



Schwab's Enhanced Bank Sweep Feature

On or about February 16, 2018, Schwab will introduce an enhanced version of the Bank Sweep feature to clients. This version will include two Schwab-affiliated banks (Charles Schwab Bank® and Charles Schwab Signature Bank) to provide extended FDIC insurance coverage of up to \$500,000 to clients with cash balances held in domestic accounts.

Over a period of time, Schwab intends to add additional banks to the Bank Sweep feature. As each new bank is added, the amount of FDIC insurance available on clients' uninvested cash will increase incrementally, as each bank is separately insured.

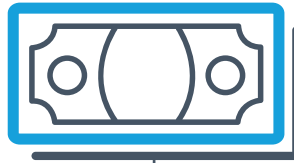
The distribution of cash across the various banks is done seamlessly behind the scenes. Once the cash balance reaches a threshold near the maximum FDIC coverage for one bank, the excess funds will sweep to the next bank (see diagram on next page).

Neither you nor your clients need to actively manage the balances in each bank to receive the extended coverage—this service will work automatically.

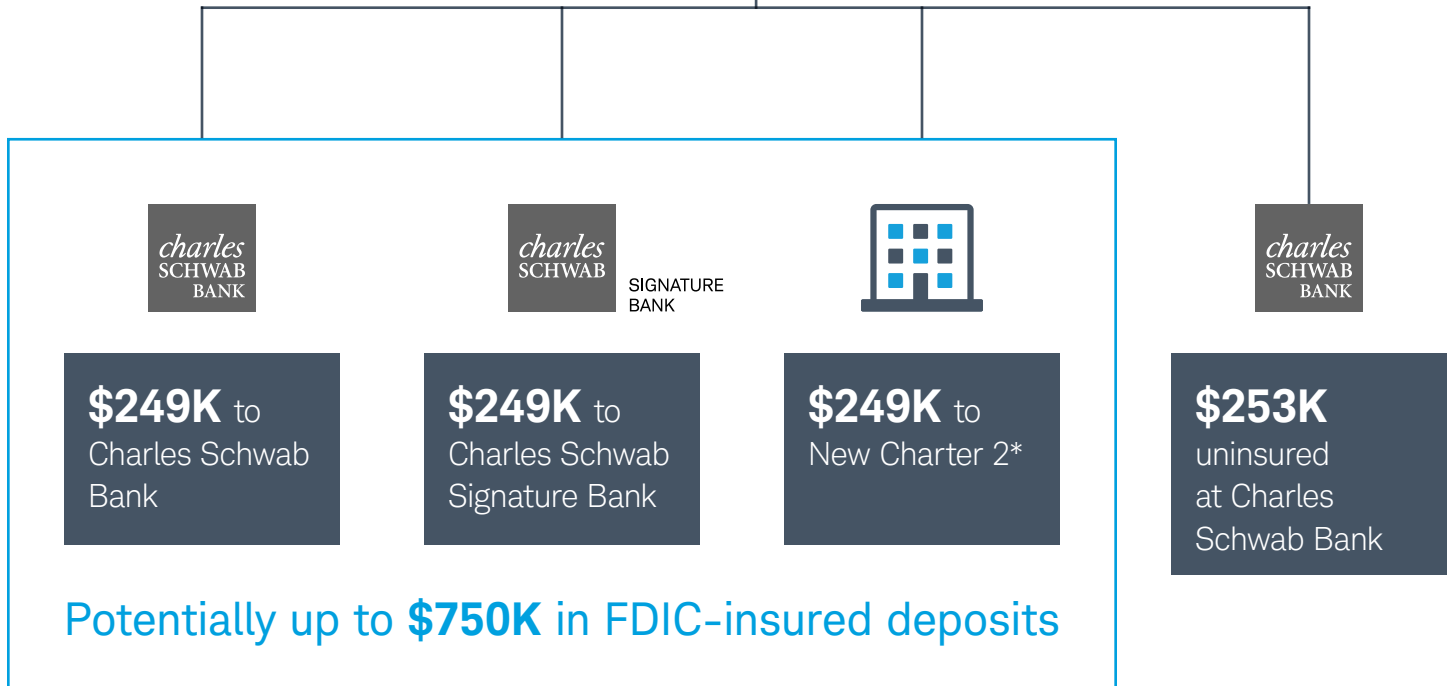
Client statements and Schwab Advisor Center® will be easy to follow, reflecting the bank names and dollar amounts at each bank.

More information regarding the enhanced Bank Sweep feature will be available in the Service Guide closer to the launch date.

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\$1M of a client's uninvested cash is in an individual brokerage account. The cash is allocated and swept using additional charters.



*Illustrative Example. Additional charters subject to regulatory approval.

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

Bank Sweep deposits are held at one or more FDIC-insured banks that are affiliated with Charles Schwab & Co., Inc. ("Affiliated Banks"). Securities products and services (including unswept or intra-day cash, net credit or debit balances, and money market funds) offered by Charles Schwab & Co., Inc. (member SIPC) are not deposits or obligations of the Affiliated Banks, are subject to investment risk, are not FDIC insured, may lose value, and are not Affiliated Bank-guaranteed. Charles Schwab & Co., Inc. and the Affiliated Banks are separate entities and are all affiliates of The Charles Schwab Corporation.

Funds deposited at Affiliated Banks are insured, in aggregate, up to \$250,000 per Affiliated Bank, per depositor, for each account ownership category, by the Federal Deposit Insurance Corporation (FDIC).

Securities products and services are offered by Charles Schwab & Co., Inc., Member SIPC. Deposit products and services are offered by the Affiliated Banks including Charles Schwab Bank, and lending products and services are offered by Charles Schwab Bank, Member FDIC and an Equal Housing Lender. Schwab Advisor Services™ serves independent investment advisors and includes the custody, trading, and support services of Schwab. Independent investment advisors are not owned by, affiliated with, or supervised by Schwab.

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