

# Dear Investors,

So much about the company I founded 40 years ago remains true to our initial purpose. But time doesn't stand still, and much about the needs of investors and this company has changed.

I founded Schwab on the belief that investing is a means by which individuals can participate in a growing economy: Investing is an act of optimism, and Schwab was built for the optimists who believe tomorrow will be better than today.

I also believed the system was deeply flawed in the '70s when we started out, that investors deserved better. Access to Wall Street came with outrageously high costs—average commissions and spreads could eat up nearly 10% of your capital; mutual funds often carried 9% sales loads. All presumably to cover the advice that came bundled in. Yet that very advice was often conflicted because of those high commissions.

Initially, my vision for a “better” investing experience meant access to the markets without the high costs and questionable advice. But of course, successful investing requires more than open access and low costs. Smart investing isn't like playing the lottery where there's just one winner, with random luck your only hope. Smart investing requires a disciplined approach and a strategy to account for inevitable economic ups and downs. Creating a plan, building a portfolio of cost-effective diversified investments, these are crucial tools for successful long-term investing.

So we used our last 40 years to build a company with expertise to help shape a person's portfolio, research and insights, access to diverse financial products, transparent pricing. And still with that distinct Schwab spirit that reflects the values of the investors we serve—people who engage, who ask questions, who want to look under the hood and kick the tires, who take ownership of their future. These are the people we listened to closely as we strived to build a better investing experience.

I expect you've read this far because this sounds a bit like you: optimistic, but believing that success in any endeavor demands engagement and a sense of ownership.

For many years, we've encouraged investors like you to “Talk to Chuck” so we could help you manage through the array of investing challenges and opportunities. I still encourage you to do that. We'll share with you our passion for investing and our thoughts on how to do it well, and we'll listen to you to understand how we can help you reach your goals. But going forward, you'll be hearing more about the values we stand for and why they might matter to you. Our communications will emphasize the fundamental belief we share with you: a belief that through personal engagement and a relationship of mutual respect, your financial goals and a better tomorrow are within reach.

Sincerely,



Chuck Schwab  
Founder & Chairman,  
Charles Schwab & Co., Inc.



*Own your tomorrow™*