

## Designed for low-risk capital preservation

Schwab Bank Savings is a money market deposit account—a type of savings deposit—established by your Plan at Charles Schwab Trust Bank. It intends to provide a variable yield in the form of interest from the bank. **The current APY is 0.15%.**

### Low-risk interest at a reasonable rate

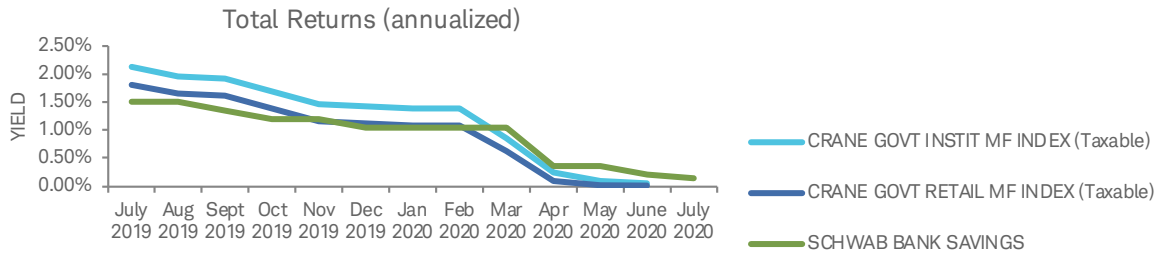
Capital preservation is not about chasing yield. Schwab Bank Savings bears interest at a reasonable rate without the associated risk of investment vehicles that chase high yields. The annual percentage yield (APY) reflects the total amount of interest paid based on the interest rate, and the daily compounding frequency for a 365-day period. For current rates, consult your retirement account website.

### No additional expenses to participants or plan (OER)

Unlike standard money market or stable value funds, the plan or participants do not pay additional operating or administrative expenses on their funds invested in Schwab Bank Savings (there's no operating expense ratio, or OER). Instead, Charles Schwab Trust Bank's compensation comes from the "spread" between what it earns from investing and lending activities and the interest rate it pays participants (plus any other expenses absorbed on these accounts)

### How does it compare to alternative capital preservation options?

While Schwab Bank Savings is different than many cash preservation options, it can be helpful to view the average annual percentage yield as compared with a money market fund index with similar characteristics (liquidity, safety).\*\*



Past performance cannot guarantee future results Source: Crane Data 30 day rate as of June 26 2020. \*\*These benchmarks were selected for comparison with Schwab Bank Savings because they track products with similar characteristics of liquidity and safety, however, Schwab Bank's portfolio is not invested exclusively in government or treasury securities.

### More key benefits

- **FDIC insurance**—Funds deposited in Schwab Bank Savings at Charles Schwab Trust Bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 when aggregated with all other deposits held by a participant in an individual retirement account or self-directed employee benefit account in the same capacity at Charles Schwab Trust Bank. FDIC deposit insurance coverage will vary depending on the type of plan or account. Please visit [fdic.gov](https://www.fdic.gov) for more information.
- **No fees and/or gates**—Bank products are not subject to money market fund liquidity fees and redemption gates
- **Bank soundness**—Charles Schwab Trust Bank has strong liquidity, internal financial controls, and business standards, with a focus on keeping client assets safe.
- **Liquidity**—Funds deposited in Schwab Bank Savings can be withdrawn at any time without redemption restrictions or fees.

(continued on the back)

Effective from:	Effective to:	Rate	APY
07/01/2020	07/31/2020	0.15%	0.15%*

Annualized Yields as of July 31, 2020	
1 month	0.15%
3 months	0.23%
12 months	0.88%
3 years	0.96%
5 years	0.72%

Inception date February 10, 2012.

## How is the rate determined?

Schwab Bank Savings pays a Bank-administered rate of interest that may be adjusted by the Bank based on market conditions. It is intended to be consistent with ERISA reasonable rate standards based on comparator deposit rates available to employee benefit plans while considering available investment options, market segments, competitive positioning, and other factors.

## Schwab Bank Savings historical information

Data through July 31, 2020.

Calendar Year Average Annual Yields	
2020 YTD	0.60%
2019	1.40%
2018	0.84%
2017	0.57%
2016	0.35%
2015	0.13%
Since Inception	0.50%

Inception date February 10, 2012.

Annual Percentage Yield Since Inception			
Effective from:	Effective to:	Rate	APY
07/01/2020	07/31/2020	0.15%	0.15%
05/30/2020	06/30/2020	0.20%	0.20%
04/01/2020	05/29/2020	0.35%	0.35%
11/30/2019	03/31/2020	1.05%	1.06%
10/01/2019	11/29/2019	1.20%	1.21%
08/31/2019	09/30/2019	1.35%	1.36%
01/01/2019	08/30/2019	1.50%	1.51%
12/01/2018	12/31/2018	1.35%	1.36%
11/01/2018	11/30/2018	1.20%	1.21%
09/29/2018	10/31/2018	1.00%	1.01%
06/30/2018	09/28/2018	0.85%	0.85%
07/01/2017	06/29/2018	0.65%	0.65%
04/01/2017	06/30/2017	0.55%	0.55%
12/31/2016	03/31/2017	0.45%	0.45%
04/01/2016	12/30/2016	0.40%	0.40%
01/30/2016	03/31/2016	0.25%	0.25%
05/01/2015	01/29/2016	0.12%	0.12%
10/01/2013	04/30/2015	0.15%	0.15%
03/30/2013	09/30/2013	0.20%	0.20%
02/10/2012	03/29/2013	0.25%	0.25%

## Learn more today

For more information on the Federal Deposit Insurance Corporation (FDIC), visit [fdic.gov](http://fdic.gov). For the latest financial information and to learn more about The Charles Schwab Corporation, visit [aboutschwab.com/investor-relations](http://aboutschwab.com/investor-relations).

Effective January 1, 2020, Charles Schwab Bank transferred the money market deposit account ("MMDA") for Schwab Bank Savings to Charles Schwab Trust Bank ("CSTB"). The terms and conditions governing the MMDA will remain unchanged as a result of the transfer. All historical rate information provided for the CSTB MMDA will include rates paid by Charles Schwab Bank prior to January 1, 2020.

\*The Annual Percentage Yield (APY) quoted is 0.15%, with a minimum balance of \$0.01 as-of 07/01/2020. This rate may change without notice. The interest rate and APY is determined by Charles Schwab Trust Bank before the final business day of each month. It is effective from the day following the last business day of the prior month through the last business day of the month. (Interest rates may change after that point.)

Interest compounds daily, and is credited monthly to your Schwab Bank Savings balance on the last Business Day of each month. A "Business Day" is any Monday through Friday that is not a Federal Reserve Bank or New York Stock Exchange holiday. The interest rate is in effect for the entire Interest Period, which ends the last Business Day of each month. Charles Schwab Trust Bank may adjust the interest rate prospectively on the day following the last Business Day of the month, which starts the next Interest Period. Current interest rate and yield information is posted on your retirement account website and any changes are posted as soon as administratively practicable. Please refer to the "as of" or "effective" date of rates and yields displayed.

The portion of your Plan account that you allocate to Schwab Bank Savings is eligible for FDIC insurance up to \$250,000 subject to the FDIC rules concerning aggregation of deposit accounts you hold in the same capacity with Charles Schwab Trust Bank. You are responsible for monitoring the total amount of deposits you maintain directly with Charles Schwab Trust Bank in an individual retirement account or self-directed employee benefit plan account. Because the deposit insurance rules are complex, you may want to contact the FDIC or use the FDIC's online tool, Electronic Deposit Estimator ([fdic.gov/edie](http://fdic.gov/edie)), to estimate your total coverage.

The Charles Schwab Corporation (Charles Schwab) provides services to retirement and other benefit plans and participants through its separate but affiliated companies and subsidiaries: Charles Schwab & Co., Inc.; Charles Schwab Bank; Charles Schwab Trust Bank; Schwab Retirement Technologies, Inc. (Schwab RT); and Schwab Retirement Plan Services, Inc. Brokerage products and services are offered by Charles Schwab & Co., Inc. (Member SIPC). Trust, custody, and deposit services and products are provided by Charles Schwab Bank and Charles Schwab Trust Bank, Members of FDIC. Schwab RT is engaged in developing and licensing proprietary plan recordkeeping systems to third party administrators. Schwab Retirement Plan Services, Inc. provides recordkeeping and related services with respect to retirement plans.

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