2016
Year in review
YEAR IN REVIEW

I. WHAT'S HAPPENING IN THE INDUSTRY

II. WHAT'S HAPPENING AT CHARLES SCHWAB & CO., INC. (SCHWAB) RESEARCH AND INSIGHTS

III. SERVING ALL TYPES OF INVESTORS – THE CHARLES SCHWAB CORPORATION IN THE NEWS

IV. THE CHARLES SCHWAB FOUNDATION'S COMMITMENT TO COMMUNITIES

V. CONCLUSION
A MESSAGE FROM STEVE ANDERSON

On behalf of everyone at Schwab Retirement Plan Services, Inc., thank you for the confidence you place in us to help your plan participants work towards their financial goals. Our commitment to you and your participants has never been stronger.

We publish this annual summary to assist our clients as they navigate evolving industry trends, including the new political climate, anticipated changes to the Department of Labor Fiduciary rule implementation, and an increased emphasis on financial wellness programs. Throughout 2017, we will continue to keep you apprised of industry developments and new opportunities to help you improve your retirement plan and drive outcomes for your participants.

Regards,

Steve Anderson
President
Schwab Retirement Plan Services, Inc.
I. WHAT’S HAPPENING IN THE INDUSTRY

WASHINGTON WATCH: The outlook for retirement issues in the new Washington
December 2016
Mike Townsend, Vice President, Legislative & Regulatory Affairs, Charles Schwab & Co., Inc.

Please note: Events in Washington are rapidly changing as the new administration begins. This update is as of 12/31/2016, and we will share more insight through eSource and your Schwab representative as events unfold.

Donald Trump's astonishing upset to win the White House, combined with the Republicans retaining their majorities in both the House of Representatives and the Senate, has radically reshaped the policy and political landscape of Washington, D.C. For the first time since 2007 – and only the third time since World War II – Republicans will be able to control the agenda in the nation's capital.

But exactly what will be on that agenda remains unclear. In the final weeks of the campaign, Trump released a plan for his first 100 days in office that included 18 "immediate" goals and ten other longer-term priorities. Once in office, however, Trump’s administration will need to work with Congress to prioritize those issues and set more realistic goals for what it can accomplish, in what order and over what timeframe.

On retirement issues, Trump said little on the campaign trail and it's not clear where such issues fit among his priorities. But that has not stopped speculation – and perhaps a healthy dose of wishful thinking – in Washington about what could be accomplished. Here's a brief snapshot of the 2017 prospects for key issues affecting the retirement savings industry.

DOL fiduciary rule could be delayed
One of the first issues the new administration will need to confront is the Department of Labor's “fiduciary rule.” The controversial new rule, which was approved earlier this year and is slated to begin taking effect in April 2017, redefines who is a fiduciary and cracks down on conflicts of interest in the retirement savings space.

The financial services industry is making a major push to convince the president-elect’s transition team that the regulation should be delayed and then revisited. Outright repeal of the rule is unlikely. But the new administration could move quickly to delay the effective date of the rule by a year or two, and then use that time to consider whether to change the rule.

If a delay does occur, it's not at all clear what the next steps will be. There is no single industry view on how to change the rule, as different business models will be affected in different ways. Moreover, many companies have already announced plans to change the way they deliver retirement products and advice to investors, and it could be difficult and costly for those companies to change their plans again.

As of the writing of this article, there is strong speculation that the April implementation date will be delayed, but it is far from certainty. Plan sponsors, administrators and investment advisors should continue to prepare for an April effective date until the new administration clearly signals its intentions.
Other regulatory priorities could also shift
A key component of the president-elect’s campaign platform was a promise to reduce regulation on American businesses. Trump’s administration will likely scrutinize the regulatory environment for places where burdensome rules need to be rolled back or rewritten. A wide-ranging regulatory review could mean some retirement-related rules get a second look.

First off, Congress will need to confirm Trump’s Cabinet nominees, including the Treasury Secretary and Labor Secretary, in early 2017. The new Treasury and Labor leaders are likely to take a close look at regulations that were either recently finalized or are in the middle of the regulatory process to determine whether they should be repealed or delayed. The DOL’s fiduciary rule clearly falls into this category. Others that could receive such scrutiny are recent proposals to enhance Form 5500 and to clarify and modify the 409A rules governing the taxation of nonqualified deferred compensation.

Significant turnover will also take place at the Securities and Exchange Commission, where Chair Mary Jo White has announced that she will step down at the end of President Obama’s term. Two of the five commissioner slots at the SEC were already vacant, so it is likely that the agency will have just two commissioners at the beginning of the new administration. That would mean that agency does not have a quorum and will be unable to propose or finalize regulations until at least one open seat is filled.

Nominating and confirming a new chair and two new commissioners could take several months. Once that happens, Republican appointees will have a 3–2 majority, likely shifting agency priorities. For example, an electronic delivery rule proposal for mutual fund prospectuses that has been delayed at the agency could get a new life under a Republican chair.

Tax reform a top priority
Tax reform is expected to be one of the highest-priority issues in 2017. There has not been a broad overhaul of the tax code since 1986, despite the thousands of amendments and tweaks since then. The election outcome has created what may be the best opportunity for comprehensive tax reform in three decades.

The tax reform plan Trump proposed during the campaign is similar, though not identical, to a blueprint unveiled earlier this year by House Republicans. Trump’s plan calls for a significant cut in the corporate tax rate as well as reducing the current seven individual income tax brackets to three: 12.5%, 25% and 33%. He also proposes repealing the estate tax, the gift tax, the Alternative Minimum Tax (AMT) and the Net Investment Income Tax, the 3.8% surtax on investment income for wealthier filers that was part of the Affordable Care Act. However, Trump’s campaign proposal didn’t spell out the details, and it’s those finer points that will be the focus of intense negotiations on Capitol Hill.

Although Trump’s campaign plan did not specifically address retirement savings incentives, expect the industry to push aggressively to retain or enhance in some way retirement contribution limits and other saving tax incentives.

Putting together comprehensive tax reform legislation won’t be easy. However there is a chance, if Republicans can come together on a plan, to use “budget reconciliation” to pass the bill. Reconciliation is a fast-track process that allows revenue-related legislation to be approved with limited debate, limited amendments, no filibusters and a simple majority vote in the Senate. This same process was used to pass the Bush tax cuts in 2001 and 2003, as well as the Affordable Care Act in 2010.
Retirement legislation delayed until 2017
Earlier this fall it was looking like Congress might approve retirement legislation before the end of 2016. The Retirement Enhancement and Savings Act (RESA), a bipartisan bill, was approved by the Senate Finance Committee in September and there was hope that it could be included in the year-end budget bill. However, Congress simply voted to extend government funding through April 2017, rather than craft a more comprehensive budget measure, with the goal of taking up the issue again once the new Congress and administration are in place.

That meant that bipartisan measures like RESA fell to the wayside and will have to start the legislative process over in 2017. The bill includes provisions to give plan sponsors compliance relief, encourage lifetime income disclosure, and make it easier for small businesses to band together to offer a retirement savings opportunity through a multi-employer plan. Supporters on Capitol Hill have indicated that the bill will make a return in 2017, though additional provisions could be added given the new Washington dynamics.

Donald Trump's presidency promises to be unlike that of any of his predecessors in both style and substance. It will be interesting to watch as the New Year unfolds.

CHARLES SCHWAB TO MAINTAIN ITS BREADTH OF CHOICE IN INVESTMENT PRODUCTS AND ADVICE SERVICES FOR RETIREMENT ACCOUNTS1
Schwab's* “Through Clients' Eyes” strategy guides our decisions. We strive to use our deep knowledge of investing to help our clients be better investors, deliver services to clients at a lower cost and help them achieve better outcomes and take ownership of their financial futures in ways that meet their varying needs and preferences. Accordingly, Schwab remains committed to offering our clients the range of choice they deserve and expect from us.

Schwab clients can be assured they will continue to have a broad choice of products and services, and, when clients work with Schwab as their investment advisor, that Schwab will continue to provide advice that is in their best interest. We will continue to serve investors through both commission-based brokerage accounts and fee-based advice services, making available the same products, services and channels as today, with representatives who can provide advice and guidance in branches, online and over the phone to support each client's personal goals and preferences. This applies in retirement or non-retirement accounts, large or small.

“We believe that requiring a fee-based relationship in retirement accounts or eliminating useful investment products such as mutual funds would be a step backward in today’s world, where greater choice and lower costs are positive long-term trends and an ever growing consumer expectation,” said Walt Bettinger, Charles Schwab president and CEO. “As we've been able to demonstrate consistently: choice, low costs and advice in a client's best interests are complementary benefits that improve the investing experience and are the best foundation for a strong, sustainable client relationship, and that approach won't change at Schwab.”

RETIREMENT SAVERS SHOULD PLAN FOR ‘FINANCIAL SHOCKS’ IN RETIREMENT2

DEVELOPING A FINANCIAL WELLNESS PROGRAM

“More and more employers are interested in offering financial wellness help to employees, and there are several methods for which to do that.”

“Steve Smalley, managing director of client experience at Schwab Retirement Plan Services, noted that a spectrum of organizations have emerged to help employers provide financial wellness tools and programs to employees. They use a convergence of technology, data analytics and behavior finance.”

Read the article here: http://www.plansponsor.com/Developing-a-Financial-Wellness-Program/?fullstory=true

II. WHAT’S HAPPENING AT THE CHARLES SCHWAB CORPORATION

CHARLES SCHWAB ENHANCES INSTITUTIONAL INTELLIGENT PORTFOLIOS

Charles Schwab announced a number of new features and enhancements to Institutional Intelligent Portfolios — the automated investment management platform designed specifically for independent advisors and sponsored by Schwab Wealth Investment Advisory, Inc. The primary update is enhanced portfolio customization, which launched in November and will provide advisors greater flexibility to design portfolios based on their investment philosophies. Other enhancements include new account funding options, and ways for firms to manage multiple Institutional Intelligent Portfolios programs. In early 2017, Schwab will also roll out an updated client-user app for smartphones and tablets that will enhance navigation and deliver a more intuitive user experience.


SCHWAB ANNOUNCES SCHWAB INTELLIGENT ADVISORY

Charles Schwab announced plans to expand its suite of wealth management and advisory services with the launch of Schwab Intelligent Advisory, a hybrid advisory service that combines live credentialed professionals and algorithm driven technology to make financial and investment planning more accessible to consumers. Schwab Intelligent Advisory will provide investors with a financial plan tailored to their situation and goals, ongoing guidance and expertise from Planning Consultants who are all CERTIFIED FINANCIAL PLANNER™ professionals, and a fully automated and diversified portfolio – all at a very low cost. The service is expected to launch in the first half of 2017.

SCHWAB RPS BUSINESS & GROWTH STATISTICS

As of December 31, 2016:

Schwab Retirement Plan Services, Inc. supported 789 plan sponsor clients, representing 1.4 million participants covered by defined contribution, defined benefit, and nonqualified retirement plans.

Total assets in plans under administration were approximately $137 billion, representing an increase of 44% over the last five years (December 31, 2011 – December 31, 2016).

Schwab Retirement Plan Services, Inc. employed approximately 1,300 people, working predominantly in our Richfield, Austin, and Phoenix service centers.

The Charles Schwab Corporation’s Financials (unaudited)

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<th>Financial Highlights:</th>
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<td>Net revenues (in millions)</td>
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<td>Net Income (in millions)</td>
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<td>Diluted earnings per share</td>
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<td>Pre-tax profit margin</td>
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<tr>
<td>Return on stockholders' equity (annualized)</td>
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<td>13%</td>
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<table>
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<tr>
<th>Client Assets &amp; Accounts:</th>
<th>12/31/16</th>
<th>12/31/15</th>
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</thead>
<tbody>
<tr>
<td>Total client assets</td>
<td>$2.77 trillion</td>
<td>$2.51 trillion</td>
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<tr>
<td>Active brokerage accounts</td>
<td>10.1 million</td>
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<td>Corporate retirement plan participants</td>
<td>1.54 million</td>
<td>1.52 million</td>
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<tr>
<td>Banking accounts</td>
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III. RESEARCH AND INSIGHTS

Schwab*-sponsored research provides insight on investor trends, consumer finance, independent investment advisors, retirement, and other timely issues. View all of Schwab’s latest research at www.aboutschwab.com/press/research.
SCHWAB SURVEY FINDS SAVING ENOUGH FOR RETIREMENT IS TOP SOURCE OF FINANCIAL STRESS, EVEN FOR MILLENNIALS

A nationwide survey of 1,000 401(k) plan participants from Schwab Retirement Plan Services, Inc. finds that saving enough money for a comfortable retirement is the most common financial stress inducer for people of all ages. The survey also reveals that most people view the 401(k) as a “must-have” workplace benefit and believe they would benefit from professional saving, investment and financial guidance.

Read the press release at:

View the infographic - Advice

View the infographic - Ideal numbers

View the infographic - Stress

View the infographic - Wellness programs

View survey findings from the 2016 401(k) participant survey by schwab retirement plan services

2016 ETF INVESTOR STUDY BY CHARLES SCHWAB, SEPTEMBER 2016

Both individual investors and Registered Investment Advisors (RIAs) say ETFs have positively changed the way they invest and both groups plan to increase investments in these products in the years to come, according to the 2016 ETF Investor Study by Charles Schwab & Co., Inc. (“Schwab”). The study is the sixth installment of an annual online survey of more than 1,000 individual investors between the ages of 25-75 with at least $25,000 in investable assets who have purchased ETFs in the past two years. For the first time, Schwab also included a sample of 312 RIAs registered with RIA Database who have bought or sold an ETF in the last two years.

Read the press release:

View Infographic – ETFs: Investing Game-Changers (PDF)

View Infographic – Millennials and ETFs: A Love Story (PDF)

View Slides: Survey findings from the 2016 ETF Investor Study by Charles Schwab (PDF)

SCHWAB SURVEY FINDS MAJOR DIFFERENCES IN HOW MALE AND FEMALE MILLENNIALS VIEW RETIREMENT

A recent survey from Schwab Retirement Plan Services, Inc. finds there are significant gaps between the way male and female Millennials approach planning and saving for retirement. Millennial men are close to evenly split on whether they are more concerned about being healthy enough or having enough money
to enjoy retirement, while Millennial women are overwhelmingly more concerned with financial security once they stop working.


### IV. SERVING ALL TYPES OF INVESTORS—CHARLES SCHWAB IN THE NEWS

**SCHWAB LAUNCHED TARGET DATE MUTUAL FUNDS CONSTRUCTED WITH SCHWAB ETFS™ AND PRICED AT NEW INDUSTRY LOW**

Charles Schwab Investment Management (CSIM) launched a new series of index-based target date mutual funds constructed with low-cost Schwab ETFs™ as underlying investments.


**SCHWAB SELECTED AS ONE OF THE FORTUNE TOP 50 "WORLD'S MOST ADMIREd COMPANIES®"**

The Charles Schwab Corporation announced that it has been selected as one of the FORTUNE Top 50 "World's Most Admired Companies", and ranked #1 for Innovation and Social Responsibility in Key Attributes of Reputation and #2 in the Securities and Asset Management category.


**RETIREMENT PLAN ADVISORS AND SPONSORS HONOR SCHWAB RETIREMENT PLAN SERVICES, INC.**

Schwab Retirement Plan Services, Inc. (SRPS) and Lisa Consilio of SRPS Client Services received two coveted awards from PLANSPONSOR® and PLANADVISER magazines this spring. SRPS was one of just 10 "Advisor's Choice Award" winners. Consilio was one of 11 "Service Stars," chosen from 2,000 nominees.


**PROGRESS, NOT PERFECTION, FOR WOMEN IN FINANCIAL SERVICES**

Despite recent success, only 2% of mutual funds are managed by women. In this Investment News video, Marie Chandoha, President and CEO, Charles Schwab Investment Management, Inc., says more women are joining the industry, but fewer are progressing into senior leadership. How is Schwab working to fix that?

Watch here: [http://www.investmentnews.com/section/video?playerType=INTV&bctid=4807529987001&date=20160318](http://www.investmentnews.com/section/video?playerType=INTV&bctid=4807529987001&date=20160318)
IV. THE CHARLES SCHWAB FOUNDATION’S COMMITMENT TO COMMUNITIES

The power of financial education and community service can unleash peoples' potential. It is Schwab’s* privilege and responsibility to educate, volunteer and advocate on behalf of those in need so that everyone has the opportunity to achieve financial well-being.

The Charles Schwab Foundation is a separate and independent non-profit organization that is funded by The Charles Schwab Corporation and leverages the skills and talents of Schwab* employees.

Through financial education programs, employee volunteerism, and community involvement, we strive to make a positive impact in the communities where we live and work.

Charles Schwab Foundation provides financial support to a variety of charities and community events selected by Schwab employees.

- $4+ million given annually to directly support nonprofit organizations
- 2,280+ nonprofit organizations received financial support in 2015
- $3.88 million given in employee gifts and matching donations in 2015
- Approximately $200,000+ given in employee board-service grants in 2015

SCHWAB CHARITABLE 2016 GIVING REPORT SHOWS INCREASES OVER PREVIOUS YEAR

Donors to Schwab Charitable increased grants by 17 percent and their value by 15 percent last year. Schwab Charitable’s 2016 annual giving report released last week reported $1.18 billion in total grants and $1.92 billion in total contributions to more than 56,000 organizations. The San Francisco, Calif.-based donor-advised fund also boasted of its survey of donors, 65 percent of whom said they give more because they have a Schwab Charitable account.

It’s the second year in a row that total grants exceeded $1 billion. Form 990 Fiscal Year Ending 2015, which was filed in March, reported $2.1 billion in contributions and $1.05 billion in grants. Total grants from Schwab accounts rose 12 percent and scheduled or recurring grants increased 50 percent year over year, according to the report.

The top five supported charities, by approximately number of grants in 2016, were:

- Feeding America, 3,400
- Doctors Without Borders, 2,200
- The Salvation Army, 2,100
- United Way, 1,300
- Habitat for Humanity, 1,200

More than half of the number of grants went to organizations within the health and human services (28 percent) or religion (26 percent) sectors.

About 2,300 grants were made from a mobile device and 82 percent were made online during 2016.
California (18 percent) and New York (10 percent) accounted more than a quarter of all grant recommendations, while most other states reflected less than 5 percent of most grant recommendations. About 62 percent of grants and about 57 percent of grant dollars go to a donor’s home state, according to the report.

Almost two-thirds of assets under management with advisors (62 percent) are in “late stages of the wealth cycle,” the kind of clients who are most likely to be charitably inclined.

Of the $1.9 billion contributed in 2016, 59 percent was non-cash and 41 percent was in cash. Types of noncash assets contributed include publicly traded securities, Initial Public Offering (IPO) stock, restricted stock, privately held business interests, real estate, and private equity and venture capital. When appreciated assets held for a year or more are contributed to a charity or donor-advised fund, they are typically not subject to capital gains taxes when sold.

The median donor-managed account is $17,000 while the median professionally managed account is $540,000. Four out of five of account assets (79 percent) have an associated professional investment advisor.

Since inception, Schwab Charitable has made 1.2 million grants valued at more than $6.6 billion. Schwab calculated a five-year average payout rate of 20 percent. About 48 percent of contributed assets have been granted since inception. The 10- and 15-year distributions rates are 76 percent and 90 percent, respectively, based on contributions made in 1999 and 2004, according to the report.

**HOW THE CHARLES SCHWAB FOUNDATION CHOOSES ITS CAUSES**

“Charles Schwab Foundation President Carrie Schwab-Pomerantz describes how she took her personal passion to advocate for women and transformed it into the foundation's signature financial-literacy program.”

Listen to the podcast here: [https://www.philanthropy.com/resources/audio/podcast-how-two-corporate-cha/5984/?cid=cpfd_home](https://www.philanthropy.com/resources/audio/podcast-how-two-corporate-cha/5984/?cid=cpfd_home)

**SCHWAB PRO BONO CHALLENGE**

The Schwab Pro Bono Challenge is a unique volunteering experience that gives employees the opportunity to use their valuable professional skills to help nonprofits build capacity in areas of need while sharpening their own skills, networking, and making a big impact for local organizations -- all in less than one day.

During the inaugural 2015 program, 300 employees served 50 nonprofits across six cities, providing consulting services valued at more than $350,000. In 2016, 400 employees in eight cities consulted with 60 nonprofits, delivering over $490,000 in value. We look forward to growing the program even more in 2017!

**SCHWAB EARNS 2017 MILITARY-FRIENDLY® EMPLOYER TITLE FOR FIFTH CONSECUTIVE YEAR**

November is Military Veteran’s Month at Schwab, a time for the company to celebrate its existing network of military veterans and their families, and to further raise awareness of the value of hiring and supporting veterans. Schwab remains committed not only to recruiting veterans, but also earning their loyalty by creating a workplace that leverages their unique skills and supports their career growth.
Through the grassroots efforts of the company’s employee resource group, Military Veterans Network, Schwab additionally focuses on community service as well as financial education designed to help transitioning military vets with support on budgeting, saving, investing and managing debt.

Schwab has once again been named to the 2016 list of top “Military Friendly® Employers”) and top Military Spouse Friendly Employers (2017). The recognition is awarded by Victory Media, publisher of G.I. Jobs and Military Spouse and reflects the emphasis Schwab places on recruiting and training military veterans who are joining or rejoining the workforce. Schwab was showcased along with other 2017 Military Friendly Employers in the December 2016 issue of G.I. Jobs® magazine and the January 2017 issue of Military Spouse magazine, as well as on MilitaryFriendly.com (http://militaryfriendly.com/)

Schwab continues to be recognized for providing a work environment, policies and programs that foster meaningful career opportunities for veterans.

Read more here: (http://militaryfriendly.com/employers/charles-schwab/)

In 2016 the company was honored with the following additional awards:

- Military Times Edge magazine “Best for Vets” (2016) for the seventh consecutive year
- US Veteran Magazine’s “Best of the Best” employers for the fifth consecutive year
- One of Civilianjobs.com's Most Valuable Employers (MVE) for Military for the third consecutive year
- Multiple awards from the ESGR (Employer Support of the Guard and Reserve), including a second Seven Seals Award.

Schwab is also a member of the Veteran Jobs Mission (formerly called the 100,000 Jobs Mission), which is a coalition of more than 230 companies that represent almost every industry in the American economy.


V. CONCLUSION

We look forward to the exciting work ahead. In 2017, Schwab Retirement Plan Services, Inc. will continue to:

- Monitor the DOL's fiduciary definition rule
- Evaluate relevant industry research and look for ways to provide practical thought leadership
- Foster our client relationships through proactive and consultative efforts
- Look for ways to motivate plan participants to take positive actions, fully engage with their retirement plan, and ultimately help them work toward retirement readiness

As always, we'll be listening for what might assist you and evaluating and fine-tuning the services we make available. We welcome your suggestions and comments. As we continue to learn, we believe we'll be able to offer new insights and approaches that may help you potentially accomplish your retirement plan's objectives, while helping your employees better prepare for retirement.
We sincerely appreciate the opportunity to serve your retirement plan needs and to have helped support your employees’ in 2016 as they work towards planning for their retirement. We understand the significance of your decision to work with us. And we remain dedicated to delivering the level of service that helps us champion your goals—in 2017 and beyond.

* "Schwab" refers to Charles Schwab & Co., Inc.

Mobile application system availability and response times are subject to market conditions and mobile connection limitations. Requires a wireless signal or mobile connection.

The Charles Schwab Corporation provides services to retirement and other benefit plans and participants through its separate but affiliated companies and subsidiaries: Charles Schwab Bank; Charles Schwab & Co., Inc. (Member SIPC, www.sipc.org); Charles Schwab Investment Management, Inc. (“CSIM”); Schwab Retirement Plan Services, Inc. Trust, custody, and deposit products and services are available through Charles Schwab Bank. Brokerage products and services are offered by Charles Schwab & Co., Inc. CSIM provides investment research, advisory and fund administration services to Schwab Bank and the Funds. Schwab Retirement Plan Services, Inc. created this communication for retirement plan sponsors and retirement plan consultants, advisors, and other retirement plan service providers and fiduciaries only. Schwab Retirement Plan Services, Inc. is not a fiduciary to retirement plans or participants and only provides recordkeeping and related services.

Charles Schwab Investment Management, Inc. ("CSIM"), the investment advisor for Schwab's proprietary funds, and Charles Schwab & Co., Inc. ("Schwab"), Member SIPC, the distributor for Schwab Funds, are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation.

The Charles Schwab Foundation is a 501(c)(3) nonprofit, private foundation that is not part of Charles Schwab & Co., Inc. or its parent company, The Charles Schwab Corporation.

Schwab Charitable is the name used for the combined programs and services of Schwab Charitable Fund, an independent nonprofit organization. Schwab Charitable Fund has entered into service agreements with certain affiliates of The Charles Schwab Corporation.

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1 Source: Schwab Statement on Retirement Advice, December 16, 2016

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2 Source: Article by PLANSPONSOR, October 11, 2016 “Retirement Savers Should Plan for ‘Financial Shocks’ in Retirement”

You will be accessing a third party site. Please note that Schwab Retirement Plan Services, Inc. does not endorse this site or any of the products and services you might find there.

3 Source: Article in PLANSPONSOR, May 3, 2016 “Developing a Financial Wellness Program”

You will be accessing a third party site. Please note that Schwab Retirement Plan Services, Inc. does not endorse this site or any of the products and services you might find there.
Investing involves risk, including possible loss of principal. Schwab Intelligent Portfolios charges no advisory fee. Schwab affiliates do earn revenue from the underlying assets in Schwab Intelligent Portfolios accounts. This revenue comes from managing Schwab ETFs™ and providing services relating to certain third party ETFs that can be selected for the portfolio, and from the cash feature on the accounts. Revenue may also be received from the market centers where ETF trade orders are routed for execution. Accounts must maintain a minimum balance of $5,000 to be eligible for automatic rebalancing.

Schwab investment professionals are employees of Charles Schwab & Co., Inc. Please read the Schwab Intelligent Portfolios™ disclosure brochures (intelligent.schwab.com/disclosurebrochure) for important information.

Schwab Intelligent Portfolios™ is made available through Schwab Wealth Investment Advisory, Inc. (“SWIA”), a registered investment advisor. Portfolio management services are provided by Charles Schwab Investment Advisory, Inc. (“CSIA”). SWIA and CSIA are affiliates of Charles Schwab & Co., Inc. (“Schwab”) and subsidiaries of The Charles Schwab Corporation.

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

6 About the Survey: This online survey of U.S. 401(k) participants was conducted by Koski Research for Schwab Retirement Plan Services, Inc. Koski Research is neither affiliated with, nor employed by, Schwab Retirement Plan Services, Inc. The survey is based on 1,000 interviews and has a 3 percent margin of error at the 95 percent confidence level. Survey respondents worked for companies with at least 25 employees, were current contributors to their 401(k) plans and were 25-70 years old. Survey respondents were not asked to indicate whether they had 401(k) accounts with Schwab Retirement Plan Services, Inc. All data is self-reported by study participants and is not verified or validated. Respondents participated in the study between June 2 and June 8, 2016. Detailed results can be found here.

7 About the Study: The 2016 ETF Investor Study by Schwab is the sixth installment of an annual online survey of more than 1,000 individual investors between the ages of 25-75 with at least $25,000 in investable assets who have purchased ETFs in the past two years. This year, Schwab also included a sample of 312 RIAs registered with RIA Database who have bought or sold an ETF in the last two years. Conducted by Koski Research from June 28 – July 20, 2016, the study has approximately a three percent margin of error. Survey respondents were not asked to indicate whether they had accounts with Schwab. All data is self-reported by study participants and is not verified or validated.

8 About the Survey: This online survey of U.S. 401(k) participants was conducted by Koski Research for Schwab Retirement Plan Services, Inc. Koski Research is neither affiliated with, nor employed by, Schwab Retirement Plan Services, Inc. The survey is based on 288 interviews and has a 3 percent margin of error at the 95 percent confidence level. Survey respondents worked for companies with at least 25 employees, were current contributors to their 401(k) plans and were 25-35 years old. Survey respondents were not asked to indicate whether they had 401(k) accounts with Schwab Retirement Plan Services, Inc. All data is self-reported by study participants and is not verified or validated. Respondents participated in the study between June 2 and June 8, 2016.

9 Methodology: THE MOST ADmired LIST is the definitive report card on corporate reputations. Korn Ferry Hay Group started with approximately 1,500 companies: the Fortune 1,000— the 1,000 largest U.S. companies ranked by revenue—and non-U.S. Companies in Fortune's Global 500 database with revenues of $10 billion or more. Korn Ferry Hay Group then selected the 15 largest for each international industry and the 10 largest for each U.S. industry, surveying a total of 652 companies from 30 countries. To create the 54 industry lists, Korn Ferry Hay Group asked executives, directors, and analysts to rate companies in their own industry on nine criteria, from investment value to social responsibility. A company's score must rank in the top half of its industry survey to be listed. Because of the distribution of responses, only the aggregate industry scores and ranks are published in Construction and Farm Machinery; Mining, Crude-Oil Production; and Petroleum Refining. Because of an insufficient response rate, the results for companies in the Energy: U.S. and Pipelines industries are not reported. To arrive at the top 50 Most Admired Companies overall (our “All-Stars”), Korn Ferry Hay Group asked 4,000 executives, directors, and securities analysts who had responded to the industry surveys to select the 10 companies they admired most. They chose from a list made up of the companies that ranked in the top 25% in last year's surveys, plus those that finished in the top 20% of their industry. Anyone could vote for any company in any industry. The difference in the voting rolls is why some results can seem anomalous. For example, St. Jude Medical ranks No. 40 on the overall Most Admired list,
returning after a two-year hiatus. But within the medical products and equipment subgroup, St. Jude Medical, based on its peers' responses, missed the “Industry Standouts” cut by ranking in the bottom half of the group.

10 Source: Article in PLANSPONSOR, Spring 2016 “PLANSPONSOR Service Stars”
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11 Source: Video from InvestmentNews, March 2016 “Progress, not perfection, for women in financial services”
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12 Schwab Charitable’s fiscal year runs from July 1 through June 30. Schwab Charitable™ Annual Giving Report Fiscal Year 2016 (0916-3302)

13 Source: Podcast, philanthropy.com, May 2016 “How Two Corporate Charities Choose Their Causes”
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14 Source: Military Friendly List, 2016
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