Co. receives payment, such as liquidity or order flow rebates, from market venues for routing orders to them. CS&Co. may also pay certain fees for order execution. Information about these payments and routing practices is available quarterly at **schwab.com/legal/order-routing-1**, or in writing upon request.

Trades for Schwab Wealth Portfolios accounts are executed at the discretion of CSIM and are excluded from receiving any payment or rebates for order flow. For more information see the Managed Account Services™ and Schwab Managed Portfolios™ Disclosure Brochure.

Execution of Fixed Income Transactions
For fixed income trades in your non-discretionary SWA Account, CS&Co. acts as your agent, and the SWA Fee includes the cost of executing those trades. The bond market does not have a single central exchange or quotation service for most fixed income products, so prices may vary depending on trading systems, dealers, and market conditions. CS&Co. seeks competitive pricing, but prices available through other trading systems or dealers may sometimes be higher or lower. Prices can change at any time.

Compensation

SWAI Compensation
The SWAI Disclosure Brochure describes how SWAI and SWAI Associates are compensated for providing investment advice to clients in the SWA Program. The compensation of SWAI and SWAI Associates does not vary based on the specific investment recommendations they make and is not tied to investment performance.

SWAI also has a consulting agreement with Charles Schwab Hong Kong, Limited ("CSHK"), under which SWAI may provide research services and related materials upon request. CSHK pays SWAI a recurring fee for these services.

SWAI does not enter into advisory agreements directly with SWA clients or other CS&Co. clients and does not receive compensation directly from them.

CS&Co. Compensation
This section describes certain compensation received by CS&Co. that creates potential conflicts of interest. You should consider these conflicts when deciding whether to enroll in the SWA Program.

CS&Co. earns more revenue when an FC or SWAI Associates recommends the SWA Program and a client chooses to enroll.

FC Compensation and Other Payments and Incentives
FCs receive compensation for enrolling clients in the SWA Program and for providing ongoing service, and that compensation may vary based on the type of program or services a client chooses. As a result, FCs may earn more on assets enrolled in the SWA Program than on assets held in commission-based brokerage accounts or certain other advisory programs, which creates a potential conflict of interest.

More information about FC compensation is available at **schwab.com/representative-compensation**.

Interest-Related Compensation on Client Cash Balances
When cash in your account is waiting to be deposited, invested, or distributed, CS&Co. may earn interest on that cash for a short period of time. This can occur when money is added to your account but not yet invested, or when money is withdrawn from your account but not yet received by you or another financial institution.

If you request a distribution by check, CS&Co. generally processes the request within a few business days and debits your account when processing is completed. The check is typically mailed on the next business day. CS&Co. earns interest on the funds from the time your account is debited until the check is presented for payment.

If you request an electronic transfer, such as a Schwab MoneyLink® transfer (for U.S. clients), CS&Co. debits your account when the transfer process begins, and the receiving institution typically receives the funds within one to two business days. CS&Co. earns interest on the funds from the time your account is debited until the funds are received by the other financial institution.

Alternative Investments Select
CS&Co. receives compensation from the alternative investment issuers or their affiliates for services provided or for placement activities when SWA clients invest in alternative investments through Schwab Alternative Investments Select. Compensation paid to CS&Co. will be paid either by the alternative investment fund issuer or by the fund out of fund assets. The portion paid out of fund assets will be included in the investment's expenses, borne by the investment shareholders and is generally based on a percentage of the alternative investment assets held by CS&Co. clients. To the extent any such fees are paid from fund assets, they are included in the fund's disclosed fees and expenses.

Exchange Traded Funds
CS&Co. receives compensation from certain third-party ETF sponsors for services such as platform support, education and event opportunities, and access to data and reporting. These payments can range up to $4 million annually per ETF provider.

CS&Co. also receives asset based fees from sponsors of third party active semitransparent ETFs for administrative and support services, which are typically about 0.10% annually of assets held at CS&Co. Schwab affiliated ETFs do not pay these platform fees; however, CSIM, as investment adviser to Schwab ETFs, receives advisory fees from those funds and reimburses CS&Co. for certain service costs.

Mutual Fund Marketplace
CS&Co. receives compensation from mutual fund companies for recordkeeping, shareholder, administrative services, and/or other platform services related to funds offered through Schwab's Mutual Fund Marketplace® ("MFMP").

Fund companies are grouped into relationship tiers based on factors such as assets held and fees paid, which creates a potential conflict of interest because CS&Co. earns more from certain fund companies; however, a fund's tier does not affect its inclusion on CS&Co. fund lists or tools used to make recommendations.

All funds receive required regulatory reporting, although some fund companies may pay additional fees to receive enhanced data and reporting services. Some fund companies pay an additional fee to CS&Co. to gain access to additional data and reporting that would otherwise not be available based on that fund company's tier. These payments can range up to $3 million annually per fund company.

Mutual Fund OneSource®

CS&Co. receives compensation from certain mutual fund companies for recordkeeping, shareholder, administrative services, and/or other platform services related to mutual funds made available through Schwab Mutual Fund OneSource and other no-transaction-fee mutual funds ("NTF Funds"). This compensation creates a potential conflict of interest because CS&Co. generally receives greater compensation from NTF Fund share classes than it receives from comparable investments made in mutual funds that are available with a transaction fee.

Compensation paid to CS&Co. for shareholder services on OneSource/NTF Funds may differ based on factors such as when the fund or share class first became available at CS&Co.

When funds are added to Schwab's OneSource/NTF platform, certain NTF Funds also pay CS&Co. establishment fees, which create an additional financial incentive for CS&Co. to add and maintain funds on the platform. The establishment fee for the first fund added to the platform within a fund family is generally set at a fixed amount, and subsequent funds within the same fund family may be added for a lower establishment fee.

Outside of OneSource/NTF, certain fund companies pay CS&Co. an asset-based fee for shareholder services on institutional share classes made available with no transaction fee ("Institutional NTF" or "INTF").

When adding new INTF funds or interval funds, the funds may also pay CS&Co. establishment fees.

CS&Co., as a broker-dealer, sets the initial investment minimum for NTF Funds and transaction-fee funds in the SWA Program at $1, but a fund company may request a higher initial investment minimum, which CS&Co. will apply to initial purchases in SWA Accounts. This may result in a higher initial investment minimum in SWA Accounts than in CS&Co. brokerage accounts outside of the SWA Program.

There are no transaction fee charges on funds purchased in SWA Accounts; however, clients remain subject to other fees and expenses, including mutual fund-level expenses and any additional fees disclosed in the client agreement.

Schwab Funds®

CS&Co. currently has one affiliated mutual fund family: Schwab Funds. CSIM serves as investment adviser and/or administrator to Schwab Funds and receives fees for those services, as described in the Schwab Funds' prospectuses. This affiliation creates a potential conflict of interest because CS&Co. and its affiliates have a financial incentive to offer and promote Schwab Funds (and to retain assets in Schwab Funds) due to the compensation received at the fund and adviser/administrator levels.

All Schwab Funds are part of Schwab's Mutual Fund OneSource service. As a result, like unaffiliated OneSource/NTF mutual funds, certain Schwab Funds may pay CS&Co. an asset-based fee for shareholder services that CS&Co. provides. Some Schwab Funds do not make payments to CS&Co. under a shareholder servicing plan.

Many Schwab Funds have adopted a unitary management fee structure under which a single management fee is paid to CSIM, and CSIM compensates other service providers to the funds out of that fee. Under this structure, CSIM and its affiliates are generally entitled to retain any portion of the fee not paid out to service providers, which creates an additional financial incentive for CS&Co. and its affiliates related to the management and operation of these funds.

Certain Schwab Funds have adopted shareholder servicing plans pursuant to which they may pay fees to CS&Co. for shareholder services up to 0.25% annually. In addition, pursuant to its shareholder servicing plan, SWGXX pays CS&Co. an annual asset-based fee of up to 0.10% for sweep administrative services provided to shareholders invested in sweep shares of SWGXX.

In aggregate, the fees CS&Co. or its affiliates receive from Schwab Funds (including adviser/administrator fees paid to CSIM and shareholder services fees paid to CS&Co., as applicable) may be greater than the compensation CS&Co. receives from unaffiliated fund companies participating in the Schwab Mutual Fund OneSource service and other funds available through MFMP, creating an incentive to favor Schwab Funds over unaffiliated funds.

Mutual Fund Recommendations

CS&Co. limits SWAI Associates to recommending mutual funds that appear on CS&Co.'s approved or "recommendable" fund lists. While CS&Co. does not select funds for these lists based on compensation, many funds on the lists are no load, no transaction fee mutual funds available through the Schwab Mutual Fund OneSource® service, and Schwab Funds® may receive additional visibility. CS&Co. and its affiliates generally earn more revenue when clients invest in and hold funds that participate in the Mutual Fund OneSource service or Schwab Funds®, which creates a potential conflict of interest.

Sponsorship and Educational Opportunities

Certain mutual fund and ETF companies pay CS&Co. additional fees for participation in educational events, which are separate from and in addition to other fees CS&Co. receives, and the amount of these fees varies by fund and year.

Strategic Provider Relationship

T. Rowe Price makes payments to CS&Co. for marketing and promotional services that CS&Co. provided from February 2022 to August 2025 for certain actively managed T. Rowe Price mutual funds and ETFs with respect to CS&Co.'s clients and the clients of Registered Investment Advisors that custody assets at CS&Co. This payment is in addition to and separate from payments T. Rowe Price makes to CS&Co. for shareholder and administrative services.

Item 5 – Account Requirements and Types of Clients

The SWA Program is available to individuals, trusts, estates, and businesses through eligible CS&Co. brokerage accounts. Eligible accounts include individual retirement accounts (IRAs) and retirement accounts for retirement plans that cover only self-employed individuals and their spouses.

The initial enrollment minimum for the SWA Program is $500,000. CS&Co. may reduce or waive this minimum in certain situations, including through individual negotiations or other business considerations. CS&Co. may also allow accounts or groups of accounts with lower enrolled assets to remain in the SWA Program, such as when assets decline due to withdrawals or when the account was enrolled at a time when a lower minimum applied.

Separate from the SWA Program enrollment minimum, individual Schwab Wealth Portfolios strategies have their own minimum account size requirements. Schwab Wealth Portfolios strategies that include investments in SMAs generally require a minimum account size of $500,000. Schwab Wealth Portfolios strategies that invest only in ETFs and MFs generally require a lower minimum account size of $25,000. These strategy-level minimums apply only to the specific Schwab Wealth Portfolios strategy selected.

The SWA Program is not available for certain account types, including most employer sponsored retirement plans, offshore trust accounts, some pledged asset accounts, charitable gift accounts, and accounts for state or municipal government entities. For fee calculation purposes, certain account types, such as estate, conservatorship, and guardianship accounts, generally may not be combined with other accounts.

The SWA Program may not be appropriate for all clients. Other firm services offered by CS&Co. may be a better fit for clients who want a fixed mutual fund portfolio, primarily hold money market funds or large cash balances, seek access to underwritten offerings such as initial public offerings (IPOs), or do not meet minimum asset requirements. In some cases, participating in the SWA Program may cost more than using other CS&Co. services, such as a brokerage account.

For U.S. clients, certain pledged asset accounts used as collateral for the Schwab Pledged Asset Line® ("PAL") offered by CS&Co.'s affiliated banks may be eligible for the SWA Program. Refer to the Managed Account Services account application agreement for more information about using Schwab Wealth Portfolios account as collateral for the PAL.

Item 6 – Portfolio Manager Selection and Evaluation

SWAI and SWAI Associates serve as portfolio managers for SWA Accounts, except for the discretionary management in Schwab Wealth Portfolios, which is provided by CSIM. Because the SWA Program is non-discretionary, you decide whether to follow investment recommendations and may place trades on your own. As a result, CS&Co. does not evaluate SWAI Associates based on the investment performance of your account or groups of accounts.

CS&Co. monitors SWAI Associates for compliance with applicable investment advice policies and guidelines, and SWAI separately supervises its associates under similar standards. Because CS&Co. earns additional revenue from the SWA Program and SWAI relies on referrals from CS&Co. branches, SWAI Associates have a potential conflict of interest when recommending whether the SWA Program or other CS&Co. sponsored managed programs are in your best interest.

Methods of Analysis, Investment Strategies, and Risk of Loss

SWAI Associates provide non-discretionary investment advice for your SWA Accounts based on your individual goals, financial situation, and needs. They follow written investment advice policies and guidelines adopted by SWAI, which are reviewed and approved by an internal SWAI committee. These policies define the types of investments that may be recommended, subject to an exceptions process.

The advice policies and guidelines are informed by research conducted by CS&Co. and certain affiliates, as well as by SWAI. This research considers factors such as risk, return, diversification, and market conditions and includes analysis of stocks, mutual funds, and ETFs. SWAI Associates may also use additional publicly available or third-party research sources when appropriate. Although you may place restrictions on certain securities for direct investment in your SWA Accounts, recommended mutual funds and ETFs may hold those same securities as part of their underlying portfolios. SWAI does not generally review and cannot customize the holdings of such funds to reflect individual security level restrictions.

Investment recommendations are generally based on CS&Co.'s asset allocation models, which consider historical risks and returns of different asset classes. Recommended strategies may include both long-term investments (generally held for one year or more) and shorter term investments (held for less than one year), depending on your risk tolerance, preferences, and diversification needs. The SWA Program does not involve active trading, short sales in SWA Accounts, or certain complex options strategies. Accounts enrolled in the SWA Program may not purchase securities during an IPO period.

All investing involves risk, including the risk of loss. Investment risks may include market risk, asset allocation risk, credit and liquidity risk, risks related to specific securities or asset classes, and risks associated with foreign investments. Certain investments, such as options or equity compensation, may involve additional risks. You should be prepared to bear these risks when investing through the SWA Program.

SWA clients living in the U.S. may receive the previously described Financial Planning Services from SWAI Associates or Specialists. Unless otherwise stated, these services are provided at a specific point in time and do not involve ongoing advice. Financial planning analyses are based on information you provide and on certain assumptions, such as projected returns or life expectancy. Actual results may differ due to changes in markets, economic conditions, or personal circumstances, and it is your responsibility to monitor these changes over time.

SWAI will periodically, but no less than annually, review non-discretionary SWA Accounts of clients who reside in the U.S. 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 initiate such exchanges through CS&Co. CS&Co. will provide trade confirmations to clients for any interclass exchanges that SWAI performs for SWA clients who reside in the U.S.

Schwab Wealth Portfolios

Schwab Wealth Portfolios is described in Item 4 above and is managed on a discretionary basis by CSIM. Schwab Wealth Portfolios is available only to clients enrolled in the SWA Program and is offered through Schwab Managed Account Services™ ("MAS"). Assets held through the SMAs within Schwab Wealth Portfolios may include, among other investments, individual stocks and bonds. Schwab Wealth Portfolios may include proprietary CS&Co. products as well as third-party products, and the use of such products varies by portfolio at the discretion of CSIM.

Schwab Wealth Portfolios strategies include five total-return asset allocation models designed to correspond to different risk tolerance levels—aggressive, moderately aggressive, moderate, moderately conservative, and conservative—as well as one income-focused model. Each model portfolio reflects a broadly diversified strategic asset allocation. Certain strategies also provide for tactical asset allocation adjustments. CSIM may change the strategic asset allocation percentages of a model portfolio without your prior approval and without providing notice to you. Some strategies are designed for use in taxable accounts, while others are designed for use in tax-deferred accounts.

Your SWAI Associate will help you determine whether Schwab Wealth Portfolios is appropriate for you and, if so, assist you in selecting an investment strategy based on your financial situation, investment objectives, and risk tolerance. For additional information, please review the disclosure brochures for SWAI and CSIM and the Managed Account Services™ and Schwab Managed Portfolios™ Disclosure Brochure.

Schwab Alternative Investments Select

CS&Co. limits which alternative investments and asset classes are available through Schwab Alternative Investments Select. Investments are selected based on several criteria, including investment and operational considerations, as well as the compensation CS&Co. expects to receive. Not all alternative investments available through Schwab Alternative Investments Select are available to clients enrolled in the SWA Program.

CS&Co. receives different levels of compensation from different alternative investment issuers. As a result, CS&Co.'s selection criteria and the differences in compensation among alternative investments create a potential conflict of interest, because they could influence which investments are made available and recommended.

Recommendations by SWAI Associates to invest in alternative investments are non-discretionary and limited to investments that appear on CS&Co.'s approved or "recommendable" list for Schwab Alternative Investments Select. CS&Co. establishes the criteria for including investments on these lists, and those criteria may change over time.

Before an alternative investment is made available through the program, Schwab's Center for Financial Research ("SCFR") conducts both investment due diligence and operational due diligence. Even with this review, alternative investments involve higher risks than traditional investments and may not be appropriate for all investors.

Advisory Business

CS&Co. supports the SWA Program through its roles as both a registered investment adviser and a broker-dealer. In addition to the SWA Program, CS&Co. offers other investment advisory services and may also refer clients to independent third party investment advisers through the Schwab Advisor Network®. Advisors in the Schwab Advisor Network are not affiliated with CS&Co. and pay a fee to participate in the program.

Some Schwab Advisor Network advisors offer services and pricing that are similar to the SWA Program, although not all clients are eligible for both options. CS&Co. has a potential conflict of interest when recommending the SWA Program instead of other advisory services, including Schwab Advisor Network, because CS&Co. and its affiliates generally earn more revenue when clients enroll in and maintain accounts in the SWA Program. CS&Co. addresses this conflict through written policies and supervision designed to help ensure that recommendations are made in clients' best interests.

CS&Co. also sponsors other investment advisory programs and services, including Schwab Intelligent Portfolios®, Managed Account Services, and Schwab Managed Portfolios ("SMP"). SWA clients who reside in the U.S. may also receive Financial Planning Services from a SWAI Associate or Specialist. Your SWAI Associate may recommend or refer you to one of these services. CS&Co. earns additional fees or compensation if you choose to enroll in or purchase these services. Each service is governed by a separate agreement and disclosure brochure, which will be provided to you at the time of referral or enrollment.

In addition, SWAI provides investment advice to certain directed trusts, for which a CS&Co. affiliate, Charles Schwab Trust Company ("CSTC"), acts as administrative trustee and an individual serves as the trust adviser. CSTC earns ongoing fees for its administrative services. Because CS&Co. and CSTC receive ongoing fees and may have existing relationships with the parties involved, CS&Co. has an incentive to recommend the SWA Program for directed trusts, and SWAI has an incentive to provide advice to those trusts, even when other options may be less expensive or better suited to the trust's needs.

Performance-Based Fees and Side-By-Side Management

CS&Co. does not receive performance-based fees.

Voting Client Securities

CS&Co. will send you proxy voting materials for securities you hold in your SWA Accounts, excluding Schwab Wealth Portfolios. You, as the holder of the underlying securities, have the sole authority to vote any proxies solicited for those securities.

Securities held in SMAs will be voted by the MM per their existing policies, unless you have submitted the form prescribed by CS&Co. to receive all issuer communications and retain proxy voting authority. See the MM's disclosure brochure for more details.

Item 7 – Client Information Provided to Portfolio Managers

Your SWA team has access to the information that you disclose to CS&Co. SWAI and SWAI Associates serve as the sole non-discretionary Portfolio Manager in the SWA Program.

Item 8 – Client Contact with Portfolio Managers

You are free to contact your SWA team at any time during normal business hours. As we describe in the "Services" section, meetings with your SWAI Associates take place periodically throughout the year.

Item 9 – Additional Information

Disciplinary Information

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

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

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

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

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

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

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

Other Financial Industry Activities and Affiliations

Charles Schwab & Co., Inc. is both a registered broker-dealer and a registered investment adviser, and is an indirect wholly-owned subsidiary of CSC. The following are affiliated with CS&Co.:

- **Charles Schwab Futures and Forex, LLC**
  A Commodities Futures Trading Commission registered Futures Commission Merchant, a member of the Municipal Securities Rulemaking Board and National Futures Association Forex Dealer Member, and offers futures and forex trading to qualified clients.
- **Charles Schwab Investment Management, Inc.**
  An SEC-registered investment adviser, manages strategies in wrap fee programs and provides advisory and administrative services to the Schwab affiliated mutual funds, Schwab Funds® and Schwab ETFs™.
- **Schwab Wealth Advisory, Inc.**
  An SEC-registered investment adviser that offers periodic non-discretionary investment advice in the Schwab Wealth Advisory offer, and point-in-time advisory services to CS&Co. clients.
- **Charles Schwab UK Limited and Charles Schwab Hong Kong Limited**
  Enables retail investors in the United Kingdom and Hong Kong to trade in the US markets.
- **Charles Schwab SG Pte. Ltd.**
  Enables accredited investors in Singapore to trade the U.S. markets.
- **Charles Schwab Premier Bank, SSB**
  Provides services to retirement and other employee benefit plans and participants
- **Charles Schwab Trust Company and Charles Schwab Trust Company of Delaware**
  Offers trust and custody products and services.
- **Charles Schwab Trust Bank**
  Provides services to retirement and other employee benefit plans and participants and offers trust and custody products and services.
- **Charles Schwab Bank, SSB**
  Member FDIC and Equal Housing Lender, offers deposit and lending products and provides services to retirement and other employee benefit plans and participants.
- **Schwab Retirement Plan Services, Inc.**
  Provides discretionary and non-discretionary advice services with Morningstar Investment Management LLC.

CS&Co. also acts as an investment adviser for Schwab Advisor Network®, a referral program of investment advisers to investors looking for assistance in managing their assets and/or other financial planning activities. Investment advisers participating in Schwab Advisor Network are not affiliated with CS&Co. Investment advisers pay a fee to participate in the Schwab Advisor Network program.

Code of Ethics

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

Personal Trading

CS&Co. monitors the personal investment accounts and trading activity of its representatives. Representatives must disclose all securities accounts they own or control and regularly confirm that this information is accurate. CS&Co. reviews these accounts, including those held at other firms, to help ensure compliance with its Code and other policies.

CS&Co. representatives are prohibited from engaging in improper or illegal trading activities. This includes trading ahead of client orders, sharing confidential client trading information, using client information for personal benefit, and purchasing shares in IPOs.

SWAI representatives are subject to personal trading policies that are substantially similar to those described above.

Participation or Interest in Client Transactions

In addition to the SWA Fee, CS&Co. and its affiliates (other than SWAI) earn compensation or receive other benefits when you choose to implement investment recommendations made under the SWA Program. In some cases, this compensation is paid by third parties, such as investment product providers, and may be indirectly borne by you as an investor or shareholder. FCs may also receive compensation when you purchase certain investments or products they recommend or introduce to you. These compensation arrangements create potential conflicts of interest.

As described in the SWAI Disclosure Brochure, SWAI does not receive this additional compensation. However, because CS&Co. and its affiliates may earn additional revenue when SWAI Associates provide advice or recommend enrollment in the SWA Program, these arrangements may influence recommendations.

CS&Co. manages these conflicts through written policies and procedures, including product specific and security specific advice guidelines and a firmwide Code of Conduct. These policies apply to FCs and SWAI Associates when making recommendations, including recommendations to enroll or remain enrolled in the SWA Program and to buy or sell securities.

Supervision is provided by direct managers and a centralized supervision team, which reviews recommendations for compliance with applicable policies and guidelines. Supervisory reviews occur regularly and may include evaluations of client suitability, asset allocation, account documentation, communications, and trading activity. These reviews are designed to help ensure that recommendations made within the SWA Program are appropriate and consistent with client objectives.

Review of Accounts

SWAI Associates periodically review your portfolio, including its holdings and performance, in light of your financial goals and personal situation. These reviews are usually led by a Wealth Advisor, although other SWAI Associates may also conduct your reviews.

Client Referrals and Other Compensation

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

Financial Information

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