



**January 2020**

# **Cash Features Disclosure Statement**

*Please carefully read this document, which replaces prior version(s) of Cash Features Disclosure Statements Schwab has provided to you.*

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## Contact Us

If you have any questions or need more information about the cash features described in this Disclosure Statement, please call us at 1-800-435-4000. If your Account is an Advisor Services Account, please contact your advisor or call Schwab Alliance at 1-800-515-2157.

# Cash Features Disclosure Statement

## 1. Introduction

We<sup>1</sup> offer the Cash Features Program, a service to automatically invest, or “sweep,” the “Free Credit Balance”<sup>2</sup> in your eligible<sup>3</sup> Schwab brokerage accounts (“Accounts”), including Accounts managed by an independent investment advisor (“Advisor Services Accounts”), into a liquid investment to earn interest in your Account. The Cash Features Program permits you to earn income through a variety of options (“Cash Features”) while you decide how those funds should be invested longer term. This document tells you what these Cash Features are and which Cash Features are available to you. It also contains important disclosures about each Cash Feature.

With respect to Managed Accounts,<sup>4</sup> eligibility for Cash Features is determined as set forth in the applicable account application (“Account Application”). Terms not defined herein that are defined in the account agreement applicable to your Account (“Account Agreement”) have the same meanings as in the Account Agreement.

You should also consider higher-return options for funds that are not needed immediately, as yields on any of our Cash Features may be lower than those of similar investments or deposit accounts offered outside of the Cash Features Program. Please visit [www.schwab.com/cash](http://www.schwab.com/cash) for investment alternatives. If your Account is an Advisor Services Account, please contact your independent investment advisor (“advisor”), call Schwab Alliance at 1-800-515-2157, or visit [www.schwab.com/SA\\_cash](http://www.schwab.com/SA_cash).

Please read this document carefully and keep a copy for your records. You should also read the prospectuses for any Schwab money market funds (“Schwab® Sweep Money Funds”) that are available through the Cash Features Program.

<sup>1</sup>The terms “we,” “us,” “our,” and “Schwab” in this document refer to Charles Schwab & Co., Inc.

<sup>2</sup>The term “Free Credit Balance” means the uninvested cash in your Account, minus (i) funds necessary to pay for purchase transactions due to settle within the two Business Days after funds are eligible to be swept to a Cash Feature; (ii) charges to your Account, including, but not limited to, Visa® transactions, ATM withdrawals, Electronic Fund Transfers, wire transfers, and checking transactions; (iii) any unposted Visa® transactions; and (iv) credit balances that are designated as collateral for your obligations, such as a cash balance resulting from a short sale. “Business Day” is any day that the New York Stock Exchange and the Federal Reserve Bank of New York are open. (Although our offices may be open on certain bank holidays, these days are not considered Business Days for purposes relating to the transfer of funds.)

<sup>3</sup>Schwab Global Accounts are not eligible for the Cash Features Program. Schwab may earn income through its lending and investing activities with respect to Free Credit Balances in Schwab Global Accounts.

<sup>4</sup>The term “Managed Accounts” means (1) Accounts enrolled in Schwab-sponsored discretionary and non-discretionary wrap fee programs, which include, but are not limited to, the Schwab Managed Portfolios™ Managed Account Connection®, Managed Account Select®, and Schwab Private Client™ services; and (2) Accounts discretionarily managed by affiliated and unaffiliated third-party investment advisors through the Managed Account Access® and Managed Account Marketplace® services.

The Cash Features available in Schwab's Cash Features Program are:

1. The **"Bank Sweep"** and, for retirement plan accounts, **"Bank Sweep for Benefit Plans"** features automatically make deposits to and withdrawals from interest-bearing deposit accounts ("Deposit Accounts") at one or more banks affiliated with Schwab, collectively, the "Affiliated Banks," whose deposits are insured by the Federal Deposit Insurance Corporation ("FDIC");
2. The **"Schwab One® Interest"** feature pays you interest on the Free Credit Balance in your Account; and
3. The **"Money Fund Sweep"** feature automatically invests in and redeems shares of a Schwab® Sweep Money Fund.

When you opened your Account, you selected a Cash Feature or were informed of the Cash Feature designated for your Account if you failed to validly select an available Cash Feature (i.e., if you did not designate a Cash Feature for your Account or designated a Cash Feature for which your Account is not eligible), as set forth in your Account Application.

If you would prefer, and are eligible for, a Cash Feature other than your current Cash Feature, you may request to change your Cash Feature by contacting us at 1-800-435-4000. If your Account is an Advisor Services Account, please contact your advisor or call Schwab Alliance at 1-800-515-2157.

## **2. Your Responsibility to Monitor Eligibility**

It is your responsibility to monitor your eligibility for the Cash Features and determine the best Cash Feature available to you. Schwab is not responsible for contacting you if you are, or later become, eligible for other higher-yielding Cash Features. Information about eligibility for particular Cash Features is available at any time by contacting us or by going to [www.schwab.com/cash](http://www.schwab.com/cash). If your Account is an Advisor Services Account, information about eligibility for particular Cash Features is available at any time by contacting your advisor, calling Schwab Alliance at 1-800-515-2157, or going to [www.schwab.com/SA\\_cash](http://www.schwab.com/SA_cash).

## **3. Interest Rates and Yields**

Current interest rates and yields for each Cash Feature can be obtained by phone at 1-800-435-4000 or online at [www.schwab.com/sweep](http://www.schwab.com/sweep). If your Account is an Advisor Services Account, you can obtain current rates online at [www.schwab.com/SA\\_cash](http://www.schwab.com/SA_cash), contact your advisor, or call Schwab Alliance at 1-800-515-2157.

The interest rates and yields for the various Cash Features vary over time. Interest rates and yields for the Bank Sweep and Schwab One® Interest features may also vary based on account type. There is no guarantee that the interest rate or yield on any particular Cash Feature will be or will remain higher than the interest rate or yield on other Cash Features over any period.

Interest rates under the Schwab One® Interest feature are established periodically by Schwab, which may seek to pay as low a rate as possible based on prevailing market and business conditions.

Interest rates under the Bank Sweep and Bank Sweep for Benefit Plan features are established periodically by the Affiliated Banks, which may seek to pay as low a rate as possible consistent with their views of prevailing market and business conditions. Retirement and other benefit plan accounts will be paid a reasonable rate consistent with applicable legal and regulatory requirements.

Schwab® Sweep Money Funds seek to achieve the highest yield (less fees and expenses) consistent with prudence and their investment objectives.

Unlike the yields of Schwab® Sweep Money Funds, interest rates on the Schwab One® Interest feature, with certain exceptions, will be tiered based on the Free Credit Balance in your Account. Interest rates on the Bank Sweep feature, with certain exceptions, will be tiered based upon your Deposit Account balances placed with the Affiliated Banks. Interest rates on the Bank Sweep for Benefit Plans feature do not vary by tiers.

Cash Features are not intended for long-term investments, and yields on any of Schwab's Cash Features may be lower than those of similar investments or deposit accounts offered outside of the Cash Features Program. If you desire to maintain cash balances for other than a short-term period and/or are seeking the highest yields currently available, please contact your Schwab representative or visit [www.schwab.com/cash](http://www.schwab.com/cash) for investment options that may be available outside of the Cash Features Program to help maximize your return potential consistent with your investment objectives and risk tolerance. If your Account is an Advisor Services Account, please contact your advisor, visit [www.schwab.com/SA\\_cash](http://www.schwab.com/SA_cash), or call Schwab Alliance at 1-800-515-2157 for investment alternatives.

#### **4. Eligibility for Cash Features**

In general, eligibility for Cash Features is based on the registered ownership of the Account and on applicable laws and regulations.

We may change these eligibility requirements or make certain Cash Features available to Accounts that do not otherwise meet the published criteria.

We may change the eligibility requirements for any Cash Features or the Cash Features Program as provided in Section 7 of this document. We will notify you in advance if any change in eligibility affects your Account.

Please contact us at 1-800-435-4000 for more information about the Cash Features available to you. If your Account is an Advisor Services Account, please contact your advisor or call Schwab Alliance at 1-800-515-2157 for more information about the Cash Features available to you.

## 5. Cash Features Eligibility Chart

The following chart shows the Cash Features for which your Account is eligible. Please note that details regarding the available cash features for Schwab's international affiliates are set forth in Section 13 herein. If you are not sure which type of Account you have, check this list:

- **Schwab One® Accounts for Individuals:** Includes joint tenancies, life tenancies, tenancies in common, community property, and custodial (UTMA and UGMA) accounts.
- **Schwab One® Accounts for Organizations:** Includes corporations, charities, limited liability companies, sole proprietorships, partnerships, and unincorporated associations.
- **Schwab One® Accounts for Trusts and Estates:** Includes revocable living trusts, irrevocable trusts, business trusts, testamentary trusts, charitable remainder trusts, and decedents' estates, but not conservatorships or guardianships.
- **Schwab One International® Accounts:** Includes Charles Schwab & Co., Inc. clients who are individuals or legal entities who currently or later reside outside the U.S., its territories and possessions.
- **Schwab Global Accounts:** Includes Charles Schwab & Co., Inc. clients who are U.S. citizens or U.S. resident aliens who reside in the U.S. or one of its territories and provide a U.S. mailing address while the Schwab Global Account™ is active. Schwab Global Accounts are not eligible for any Cash Features.
- **Individual Retirement, Education Savings, and Health Savings Brokerage Accounts:** Includes Traditional IRAs, Roth IRAs, Roth Conversion IRAs, Rollover IRAs, Inherited IRAs, Custodial IRAs, SEP-IRAs, SARSEP-IRAs, SIMPLE IRAs, Education Savings Accounts, and Health Savings Brokerage Accounts.
- **Benefit Plan Accounts:** Includes company retirement (including pension trust) accounts, Schwab Personal Choice Retirement Accounts, qualified retirement plan accounts, Individual 401(k) accounts, and non-qualified retirement plan accounts.
- **Other Retirement Accounts:** Includes 403(b)(7) accounts.

### Cash Features Eligibility Chart

The following chart shows the Cash Features for which your Charles Schwab & Co. Account is eligible. The chart does not address Cash Features eligibility for Managed Accounts or for clients of Schwab's international affiliates. If your Account is a Managed Account, please refer to your Account Application to determine the Cash Features for which your Managed Account is eligible. If you have any questions regarding the Cash Features for which your Managed Account is eligible, please contact us at 1-800-435-4000. If your Managed Account is an Advisor Services Account, please contact your advisor or call Schwab Alliance at 1-800-515-2157. For information on the available cash features for Schwab's international affiliates, please see Section 13 herein.

Account Type*†	Bank Sweep Feature	Bank Sweep for Benefit Plans Feature	Schwab One® Interest Feature	Money Fund Sweep Feature‡
Schwab One® Accounts for Individuals	Available	Not available	Available	Not available§
Schwab One® Accounts for Organizations	Available	Not available	Available	Not available§
Schwab One® Accounts for Trusts and Estates	Available	Not available	Available	Not available§
Schwab One International® Accounts	Not available	Not available	Available††	Available††
Schwab Global Accounts	Not available	Not available	Not available	Not available
Individual Retirement, Education Savings, and Health Savings Brokerage Accounts	Available	Not available	Available	Not available§
Benefit Plan Accounts	Not available	Available	Not available	Available**
Other Retirement Accounts	Not available	Not available	Not available	Available**

\*Existing Schwab Brokerage Accounts (an older account type that has not been offered to new clients since 2001) are eligible for the Bank Sweep and Bank Sweep for Benefit Plans features and the Schwab One® Interest feature, and are ineligible for the Money Fund Sweep feature.

† All clients who are approved for Portfolio Margin will have Schwab One® Interest as their cash feature. By applying for Portfolio Margin, you agree that Schwab will change your existing cash feature to Schwab One® Interest if your application is approved.

‡ Pursuant to regulation, retail prime and municipal money funds may only be held in Accounts that are beneficially owned by natural persons. Accounts owned or controlled by entities may not invest in these funds.

§ The Money Fund Sweep feature is the Cash Feature for certain managed account programs and ERISA plan accounts.

†† Availability depends upon jurisdiction.

\*\* Please refer to your Account Application to determine the Schwab® Sweep Money Funds for which your Account is eligible.

## **6. Limited Ability to Change Your Cash Feature Election**

If you wish to change the Cash Feature in your Account to another Cash Feature for which your Account is eligible, please contact us at 1-800-435-4000 or, if your Account is an Advisor Services Account, contact your advisor or call Schwab Alliance at 1-800-515-2157.

If you change from a Cash Feature for which your Account is no longer eligible, you may not change back to that Cash Feature until your Account once again meets its eligibility requirements.

If you request a change from your current Cash Feature to one of the alternatives available to you, Schwab will generally effect that change the following Business Day but reserves the right to take longer if necessary to properly process your request.

A request to change your Cash Feature from the Schwab One® Interest feature or Money Fund Sweep feature to the Bank Sweep or Bank Sweep for Benefit Plans feature is subject to the Affiliated Banks' deposit capacity at the time of your request and therefore may be subject to a delay, which may be substantial.

As a condition to changing your Cash Feature, Schwab will transfer the funds in your prior Cash Feature to your new Cash Feature. In other words, as applicable, we will redeem all shares in your Schwab® Sweep Money Fund, withdraw all funds in Deposit Accounts at one or more of the Affiliated Banks, or transfer all funds in your Schwab One® Interest feature and place the proceeds or funds in your new Cash Feature.

Changing Cash Features may result in the loss of one or more Business Days' interest or dividends. During this time, we will earn and retain interest on your funds, generally at money market rates. See the "Float Disclosure" section in your Account Agreement for more information.

## **7. Changes to Your Cash Feature and the Cash Features Program by Schwab**

You understand and agree that Schwab may (1) make changes to the terms and conditions of our Cash Features Program; (2) make changes to the terms and conditions of any Cash Feature; (3) change, add, or discontinue any Cash Feature; (4) change your investment from one Cash Feature to another if your Account becomes ineligible for your current Cash Feature or your Cash Feature is discontinued; and (5) make any other changes to the Cash Features Program or Cash Features as allowed by law. Schwab will notify you in writing of changes to the terms of Cash Features, changes to the Cash Features we make available, or a change in the Cash Features Program prior to the effective date of the proposed change.

If you become ineligible for a particular Cash Feature or if Schwab discontinues your Cash Feature, then you authorize Schwab to designate another Cash Feature for which your Account is then eligible and transfer the funds from the ineligible or discontinued Cash Feature to the Cash Feature designated by Schwab for you. Schwab will notify you in writing prior to such changes.

If you are an existing Company Retirement Account client or an existing Schwab Personal Choice Retirement Account® client who is currently invested in a Schwab® Sweep Money Fund, and if you become ineligible for your existing Schwab® Sweep Money Fund due to changes in the terms and conditions of the fund, Schwab will either designate the Schwab Government Money Fund™ or the Bank Sweep or Bank Sweep for Benefit Plans feature as your Cash Feature, depending on your eligibility.

The notice will describe the new terms and conditions of the Cash Features Program or Cash Feature and the options available to you if you do not accept the new terms and conditions. If you are notified that your Cash Feature will be changed to another



available Cash Feature and you would like to choose another available option, you agree to respond to us in the manner and within the time period set forth in the notice. If you do not respond in the manner and within the specified time period, you agree that Schwab may treat your non-response as your acceptance of the new Cash Feature. Your authorization will remain in effect until you give us notice to the contrary. Your notice to us will not affect any obligations resulting from transactions initiated prior to our receipt of the notice.

A change in your Cash Feature may result in the loss of one or more Business Days' interest or dividends. During this time, we will earn and retain interest on your funds, generally at money market rates. See the "Float Disclosure" section in your Account Agreement for more information.

## **8. The Bank Sweep and Bank Sweep for Benefit Plans Features**

Since 2018, we have had a single-bank version ("Single-Bank Version") and a multiple-bank version ("Multiple-Bank Version") of the Bank Sweep feature. Over the next several years, we plan to convert all accounts with the Single-Bank Version of Bank Sweep to the Multiple-Bank Version of the feature. Unless otherwise stated, the descriptions below apply to both the Bank Sweep and Bank Sweep for Benefit Plans features and both the Single- and Multiple-Bank Versions of the features.<sup>5</sup>

The Bank Sweep and Bank Sweep for Benefit Plans features automatically make deposits to and withdrawals from Deposit Accounts at one or more Affiliated Banks. Your funds in the Deposit Accounts at each Affiliated Bank are eligible for deposit insurance by the FDIC up to a total of \$250,000 per depositor for principal and accrued interest when aggregated with all other deposits held by the depositor in the same insurable capacity. Please read "Deposit Insurance: General" and "Deposit Insurance: Retirement Plans and Accounts" later in this section for important information about the deposit insurance coverage for different types of accounts and how the FDIC aggregates balances in multiple accounts when calculating the amount of your coverage.

**Deposit Accounts.** Two Deposit Accounts are established on your behalf at an Affiliated Bank: a demand deposit account ("DDA") and a money market deposit account ("MMDA"). The Deposit Accounts are a direct obligation of each Affiliated Bank and are not, either directly or indirectly, guaranteed by Schwab or The Charles Schwab Corporation.

When funds in your Account are first available for deposit into Deposit Accounts at an Affiliated Bank, we, as your agent, will open a DDA and an MMDA on your behalf at the Affiliated Bank and deposit your Free Credit Balance in them. We will determine a minimum balance you will need to maintain in your DDA to satisfy debits in your Account (money you will need for securities purchases, checking and debit card transactions, and the like) and will transfer funds from the MMDA to the DDA as needed to maintain that balance. We may also make other deposits into your DDA, as described under "Withdrawals."

<sup>5</sup>If your Account is an existing Schwab Brokerage Account (an older account type that has not been offered to new clients since 2001), the sweep features described below are generally available if you have a Free Credit Balance of at least \$1,000 in your Account at the time you select this feature. If your Free Credit Balance falls below \$100 at any time, your Free Credit Balance will not be swept until it meets the \$1,000 minimum again. On the first Business Day of each week, we will sweep the eligible Free Credit Balance in your Account on the last Business Day of the preceding week into your Deposit Accounts. The sweep will occur after the close of business on that Business Day, and generally you will not begin earning interest until the following Business Day.

**Single-Bank Version of the Bank Sweep Feature.** For Accounts with Bank Sweep as their Cash Feature: You will continue to have the Single-Bank Version of the feature if your Account (1) was opened before February 16, 2018, and (2) has not been transitioned to the Multiple-Bank Version of the feature.

With the Single-Bank Version of the Bank Sweep feature, Schwab automatically makes deposits to and withdrawals from Deposit Accounts at Charles Schwab Bank. Schwab will automatically deposit a Free Credit Balance of one dollar (\$1.00) or more in your Account on any Business Day into Deposit Accounts at Charles Schwab Bank after the close of business on that Business Day. Funds generally will not begin earning interest until the following Business Day. Schwab has sole discretion to change when and how often sweeps occur upon advance written notice to you.

Free Credit Balances will be deposited into Deposit Accounts at Charles Schwab Bank without limit even if the amount in the Deposit Accounts exceeds the \$250,000 per depositor federal deposit insurance limit. For deposit insurance purposes, deposits that you maintain in one insurable capacity directly with Charles Schwab Bank (including deposits in your High Yield Investor Checking and Savings Accounts) will be aggregated with the Deposit Accounts established through the Single-Bank Version of the Bank Sweep feature and the Bank Sweep for Benefit Plans feature in the same insurable capacity. If your total funds on deposit at Charles Schwab Bank exceed the applicable FDIC insurance limit, the FDIC will not insure your funds in excess of the limit. You are responsible for monitoring the total amount of deposits you have at Charles Schwab Bank in order to determine the extent of deposit insurance coverage available to you. You should carefully review the “Deposit Insurance: General” and “Deposit Insurance: Retirement Plans and Accounts” sections herein.

**Multiple-Bank Versions of the Bank Sweep and Bank Sweep for Benefit Plans Features.** For Accounts with the Bank Sweep feature: If (1) your Account was opened with or your Cash Feature was changed to the Bank Sweep feature on or after February 16, 2018, or (2) your Account was opened before February 16, 2018, and the number of Affiliated Banks participating in your Bank Sweep feature has been increased to two, you will have the Multiple-Bank Version of the Bank Sweep feature. For all Accounts with the Single-Bank Version of Bank Sweep, we plan to convert your Account to the Multiple-Bank Version of the feature over the next several years. We will provide you with at least 30 days’ notice by message on your Account statement, by mail, or by other written means prior to the conversion. Upon conversion to the Multiple-Bank Version of Bank Sweep, the number of Affiliated Banks participating in your Cash Feature will be increased from one to two, and your Account will be eligible for up to \$250,000 of additional FDIC deposit insurance.

With the Multiple-Bank Versions of both Cash Features, Schwab will automatically make deposits to and withdrawals from Deposit Accounts at up to two Affiliated Banks in the order indicated on the applicable Affiliated Bank list included at the end of this Cash Features Disclosure Statement or pursuant to any subsequent notice that you may receive. The specific Affiliated Bank list you are assigned is based on your Cash Feature and Account Address, either from when you opened your Account or when Schwab most recently updated the Affiliated Bank list, whichever is later.

You may not designate an Affiliated Bank as ineligible to receive your funds. However, you may at any time change the order of Affiliated Banks on your list to receive funds by contacting us at 1-800-435-4000. If your Account is an Advisor Services Account, please contact your advisor or call Schwab Alliance at 1-800-515-2157.

Schwab will automatically deposit a Free Credit Balance of one dollar (\$1.00) or more in your Account on any Business Day into Deposit Accounts at the first Affiliated Bank on

your list in an amount up to \$249,000 for individual Accounts (or \$249,000 per joint owner for Accounts held jointly by two or more individuals) (the “Deposit Limits”) after the close of business on that Business Day. Deposit Limits are set slightly below the applicable FDIC insurance thresholds (noted below) to ensure that accrued interest on the Deposit Accounts will be eligible for FDIC insurance. Once your Deposit Limit at the first Affiliated Bank is reached, excess funds will be deposited in the second Affiliated Bank on your list up to the Deposit Limit for the second Affiliated Bank.

After your deposits reach the Deposit Limit at the second Affiliated Bank, all remaining Free Credit Balances will be deposited in Charles Schwab Bank without limit even if the amount in the Deposit Accounts at the bank exceeds the \$250,000 per depositor federal deposit insurance limit. You may not change Charles Schwab Bank as the Affiliated Bank to receive your remaining Free Credit Balance once the Deposit Limits at both Affiliated Banks are reached.

For deposit insurance purposes, deposits that you maintain in one insurable capacity directly with an Affiliated Bank (including deposits in your Charles Schwab Bank High Yield Investor Checking® and Savings Accounts) will be aggregated with the Deposit Accounts established through the Multiple-Bank Version of the Bank Sweep feature in the same insurable capacity. If your total funds on deposit at an Affiliated Bank exceed the applicable FDIC insurance limit, the FDIC will not insure your funds in excess of the limit. You are responsible for monitoring the total amount of deposits you have at each Affiliated Bank in order to determine the extent of deposit insurance coverage available to you. You should carefully review the “Deposit Insurance: General” and “Deposit Insurance: Retirement Plans and Accounts” sections herein.

Please note that due to operational limitations, the Deposit Limit for revocable and irrevocable trusts for each Affiliated Bank will be \$249,000 regardless of the number of owners and beneficiaries. As a result, the amount of FDIC insurance for those types of trust Accounts may be less than the maximum FDIC insurance coverage available under FDIC rules.

**Withdrawals.** As your agent, we will make all withdrawals necessary to satisfy debits in your Account. Debits may be created when you purchase securities; when you request funds to be withdrawn; or, if your Account includes cash management features, when you write a check on your Account, make an online payment using the Schwab BillPay® service, or use your debit card. Checks written on your Account are not drawn directly against the Deposit Accounts established for you at the Affiliated Banks.

Schwab will make withdrawals to satisfy debits in your Account as set forth in your Account Agreement. In the Single-Bank Version of the Bank Sweep feature, Schwab will make withdrawals from your Deposit Accounts with Charles Schwab Bank. In the Multiple-Bank Versions of the Bank Sweep and Bank Sweep for Benefit Plans features, funds will be withdrawn from Deposit Accounts with the Affiliated Banks on a “last in, first out” basis, which means that if you have Deposit Accounts with more than one Affiliated Bank, funds will be withdrawn from the Affiliated Banks in the reverse order from which the funds were deposited.

Schwab will first make withdrawals from your DDA at an Affiliated Bank. If the balance in your DDA is insufficient to satisfy a debit, we will transfer funds from your MMDA to cover it, plus enough to maintain a minimum balance. If there are insufficient funds in your Deposit Accounts to satisfy the debit, we will withdraw funds from other available sources as described in your Account Agreement.

Federal banking regulations limit the number of transfers from an MMDA at an Affiliated Bank to six during a monthly statement cycle. Any time this limit is reached, we will transfer all remaining funds in your MMDA to the DDA at the Affiliated Bank and make

all deposits for the rest of the month into the DDA. At the beginning of the following month, we will transfer funds from the DDA back to the MMDA, leaving any minimum balance required. This limit on MMDA transfers will not limit the number of withdrawals you can make from funds on deposit at the Affiliated Banks through the Bank Sweep and Bank Sweep for Benefit Plans features, the interest rate you earn, or the amount of FDIC insurance coverage for which you are eligible.

Under federal banking regulations, the Affiliated Banks must reserve the right to require seven days' notice before permitting a transfer of funds out of an MMDA.

The Affiliated Banks have indicated that they currently have no intention of exercising this right.

**Interest.** For both the Bank Sweep and Bank Sweep for Benefit Plans features, the Affiliated Banks will pay the same interest rate on the DDA and MMDA. Interest rates on the Deposit Accounts will be established periodically by the Affiliated Banks at a rate as low as possible consistent with their views of prevailing market and business conditions. Retirement and other benefit plan accounts will be paid a reasonable rate consistent with applicable legal and regulatory requirements.

Interest rates are set at the Affiliated Banks' discretion and may change daily. Interest accrues on your funds from the day they are deposited until (but not including) the day they are withdrawn. Interest is compounded daily and credited on the 15th of each month (or the following Business Day if the 15th is not a Business Day).

The interest rates paid on the Deposit Accounts may be higher or lower than the interest rates available for other Cash Features or to depositors making deposits directly with an Affiliated Bank or other depository institutions in comparable accounts. You should compare the terms, interest rates, required minimum amounts, and other features of the Bank Sweep and Bank Sweep for Benefit Plans features with those of other accounts, other Cash Features, and alternative investments.

For the Bank Sweep feature only, interest rates vary by tiers based on your Deposit Account balances placed with the Affiliated Banks. The Affiliated Banks are not obligated to pay different interest rates on different tiers. We may establish an arrangement with the Affiliated Banks to pay interest rates that are different from the standard rates the Affiliated Banks pay under the published tiers.

The Affiliated Banks' current interest rate tiers for the Bank Sweep are:

- Balances of \$0 to \$24,999.99
- Balances of \$25,000.00 to \$99,999.99
- Balances of \$100,000.00 to \$249,999.99
- Balances of \$250,000.00 to \$499,999.99
- Balances of \$500,000.00 to \$999,999.99
- Balances of \$1,000,000.00 or more

Please note that in most instances, other than joint Accounts in the Multiple-Bank Version of the Bank Sweep feature, you will need to maintain substantial uninsured deposit balances at Charles Schwab Bank in order to qualify for one of the highest interest rate tiers.

These tiers may change from time to time. You may visit [www.schwab.com/sweep](http://www.schwab.com/sweep) or contact us at 1-800-435-4000 to get the current interest rate tiers and interest rates for each tier. If your Account is an Advisor Services Account, you may contact your advisor, visit [www.schwab.com/SA\\_cash](http://www.schwab.com/SA_cash), or call Schwab Alliance at 1-800-515-2157 to get the current interest tiers and interest rates for each tier.

For the Bank Sweep for Benefit Plans feature, the interest rate will not vary by tiers. You may visit [www.schwab.com/sweep](http://www.schwab.com/sweep) or contact us at 1-800-435-4000 to get the current interest rate. If your Account is an Advisor Services Account, you may contact your advisor, visit [www.schwab.com/SA\\_cash](http://www.schwab.com/SA_cash), or call Schwab Alliance at 1-800-515-2157 to get the current interest rate.

**Account Statement.** All transactions in the Deposit Accounts maintained for the Bank Sweep and Bank Sweep for Benefit Plans features will be confirmed on your Account statement, which will also show your opening and closing Deposit Account balances in each Affiliated Bank and the interest earned for the period.

Schwab, not the Affiliated Banks, is responsible for the accuracy of your Account statements, including transactions in the Deposit Accounts maintained through the Bank Sweep and Bank Sweep for Benefit Plans features. You may contact us at 1-800-435-4000 for information about your balances or if you have questions about your Account statement. If your Account is an Advisor Services Account, you may contact your advisor or call Schwab Alliance at 1-800-515-2157 for information about your balances or if you have questions about your Account statement. You should retain the Account statements for your records.

**Changing Banks.** As discussed above, we anticipate transitioning all Accounts with the Single-Bank Version of the Bank Sweep feature to the Multiple-Bank Version of the feature over the next several years. From time to time, we may add, delete, or replace one or more Affiliated Banks participating in the Multiple-Bank Versions of both Cash Features. We may also change the order in which your Free Credit Balance is deposited with the Affiliated Banks indicated on the applicable Affiliated Bank list at the end of this Cash Features Disclosure Statement. These changes may result in increasing or decreasing the overall FDIC insurance available through the Multiple-Bank Versions of the Bank Sweep and Bank Sweep for Benefit Plans features. We will provide you with at least 30 days' advance notice of any such changes to the Bank Sweep feature, and up to 45 days' advance notice of any such changes to the Bank Sweep for Benefit Plans feature, by message on your Account statement, by mail, or by other written means. If an Affiliated Bank ceases to participate in either Cash Feature, you will be provided an opportunity to establish a direct depository relationship with that Affiliated Bank, subject to the Affiliated Bank's account opening policies. The consequences of maintaining a direct depository relationship with an Affiliated Bank are discussed under "Your Relationship with Schwab and the Affiliated Banks."

**Imposition of Maximum Deposit Amount Limit.** In the unlikely event that it becomes necessary for the Affiliated Banks to limit or reduce the amount of deposits they are able to accept through the Bank Sweep and/or Bank Sweep for Benefit Plans features, Schwab will impose a maximum deposit amount (the "Maximum Deposit Amount Limit") limiting the total amount of funds in a single Account that can be placed in Deposit Accounts with the Affiliated Banks for either or both Cash Features. Thereafter, Schwab may either increase or decrease the Maximum Deposit Amount Limit as circumstances warrant.

If a Maximum Deposit Amount Limit is established (or the Maximum Deposit Amount Limit is reduced), Schwab will withdraw any funds in your Deposit Accounts with the Affiliated Banks in excess of the Maximum Deposit Amount Limit and invest those funds in shares of the Schwab Government Money Fund™ (or such other Schwab® Sweep Money Fund that may replace such fund). At such time as a Maximum Deposit Amount Limit is no longer imposed, we will redeem all of the shares of the Schwab® Sweep Money Fund, and deposit the proceeds in accordance with the procedures of the Bank Sweep and Bank Sweep for Benefit Plans features described above. Similarly, if a Maximum Deposit Amount Limit is increased, we will redeem an amount of shares of the Schwab® Sweep

Money Fund and deposit the proceeds in Bank Sweep or Bank Sweep for Benefit Plans Deposit Accounts up to the new higher Maximum Deposit Amount Limit.

Whenever possible, we will provide you with advance notice of the imposition of any Maximum Deposit Amount Limit or any change in the limit that may affect your Account. However, in extraordinary circumstances, including, but not limited to, a sudden and significant increase in the amount of Free Credit Balances in customer accounts that are being swept to the Affiliated Banks, we may impose or reduce a Maximum Deposit Amount Limit without prior notice to you. In such a situation, we will provide notification to you as soon as possible thereafter. Such notice may be included by message on your Account statement, by mail, or by other written means.

**Your Relationship with Schwab and the Affiliated Banks.** Schwab is acting as your agent in establishing the Deposit Accounts with the Affiliated Banks and in depositing and withdrawing funds. You will receive no evidence of ownership, such as a passbook or certificate. Instead, Deposit Account ownership will be evidenced by a book entry on the account records of the Affiliated Banks and by records that Schwab maintains as custodian of your Accounts.

Unless you establish the Deposit Accounts directly with an Affiliated Bank as described below, any instructions regarding the movement of your funds in the Bank Sweep and Bank Sweep for Benefit Plans features must be provided by Schwab to the Affiliated Banks, and information concerning the Bank Sweep and Bank Sweep for Benefit Plans features may only be obtained from Schwab. The Affiliated Banks will not accept instructions directly from you with respect to your Deposit Accounts held through the Bank Sweep and Bank Sweep for Benefit Plans features nor provide you directly with information concerning these Cash Features.

Schwab may, at its discretion and upon written notice, terminate your use of the Bank Sweep or Bank Sweep for Benefit Plans feature. If Schwab does, you may establish a direct relationship with the Affiliated Bank(s) at which your sweep deposits are held, subject to its eligibility policies.

Similarly, if you decide to stop participating in the Bank Sweep or Bank Sweep for Benefit Plans feature, you may establish a direct relationship with the Affiliated Bank(s) at which your Deposit Accounts are held, by asking to have the Deposit Accounts established in your name, again subject to the relevant Affiliated Bank's eligibility criteria. This will result in separating those Deposit Accounts from your Account.

Schwab provides administrative services to the Affiliated Banks in support of the operation of the Bank Sweep and Bank Sweep for Benefit Plans features. The Affiliated Banks pay Schwab an annual per account flat fee for these administrative services. Schwab reserves the right to increase, decrease, or waive all or part of this fee. We and certain of our affiliates also provide operational, technology, and other services to the Affiliated Banks and receive compensation for those services. In addition, certain of our employees and registered representatives may be compensated in part, based directly or indirectly, on deposit balances in the Bank Sweep and Bank Sweep for Benefit Plans features or the profitability of the features for the Affiliated Banks and our joint parent company, The Charles Schwab Corporation. Information regarding the fee and other compensation we currently receive from the Affiliated Banks for these administrative, operational, technology, and other services may be obtained by written request to: Charles Schwab & Co., Inc., P.O. Box 982600, El Paso, TX 79998.

Other than applicable fees and charges imposed by us on your Accounts, which are described in your Pricing Guide, there will be no charge, fee, or commission imposed on your Account with respect to the Bank Sweep and Bank Sweep for Benefit Plans features.

**Information about the Affiliated Banks.** Charles Schwab Bank and Charles Schwab Premier Bank are both federal savings associations that are regulated by the Office of the Comptroller of the Currency of the U.S. Department of the Treasury. Charles Schwab Trust Bank is a Nevada-chartered savings bank that is regulated by the Nevada Financial Institutions Division and the FDIC. Schwab, Charles Schwab Bank, Charles Schwab Premier Bank, and Charles Schwab Trust Bank are separate but affiliated companies and wholly owned subsidiaries of The Charles Schwab Corporation. The Charles Schwab Corporation is a savings and loan holding company, regulated by the Federal Reserve Board. Upon request, we will provide you with the publicly available financial information you would receive if you established a Deposit Account directly with an Affiliated Bank. In addition, you can obtain publicly available financial information about Charles Schwab Bank, Charles Schwab Premier Bank, and Charles Schwab Trust Bank at [www.ffiec.gov/NPW](http://www.ffiec.gov/NPW) or by contacting the FDIC Public Information Center by mail at 3501 North Fairfax Drive, Room E-1002, Arlington, VA 22226, or by phone at 1-877-275-3342.

We cannot guarantee in any way the financial condition of Charles Schwab Bank, Charles Schwab Premier Bank, or Charles Schwab Trust Bank, or the accuracy of any publicly available financial information about the Affiliated Banks.

**Deposit Insurance: General.** The Deposit Accounts are insured by the FDIC, an independent agency of the U.S. government, up to \$250,000 per depositor for principal and accrued interest for all deposits held by you in the same insurable capacity at each Affiliated Bank. Generally, any accounts or deposits (including certificates of deposit) that you may maintain directly with an Affiliated Bank, or through any other intermediary (such as Schwab or another broker), in the same insurable capacity in which the Deposit Accounts are maintained, would be aggregated with the Deposit Accounts for purposes of the \$250,000 federal deposit insurance limit.

In the event that an Affiliated Bank fails, the Deposit Accounts are insured up to \$250,000 per depositor for principal and interest accrued to the date the Affiliated Bank is closed.

Under certain circumstances, if you become the owner of deposits at an Affiliated Bank because another depositor dies, beginning six months after the death of the depositor, the FDIC will aggregate those deposits for purposes of the \$250,000 federal deposit insurance limit with any other deposits that you own in the same insurable capacity at the Affiliated Bank. Examples of accounts that may be subject to this FDIC policy include joint accounts, “payable on death” accounts, and certain trust accounts. The FDIC provides a six-month grace period to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

**You are responsible for monitoring the total amount of deposits that you hold with each Affiliated Bank, directly or through an intermediary, in order for you to determine the extent of deposit insurance coverage available to you on your deposits, including the Deposit Accounts. Schwab is not responsible for any insured or uninsured portion of the Deposit Accounts or any other deposits.**

In the event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you. There is no specific time period during which the FDIC must make insurance payments available, and Schwab is under no obligation to credit your Account with funds in advance of payments received from the FDIC. Furthermore, you may be required to provide certain documentation to the FDIC and to us before insurance payments are made. For example, if you hold deposits as trustee for the benefit of trust participants, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

If your Deposit Accounts are assumed by another depository institution that acquires an Affiliated Bank, pursuant to a merger or consolidation, such deposits will continue to be separately insured for the deposits that you might have established with the acquirer until the expiration of a six-month period from the date of acquisition. Thereafter, any assumed deposits will be aggregated with your existing deposits with the acquirer held in the same insurable capacity for purposes of federal deposit insurance. Any deposit opened at the Affiliated Bank after the acquisition will be aggregated with deposits established with the acquirer for purposes of federal deposit insurance.

The application of the \$250,000 federal deposit insurance limit is illustrated by several common factual situations discussed below.

- **Individual Customer Accounts.** Deposit Accounts held by an individual in an account in the name of an agent or nominee of such individual (such as the Deposit Accounts held through Schwab) or held by a custodian (for example, under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act) are not treated as owned by the agent, nominee, or custodian, but are added to other deposits of such individual held in the same insurable capacity (including funds held in a sole proprietorship) and are insured up to \$250,000 in the aggregate. Deposits held through a **qualified tuition savings program (529 Plan)** will be insured as deposits of the participant and aggregated with other deposits of the participant if the arrangement and the name of the participant are identified on the institution's account records.
- **Corporate, Partnership, and Unincorporated Association Accounts.** Deposit Accounts held by corporations (including Subchapter S corporations), partnerships, and unincorporated associations, operated for a purpose other than to increase deposit insurance, are added together with other deposits owned by such corporation, partnership, and unincorporated association, respectively, and are insured up to \$250,000 in the aggregate.
- **Joint Accounts.** Deposit Accounts held under any form of joint ownership valid under applicable state law may be insured up to \$250,000 per depositor in the aggregate, separately and in addition to the \$250,000 allowed on other deposits individually owned by any of the co-owners of such accounts (hereinafter referred to as a "Joint Account"). For example, a Joint Account owned by two persons would be eligible for insurance coverage of up to \$500,000 (\$250,000 for each person), subject to aggregation with each owner's interests in other Joint Accounts at the same depository institution. Joint Accounts will be insured separately from individually owned accounts only if each of the co-owners is an individual person and has a right of withdrawal on the same basis as the other co-owners.
- **Revocable Trust Accounts.** Deposit Accounts held in a "revocable trust" are generally insured up to \$250,000 per beneficiary if the beneficiary is a natural person, charity, or other nonprofit organization. There are two types of revocable trusts recognized by the FDIC. **Informal revocable trusts** include accounts in which the owner evidences an intent that, at his or her death, the funds shall belong to one or more specified beneficiaries. These trusts may be referred to as a "Totten trust" account, "payable upon death" account, or "transfer on death" account. Each beneficiary must be included in the institution's account records. **Formal revocable trusts** are written trust arrangements in which the owner retains ownership and control of the assets and designation of beneficiaries during his or her lifetime. The trusts may be referred to as "living" or "family" trusts. The beneficiaries of a formal revocable trust do not need to be included in Schwab's account records.

Under FDIC rules, FDIC coverage will be \$250,000 per beneficiary, multiplied by the number of beneficiaries, regardless of the proportional interest of each beneficiary in the revocable trust. If the trust has more than \$1,250,000 in deposits at an Affiliated



Bank and more than five beneficiaries, the funds will be insured for the greater of \$1,250,000 or the aggregate amount of all beneficiaries' proportional interest, limited to \$250,000 per beneficiary.

Deposits in all revocable trusts of the same owner—informal and formal—at an Affiliated Bank will be aggregated for insurance purposes. A revocable trust established by two owners, where the owners are the sole beneficiaries, will be treated as a Joint Account under applicable rules and will be aggregated with other Joint Accounts.

- **Irrevocable Trust Accounts.** Deposit Accounts held pursuant to one or more irrevocable trust agreements created by the same grantor (as determined under applicable state law) will be insured for up to \$250,000 for the interest of each beneficiary provided that the beneficiary's interest in the account is non-contingent (i.e., capable of determination without evaluation of contingencies). According to the FDIC, **Coverdell Education Savings Accounts** will be treated as irrevocable trust accounts for deposit insurance purposes. The deposit insurance of each beneficiary's interest is separate from the coverage provided for other accounts maintained by the beneficiary, the grantor, the trustee, or other beneficiaries. The interest of a beneficiary in irrevocable trust accounts at an Affiliated Bank created by the same grantor will be aggregated and insured up to \$250,000.
- **Medical Savings Accounts and Health Savings Brokerage Accounts.** Deposit Accounts held in a Medical Savings Account, sometimes referred to as an Archer Medical Savings Account, will be eligible for deposit insurance as an individual account, a revocable trust account, or an employee benefit plan. Health Savings Brokerage Accounts will be eligible for deposit insurance either as an individual account or a revocable trust account. You may wish to consult with your attorney or the FDIC to determine the available coverage.

#### **Deposit Insurance: Retirement Plans and Accounts. Retirement Plans and Accounts:**

**General.** The amount of deposit insurance for which Deposit Accounts held through one or more retirement plans or accounts will be eligible, including whether Deposit Accounts held by each plan or account will be considered separately from or aggregated with Deposit Accounts held by other plans or accounts, will vary depending on the type of plan or account and, in some cases, the features of the plan or account. It is therefore important to understand the type of plan or account holding the Deposit Accounts. The following sections discuss in general terms the rules that apply to deposits held through retirement plans and accounts. Because these rules determine the insurance available to you and whether your Deposit Accounts held through different retirement plans and accounts will be aggregated for purposes of the \$250,000 federal deposit insurance limit, you should consult with your tax or legal advisor to determine your available deposit insurance coverage.

- **Individual Retirement Accounts (IRAs).** All Deposit Accounts held in Traditional IRAs, Roth IRAs, Roth Conversion IRAs, Rollover IRAs, Inherited IRAs, Custodial IRAs, SEP-IRAs, and SIMPLE IRAs will be insured up to \$250,000 in the aggregate. However, as described below, Deposit Accounts held by an IRA will be aggregated with Deposit Accounts held by certain employee benefit plans in which the owner of the IRA has an interest. Thus, the owner of an IRA will only be eligible for insurance of \$250,000 for Deposit Accounts held in plans and accounts that are subject to aggregation. See the section below headed "Aggregation of Retirement Plan and Account Deposits."
- **Pass-Through Deposit Insurance for Employee Benefit Plan Deposits in the Bank Sweep for Benefit Plan feature.** Subject to the limitations discussed below, under FDIC regulations, a participant's non-contingent interests in Deposit Accounts held by many types of employee benefit plans are eligible for insurance up to \$250,000 on a "pass-through" basis. This means that instead of the Deposit Accounts held by an employee benefit plan at Charles Schwab Bank being eligible for only \$250,000 in total, each

employee benefit plan participant is eligible for insurance on his or her non-contingent interest in the employee benefit plan deposits up to \$250,000, subject to the aggregation of the participant's interests in different plans, as discussed below under "Aggregation of Retirement Plan and Account Deposits." The pass-through insurance provided to an employee benefit plan participant is separate from the \$250,000 federal deposit insurance limit allowed on Deposit Accounts held by the individual in different insurable capacities with Charles Schwab Bank (e.g., individual accounts, joint accounts, and the like).

The types of plans for which the Deposit Accounts may receive pass-through treatment are employee benefit plans, as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), including "Keogh Plans," whether or not they are technically "employee benefit plans" under ERISA, and eligible deferred compensation plans described in Section 457 of the Internal Revenue Code of 1986 ("the Code"). For purposes of Section 3(3) of ERISA, employee benefit plans are broadly defined to include most employee benefit plans, including most defined benefit plans and most defined contribution plans.

**Defined Benefit Plans.** The value of an employee's non-contingent interest in a defined benefit plan will be equal to the present value of the employee's interest in the plan, evaluated in accordance with the calculation ordinarily used under such plan.

Deposit Accounts held by a defined benefit plan that is eligible for pass-through treatment are not insured for an amount equal to the number of plan participants multiplied by \$250,000. For example, an employee benefit plan has on deposit \$500,000 in Deposit Accounts. The employee benefit plan has two participants, one with a non-contingent interest of \$425,000 and one with a non-contingent interest of \$75,000. In this case, the employee benefit plan's deposit would be insured only up to \$325,000; the plan would be eligible for up to \$250,000 for the participant with the \$425,000 non-contingent interest and up to \$75,000 for the participant with the \$75,000 non-contingent interest.

Overfunded amounts, which are any portion of a plan's Deposit Accounts not attributable to the interest of beneficiaries under the plan, are insured, in the aggregate, up to \$250,000, separately from the insurance provided for any other funds owned by or attributable to the employer or a plan participant.

**Defined Contribution Plans.** The value of an employee's non-contingent interest in Deposit Accounts held through a defined contribution plan will be equal to the amount of funds on deposit attributable to the employee's account with the plan, regardless of whether the funds on deposit resulted from contributions made by the employee, the employer, or both. Portions of Deposit Accounts held by an employee benefit plan that are attributable to the contingent interest of employees in the plan are not insured on a pass-through basis. Contingent interests of employees in an employee benefit plan are interests that are not capable of evaluation in accordance with FDIC rules, and are insured up to \$250,000 per plan.

**Aggregation of Retirement Plan and Account Deposits.** Under FDIC regulations, an individual's interests in plans maintained by the same employer or employee organization (e.g., a union) that are holding Deposit Accounts will be insured for \$250,000 in the aggregate. In addition, under FDIC regulations, an individual's interest in Deposit Accounts held by (i) IRAs, (ii) deferred compensation plans for certain employees of state or local governments or tax-exempt organizations (e.g., Section 457 plans), (iii) self-directed Keogh Plans of owner-employees described in Section 401(d) of the Code, and (iv) self-directed defined contribution plans will be insured for up to \$250,000 in the aggregate whether or not they are maintained by the same employer or employee organization.

The retirement plans and accounts described below are eligible for the \$250,000 federal deposit insurance limit. All deposits held through such plans and accounts will be aggregated for purposes of the \$250,000 federal deposit insurance limit. This means that all Deposit Accounts you hold through the plans and accounts described below will be eligible for insurance up to a total of \$250,000.

- **Individual Retirement Accounts (IRAs).** All Deposit Accounts held in Traditional IRAs, Roth IRAs, SEP-IRAs, and SIMPLE IRAs will be aggregated for purposes of the \$250,000 federal deposit insurance limit and will be further aggregated with deposits held through other plans described in this section.
- **Section 457 Plans.** These plans include any eligible deferred compensation plan described in Section 457 of the Code.
- **Self-Directed Keogh and 401(k) Plans.** These are deposits held in any plan described in Section 401(d) of the Code, generally referred to as Keogh Plans, and any plans described in Section 3(34) of ERISA, including, but not limited to, plans generally referred to as 401(k) Plans. The plan must be “self-directed” to qualify for the \$250,000 federal deposit insurance limit. FDIC defines “self-directed” to mean the ability of the plan participants to direct funds into a specific depository institution.

All retirement plans and accounts not listed in the preceding three bullet points, including defined contribution plans and plans that do not meet the FDIC’s “self-directed” criteria, will be eligible for federal deposit insurance up to \$250,000 per participant, subject to the aggregation rules described above.

**Questions about FDIC Deposit Insurance Coverage.** If you have questions about basic FDIC insurance coverage, please contact us. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one insurable capacity. You may also obtain information by contacting the FDIC, Deposit Insurance Outreach Group, Division of Depositor and Consumer Protection, by letter (550 17th Street, NW, Washington, DC 20429); by phone (1-877-275-3342, 1-800-925-4618 [TDD]); by visiting the FDIC website at [www.fdic.gov/deposit/index.html](http://www.fdic.gov/deposit/index.html); or by email using the FDIC’s online Customer Assistance Form available on its website.

**No SIPC Coverage of Bank Deposit Accounts.** To our knowledge, the Securities Investor Protection Corporation (“SIPC”) has not taken a formal position on its coverage of the Deposit Accounts. We recommend that you assume that coverage of your Deposit Accounts established through the Bank Sweep and Bank Sweep for Benefit Plans features will be limited to FDIC insurance and that you not expect coverage from SIPC.

## 9. The Schwab One® Interest Feature

If your Account is eligible for and you select the Schwab One® Interest feature as your Cash Feature, your Free Credit Balance will remain in your Account as a direct obligation of Schwab, and we will pay you interest at a tiered rate based on the amount of the Free Credit Balance in your Account. We are not obligated to pay different interest rates on different tiers, however, and we may change the interest rate tiers from time to time. In addition, we may pay interest rates to certain clients that are different from the standard rates under our published tiers.

The current interest rate tiers for the Schwab One® Interest feature are:

- Balances of \$0 to \$24,999.99
- Balances of \$25,000.00 to \$99,999.99
- Balances of \$100,000.00 to \$249,999.99
- Balances of \$250,000.00 to \$499,999.99

- Balances of \$500,000.00 to \$999,999.99
- Balances of \$1,000,000.00 or more

Please note that you will need to maintain a Free Credit Balance that is substantially in excess of SIPC's \$250,000 coverage limit for cash in order to qualify for one of the highest interest rate tiers, but your Free Credit Balance may be eligible for protection in excess of SIPC coverage through Schwab's excess SIPC coverage policy with a private insurer. These tiers may change from time to time. You may visit [www.schwab.com/sweep](http://www.schwab.com/sweep) or contact us at 1-800-435-4000 to view the current interest rate tiers and interest rate for each tier. If your Account is an Advisor Services Account, you may contact your advisor, visit [www.schwab.com/SA\\_cash](http://www.schwab.com/SA_cash), or call Schwab Alliance at 1-800-515-2157 to view the current interest rate tiers and interest rate for each tier.

Interest rates are set at our discretion and may change daily. Interest accrues daily and is credited to your Account on or before the last Business Day of each month. If, on any given day, the interest that we calculate for your Account is less than one-half of one cent (\$0.005), your funds will not earn interest on that day. To participate in the Schwab One® Interest feature, you must maintain the Free Credit Balance in your Account for the purpose of investing in securities. The Schwab One® Interest feature is not a bank account or other bank obligation, is not guaranteed by any bank, and is not insured by the FDIC.

If we determine that your use of the Account is inconsistent with investment purposes, or if there is no trading activity within a one-year period, then upon written notice to you, we may stop paying interest on the Free Credit Balance in your Account or change your Cash Feature to a different Cash Feature for which your Account is then eligible.

Schwab is a member of the Securities Investor Protection Corporation, or SIPC. SIPC is a nonprofit membership corporation created by the Securities Investor Protection Act of 1970, funded primarily by its member securities brokerage firms registered with the U.S. Securities and Exchange Commission. SIPC provides protection to clients of securities brokerage firms in the event such brokerage firms become insolvent. SIPC provides member institutions up to \$500,000 (including \$250,000 for claims of cash) of coverage per brokerage client in each recognized insurable capacity when aggregated with other cash held by the same brokerage client in the same insurable capacity at the same member institution.

In addition to SIPC coverage, Schwab has secured additional protection that exceeds SIPC limits through an agreement with Lloyd's of London. The additional protection is necessary and available only in the unlikely event that assets are not fully recovered when SIPC protection limits have been reached.<sup>6</sup>

## **10. The Money Fund Sweep Feature**

Generally, only Managed Accounts, International Accounts, some Benefit Plan Accounts, and Other Retirement Accounts continue to be eligible for the Money Fund Sweep feature.

With respect to other Accounts, please note the following:

- Accounts opened on or after June 1, 2016, and Accounts that did not have the Money Fund Sweep feature as their Cash Feature as of that date, are ineligible to select the Money Fund Sweep feature.

<sup>6</sup>Under a policy secured with Lloyd's of London underwriters, the additional protection of securities and cash extended to Schwab is up to an aggregate of \$600 million for all Schwab customers. This additional protection becomes available in the event that SIPC limits are exhausted.

- Accounts that have the Money Fund Sweep feature as their Cash Feature will continue to have their Free Credit Balance swept into the Money Fund Sweep feature but may not change the Schwab® Sweep Money Fund into which their Free Credit Balances are swept.
- Accounts that have the Money Fund Sweep feature as their Cash Feature and change to the Schwab One® Interest, Bank Sweep, or Bank Sweep for Benefit Plans feature are not permitted to change back to the Money Fund Sweep feature at a later date.

The Money Fund Sweep feature automatically invests in and redeems shares of a Schwab® Sweep Money Fund you select from those made available to you. You can find out which Schwab® Sweep Money Funds are available by checking your Account Application or by calling us at 1-800-435-4000. If your Account is an Advisor Services Account, you can find out which Schwab® Sweep Money Funds are available by checking your Account Application, contacting your advisor, or calling Schwab Alliance at 1-800-515-2157.

You may also contact us for a free prospectus for any Schwab® Sweep Money Fund. You should review the prospectus carefully before investing or sending money.

If the Money Fund Sweep feature is your Cash Feature, a Free Credit Balance of one dollar (\$1.00) or more in your Account on any Business Day will be swept into your Schwab® Sweep Money Fund after the close of business on that Business Day<sup>7</sup> and generally will not begin earning dividends until the following Business Day. Schwab has sole discretion to change when and how often sweeps occur, upon advance written notice to you.

Schwab will automatically redeem shares of your Schwab® Sweep Money Fund to satisfy debits in your Account as set forth in your Account Agreement, which typically will be first from the Free Credit Balance in your Account and next from your Cash Feature. If the Money Fund Sweep feature is your Cash Feature, Schwab will redeem shares in your Schwab® Sweep Money Fund to satisfy debit balances in your Account or, if applicable, to provide necessary collateral to your margin and short account at any time.

Investments in the Schwab® Sweep Money Funds are subject to restrictions described in the applicable Schwab® Sweep Money Fund's prospectus. For more complete information about a Schwab® Sweep Money Fund, including charges and expenses, read the fund's prospectus carefully. Although investments in Schwab® Sweep Money Funds provide a means of earning a return on cash, and while Schwab® Sweep Money Funds generally seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in them.

There can be no assurance that a Schwab® Sweep Money Fund will maintain a stable net asset value of \$1.00 per share. In the event that a Schwab® Sweep Money Fund is no longer able to maintain the net asset value of its shares at \$1.00, you authorize and instruct Schwab, without further notice to you, to redeem all of your Schwab® Sweep Money Fund shares as soon as commercially practicable and deposit the proceeds in your Account.

<sup>7</sup>If your Account is an existing Schwab Brokerage Account (an older account type that has not been offered to new clients since 2001), this feature is generally available if you have a Free Credit Balance of at least \$1,000 in your Account at the time you select this feature. If your Free Credit Balance falls below \$100 at any time, your Free Credit Balance will not be swept until it meets the \$1,000 minimum again. On the first Business Day of each week, we will sweep the eligible Free Credit Balance in your Account on the last Business Day of the preceding week into a Sweep Money Fund. The sweep will occur after the close of business on that Business Day, and generally you will not begin earning interest until the following Business Day.

If, on any given day, the accrued daily dividend for your Schwab® Sweep Money Fund as calculated for your Account is less than one-half of one cent (\$0.005), your Account will not earn a dividend for that day. In addition, if you do not accrue at least one daily dividend of \$0.01 during a pay period, you will not receive a money market dividend for that period.

Under money fund reform regulations, money funds have the option of imposing liquidity fees (fees charged upon the redemption of shares) of up to 2% and/or redemption gates (which prevent redemption of shares) for up to 10 Business Days in any 90-day period if a fund's liquidity percentage falls below certain regulatory thresholds. Money funds that invest at least 99.5% of their assets in cash and U.S. government securities are defined as "government money funds" and are permitted to continue to use a stable net asset value ("NAV"). Money funds that limit shareholders to natural persons are defined as "retail money funds" and are also permitted to continue to use a stable NAV. Under the new regulations, money funds other than those defined as "government" or "retail" will be required to operate with a floating NAV. Further details about any particular money fund can be found in the fund's prospectus and other disclosure documents.

An investment in a Schwab® Sweep Money Fund is not a deposit or other obligation of, nor is it guaranteed by, any bank, and it is not insured by the FDIC. Schwab is a member of SIPC. SIPC provides member institutions up to \$500,000 (including \$250,000 for claims of cash) of coverage per brokerage client in each recognized insurable capacity when aggregated with other securities and cash held by the same brokerage client in the same insurable capacity at the same member institution. Schwab® Sweep Money Funds custodied at Schwab are considered securities for SIPC purposes. SIPC provides protection to clients of securities brokerage firms in the event such brokerage firms become insolvent. SIPC does not insure against the failure of the issuer of a security. In other words, it would not protect you against losses in a Schwab® Sweep Money Fund or the insolvency of a Schwab® Sweep Money Fund.

In addition to SIPC coverage, Schwab has secured excess SIPC coverage through an agreement with Lloyd's of London. The additional protection is necessary and available only in the unlikely event that assets are not fully recovered when SIPC protection limits have been reached. The additional SIPC coverage is a total of \$600 million across all Schwab brokerage clients.<sup>8</sup>

## **11. Benefits to the Affiliated Banks, Schwab, and The Charles Schwab Corporation**

The Affiliated Banks intend to use the cash balances in the Deposit Accounts to fund current and new lending activities and investments. The profitability on such loans and investments is generally measured by the difference, or "spread," between the interest rate paid on the Deposit Accounts and other costs of maintaining the Deposit Accounts, and the interest rate and other income earned by an Affiliated Bank on the loans and investments made with the funds in the Deposit Accounts. The income that the Affiliated Banks will have the opportunity to earn through their lending and investing activities is expected to be greater than the fees earned by Schwab and its affiliates from managing and distributing the Schwab® Sweep Money Funds. Such deposits are anticipated to provide a stable source of funds for the Affiliated Banks' lending and investment activities. The cash balances may also be used to provide funds to develop products and services for Schwab-affiliated companies to the extent permitted by applicable law.

<sup>8</sup>Under a policy secured with Lloyd's of London underwriters, the additional protection of securities and cash extended to Schwab is up to an aggregate of \$600 million for all Schwab customers. This additional protection becomes available in the event that SIPC limits are exhausted.

Schwab provides administrative services to the Affiliated Banks in support of the operation of the Bank Sweep and Bank Sweep for Benefit Plans features. The Affiliated Banks pay Schwab an annual per account flat fee for these administrative services. We reserve the right to increase, decrease, or waive all or part of this fee. We, and certain of our affiliates, also provide operational, technology, and other services to the Affiliated Banks and receive compensation for those services. In addition, certain of our employees and registered representatives may be compensated, in part, based directly or indirectly on deposit balances in the Bank Sweep and Bank Sweep for Benefit Plans features or the profitability of the features for the Affiliated Banks and our joint parent company, The Charles Schwab Corporation. Information regarding the fee and other compensation we currently receive from the Affiliated Banks for these administrative, operational, technology, and other services may be obtained by written request to: Charles Schwab & Co., Inc., P.O. Box 982600, El Paso, TX 79998.

## 12. Comparison of Schwab Cash Features

The following table compares the Bank Sweep and Bank Sweep for Benefit Plans, Schwab One® Interest, and Money Fund Sweep features:

<b>Affiliations with Schwab</b>
<p><b>Bank Sweep and Bank Sweep for Benefit Plans Features</b></p> <p>Free Credit Balances are deposited at one or more Affiliated Banks, FDIC-insured depository institutions affiliated with Schwab.</p>
<p><b>Schwab One® Interest Feature</b></p> <p>We pay interest on the Free Credit Balance in your Account.</p>
<p><b>Money Fund Sweep Feature</b></p> <p>Schwab® Sweep Money Funds are advised by Charles Schwab Investment Management, Inc. ("CSIM"), a wholly owned asset management subsidiary of The Charles Schwab Corporation.</p>
<b>Interest Rates and Yields</b>
<p><b>Bank Sweep and Bank Sweep for Benefit Plans Features</b></p> <p>Interest rates are set at the discretion of the Affiliated Banks. For purposes of the Bank Sweep feature, the Affiliated Banks pay interest at rates that may vary by tiers based on your Deposit Account balances placed with the Affiliated Banks through your Account. For purposes of the Bank Sweep for Benefit Plans feature, Charles Schwab Bank does not pay interest on Deposit Account balances based on interest rate tiers. Charles Schwab Bank pays the same interest rate regardless of the total amount of your Deposit Account balances.</p> <p>There is no guarantee or assurance that interest rates will be comparable to the interest rates or yields available through any other Cash Feature or other deposit products offered by the Affiliated Banks.</p> <p>Please contact us at 1-800-435-4000 for current interest rates and rate tiers for the Bank Sweep and Bank Sweep for Benefit Plans features. If your Account is an Advisor Services Account, please contact your advisor or call Schwab Alliance at 1-800-515-2157 for current interest rates and rate tiers for the Bank Sweep and Bank Sweep for Benefit Plans features.</p>
<p><b>Schwab One® Interest Feature</b></p> <p>Interest rates are set at the discretion of Schwab. We pay interest on Free Credit Balances based on the interest rate tier determined by an Account's Free Credit Balance. There is no guarantee or assurance that interest rates will be comparable to the interest rates or yields available through any other Cash Feature.</p> <p>Please contact us at 1-800-435-4000 for current interest rate tiers and interest rates. If your Account is an Advisor Services Account, please contact your advisor or call Schwab Alliance at 1-800-515-2157 for current interest rate tiers and interest rates.</p>
<p><b>Money Fund Sweep Feature</b></p> <p>Schwab® Sweep Money Funds seek to achieve the highest yield (less fees and expenses) consistent with prudence and their investment objectives.</p> <p>Please visit <a href="http://www.schwab.com/sweepfunds">www.schwab.com/sweepfunds</a> or contact us for the current seven-day yields. If your Account is an Advisor Services Account, please contact your advisor or call Schwab Alliance at 1-800-515-2157 for the current seven-day yields.</p>



## Differences in Risk

### Bank Sweep and Bank Sweep for Benefit Plans Features

The Deposit Accounts are insured by the FDIC up to \$250,000 per depositor, per bank (including principal and accrued interest) when aggregated with all other deposits held by you in the same insurable capacity at the same institution. Your funds become eligible for this insurance immediately upon deposit. Any deposits (including certificates of deposit) that you maintain with the same institution and in the same insurable capacity, either directly or through an intermediary such as Schwab or another broker, will be aggregated with your Deposit Accounts at the Affiliated Banks for the purposes of the \$250,000 federal deposit insurance limit.

While the Deposit Accounts are not subject to market risk, they are subject to the risk of a bank's failure. In the event that an Affiliated Bank fails and payments from the FDIC become necessary, insurance payments will be made by the FDIC to Schwab as your agent.

There is no specific time period during which the FDIC must make insurance payments available, and Schwab will not credit your Account with funds in advance of payments received from the FDIC. Deposit Accounts are a direct obligation of an Affiliated Bank and are not, either directly or indirectly, guaranteed by Charles Schwab & Co., Inc. or The Charles Schwab Corporation.

Until the insurance payment from the FDIC is received by Schwab, your funds on deposit at the failed bank will not be available for:

- withdrawals
- the payment of Schwab *BillPay*® transactions and other payments to third parties from your Account
- funding securities transactions in your Account

If you have outstanding checks or pending Schwab *BillPay*® transactions or other payments to third parties, you will need to take immediate steps to ensure that funding is available for those transactions without reliance on your funds at the failed bank. Your failure to immediately take appropriate action may result in the return of checks and non-payment of electronic debits and other items presented for payment against your Account, or charges to your margin account.

Furthermore, you may be required to provide certain documentation to the FDIC before insurance payments are made. For example, if you hold Deposit Accounts as trustee for the benefit of trust participants, you may be required to furnish affidavits and provide certain indemnities before an insurance payment will be made.

In the unlikely event that it becomes necessary for the Affiliated Banks to limit or reduce the amount of deposits they are able to accept through either the Bank Sweep and/or Bank Sweep for Benefit Plans features, Schwab will impose a Maximum Deposit Amount Limit limiting the total amount of funds in a single Account that can be placed in Deposit Accounts with the Affiliated Banks. If a Maximum Deposit Amount Limit is established, Schwab will withdraw any funds in your Deposit Accounts with the Affiliated Banks in excess of the Maximum Deposit Amount Limit and invest those funds in shares of the Schwab Government Money Fund™ (or such other Schwab® Sweep Money Fund that may replace such fund). At such time as a Maximum Deposit Amount Limit is no longer imposed, we will redeem all of the shares of the Schwab® Sweep Money Fund and deposit the proceeds in Deposit Accounts with the Affiliated Banks.

## Differences in Risk (Continued)

### Schwab One® Interest Feature

Free Credit Balances held at Schwab are not insured or guaranteed by the FDIC but are covered by SIPC.

Schwab is a member of SIPC, which protects its members' securities up to \$500,000 (including \$250,000 for claims of cash). An explanatory brochure is available on request or at [www.sipc.org](http://www.sipc.org).

SIPC coverage is not the same as FDIC insurance protection. SIPC coverage does not insure against a decrease in value of a particular investment.

In the event of the liquidation of your broker, there is no specific time period during which SIPC must give you access to your cash or securities.

### Money Fund Sweep Feature

Your investment in a Schwab® Sweep Money Fund is not a bank deposit and is not insured or guaranteed by the FDIC or any other government agency. Schwab® Sweep Money Funds are not guaranteed by Charles Schwab & Co., Inc. or The Charles Schwab Corporation.

Although Schwab® Sweep Money Funds seek to preserve the value of your investment at \$1.00 per share, Schwab® Sweep Money Funds are subject to a number of risks, any of which could cause you to lose money.

Schwab® Sweep Money Funds may also be subject to additional liquidity fees and redemption gates imposed by the fund under certain circumstances. Please review the Schwab® Sweep Money Fund's prospectus and other disclosure materials prior to investing in a Schwab® Sweep Money Fund.

In the event that a Schwab® Sweep Money Fund is no longer able to maintain the net asset value of its shares at \$1.00, you authorize and instruct Schwab, without further notice to you, to redeem all of your Schwab® Sweep Money Fund shares as soon as commercially practicable and deposit the proceeds into your Account.

As a result of Schwab providing redemption requests for all of its clients, however, you should anticipate that the Board of Trustees of such a Schwab® Sweep Money Fund will likely invoke the right to suspend the fund so as to facilitate an orderly liquidation of the Schwab® Sweep Money Fund. If this occurs, it is unlikely that we will be able to accept redemption requests received on or up to two days before the date of the suspension order. Orders received during this time period may be reversed, and your Account may be debited. As a result, you may not have liquid funds available in your Account that you requested.

There is no specific time period during which a Schwab® Sweep Money Fund must make payments when it is liquidating, and Schwab will not credit your Account with funds in advance of payments received from the Schwab® Sweep Money Fund.

Until the proceeds from redemption requests are received for your Account, your funds invested in the Schwab® Sweep Money Fund will not be available for:

- withdrawals
- the payment of Schwab *BillPay*® transactions and other payments to third parties from your Account
- funding securities transactions in your Account

**Differences in Risk (Continued)**

If you have outstanding checks or pending Schwab *BillPay*® transactions or other payments to third parties, you will need to take immediate steps to ensure that funding is available for those transactions without reliance on your funds invested in the Schwab® Sweep Money Fund. Your failure to immediately take appropriate action may result in the return of checks and non-payment of electronic debits and other items presented for payment against your Account, or charges to your margin account.

While an investment in a Schwab® Sweep Money Fund is not insured or guaranteed by the FDIC or Schwab, it is covered by SIPC against custodial loss (but not investment loss) in the event your brokerage firm becomes insolvent.

Schwab is a member of SIPC, which protects its members' securities up to \$500,000 (including \$250,000 for claims of cash).

Schwab® Sweep Money Funds are not considered cash but are treated as securities for SIPC coverage. An explanatory brochure is available on request or at [www.sipc.org](http://www.sipc.org).

SIPC coverage is not the same as FDIC insurance protection. SIPC coverage does not insure against a decrease in value of a particular investment.

**Difference in Benefits to Schwab****Bank Sweep and Bank Sweep for Benefit Plans Features**

The Affiliated Banks will use the cash balances in the Deposit Accounts to fund current and new lending activities and investments. The income that the Affiliated Banks may earn through their lending and investing activities is expected to be greater than the fees earned by Schwab and its affiliates from managing and distributing Schwab® Sweep Money Funds or paying interest under the Schwab One® Interest feature.

**Schwab One® Interest Feature**

We will use Free Credit Balances to fund margin and other lending activities and investments. The income that we may earn through our lending and investing activities is expected to be greater than the fees earned by Schwab and its affiliates from managing and distributing Schwab® Sweep Money Funds.

**Money Fund Sweep Feature**

The Schwab® Sweep Money Funds pay certain fees to CSIM and Schwab and pay various other expenses. Investors should carefully consider information contained in the prospectus for their Schwab® Sweep Money Fund, including investment objectives, risks, and fees. Request a prospectus by calling us. Read the prospectus carefully before investing.

**Difference in Conflicts of Interest****Bank Sweep and Bank Sweep for Benefit Plans Features**

In setting interest rates, the Affiliated Banks may seek to pay as low a rate as possible, consistent with their views of prevailing market and business conditions. Retirement and other benefit plan accounts will be paid a reasonable rate consistent with applicable legal and regulatory requirements.

**Schwab One® Interest Feature**

In setting interest rates, Schwab may seek to pay as low a rate as possible, consistent with its view of prevailing market and business conditions. Retirement and other benefit plan accounts will be paid a reasonable rate consistent with applicable legal and regulatory requirements.

**Money Fund Sweep Feature**

Schwab® Sweep Money Funds seek to achieve the highest yield (less fees and expenses) consistent with prudence and their investment objectives.

## Differences in Tax Treatment

### Bank Sweep and Bank Sweep for Benefit Plans Features

Interest paid by the Affiliated Banks under the Bank Sweep and Bank Sweep for Benefit Plans features is taxable and will be reported by Schwab to the IRS on Form 1099.

### Schwab One® Interest Feature

Interest paid by Schwab under the Schwab One® Interest feature is taxable and will be reported by Schwab to the IRS on Form 1099.

### Money Fund Sweep Feature

Schwab® Sweep Money Funds offer taxable or tax-exempt income. Investment income on some tax-free money market funds may be subject to certain state and local taxes and, depending on your tax status, the federal alternative minimum tax.

## 13. International Affiliate Cash Feature Availability

For clients of Charles Schwab U.K., Charles Schwab Singapore, and Charles Schwab Hong Kong, a list of available cash features is below. Please refer to the applicable account application and account agreement for more complete information.

### Charles Schwab U.K., Limited:

- Depending on your jurisdiction and account type, some accounts will be eligible to have the Schwab U.S. Dollar Liquid Assets Fund (USD2Z) as the designated cash feature.

### Charles Schwab Singapore Pte. Ltd.:

- Accounts will have the Singapore Segregated Sweep feature as the designated cash feature. Uninvested cash will automatically invest, or “sweep,” into this feature, which does not pay any interest and is not insured by the FDIC. These funds will be held in trust at another financial institution subject to the “Singapore Segregation Sweep Trust Account” clause in the Charles Schwab Singapore Account Terms and Conditions. Certain Charles Schwab Singapore Accounts may be eligible for the Schwab One® Interest feature on an exception basis.

### Charles Schwab, Hong Kong Ltd.:

- Depending on your jurisdiction and account type, some accounts will be eligible to have the Schwab U.S. Dollar Liquid Assets Fund (USD2Z) as the designated cash feature. Other accounts will have a non-interest bearing cash balance.

## 14. Affiliated Bank Lists

In the Multiple-Bank Versions of the Bank Sweep and Bank Sweep for Benefit Plans features, your Free Credit Balance will be deposited in Deposit Accounts at our Affiliated Banks in the order and amounts indicated in the following two tables. The specific Affiliated Bank list you are assigned is based upon your Cash Feature and Account address, either from when you opened your Account or when Schwab most recently updated the Affiliated Bank list, whichever is later.

**Affiliated Bank List for Accounts Enrolled in the Multiple-Bank Version of the Bank Sweep Feature**

Deposit Accounts Balance Amount*	Account Address in Texas or Minnesota	Account Address in Ohio	All Other Account Addresses
Balances of \$0 to \$249,000	Charles Schwab Premier Bank	Charles Schwab Trust Bank	Charles Schwab Bank
Balances of \$249,000.01 to \$498,000	Charles Schwab Bank	Charles Schwab Bank	Charles Schwab Premier Bank
All balances over \$498,000	Charles Schwab Bank	Charles Schwab Bank	Charles Schwab Bank

**Affiliated Bank List for Accounts with the Multiple-Bank Version of the Bank Sweep for Benefit Plans Feature**

Deposit Accounts Balance Amount	All Account Addresses
Balances of \$0 to \$249,000	Charles Schwab Bank
Balances of \$249,000.01 to \$498,000	Charles Schwab Trust Bank
All balances over \$498,000	Charles Schwab Bank

You may not designate an Affiliated Bank as ineligible to receive your funds, nor may you change Charles Schwab Bank as the Affiliated Bank to receive your remaining Free Credit Balance once the Deposit Limits at both Affiliated Banks are reached. However, you may at any time change the order of Affiliated Banks on your list to receive funds by contacting us at 1-800-435-4000. If your Account is an Advisor Services Account, please contact your advisor or call Schwab Alliance at 1-800-515-2157.

\*For joint accounts, the upper deposit balance limits for each Affiliated Bank will be multiplied by the number of joint owners listed on the Account. For example, with a jointly held Account with two owners, balances up to \$498,000.00 would be deposited with the first Affiliated Bank listed, balances from \$498,000.01 to \$996,000 would be deposited with the second Affiliated Bank, and all deposits over \$996,000 would be deposited with Charles Schwab Bank.

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The logo for Charles Schwab, featuring the word "charles" in a lowercase, italicized serif font above the word "SCHWAB" in a bold, uppercase, sans-serif font. The text is white and set against a solid black rectangular background.

*charles*  
SCHWAB

**Brokerage Products: Not FDIC-Insured • No Bank Guarantee • May Lose Value**

Charles Schwab & Co., Inc., Charles Schwab Bank, Charles Schwab Premier Bank, and Charles Schwab Trust Bank are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation. Brokerage products are offered by Charles Schwab & Co., Inc., Member SIPC. Deposit products and services are offered by Charles Schwab Bank, Charles Schwab Premier Bank, and Charles Schwab Trust Bank, Members FDIC.

Independent investment advisors are not owned by, affiliated with, or supervised by Charles Schwab & Co., Inc. ("Schwab"). Certain investment advisors, such as Charles Schwab Investment Advisory, Inc. ("CSIA") and Schwab Private Client Investment Advisory, Inc., are affiliated with Schwab. Windhaven Investment Management® ("Windhaven") and ThomasPartners Investment Management® ("ThomasPartners") are divisions of CSIA.

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