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About Schwab Intelligent Portfolios™

March 2015 update

This document is intended to inform Registered Investment Advisors (RIAs) about the latest addition to the Charles Schwab platform for retail investors, Schwab Intelligent Portfolios. A solution for RIAs to use with their clients is in development and will be available Q2 2015.

Schwab Intelligent Portfolios is an automated investment advisory service for retail investors from Schwab Wealth Investment Advisory, Inc. It is designed to meet the growing demand for affordable, sophisticated, and convenient investment advice in a technology-enabled way. Using diversified portfolios built with low-cost Schwab and third-party exchange-traded funds (ETFs), Schwab Intelligent Portfolios will not charge investors advisory fees, commissions, or account service fees. Schwab affiliates will earn revenue on the underlying Schwab ETFs™ and cash balances in the portfolios. Portfolio management is provided by Charles Schwab Investment Advisory, Inc.

To get started, investors go online and answer 12 questions to identify goals, time horizon, and risk tolerance. The algorithmic technology will then recommend a portfolio based on those responses, and investors can make limited adjustments based on the preference for a more or less aggressive portfolio. Clients may choose to invest for goals that could be as short as a few years away or more long term. It is up to investors to ensure their portfolio fits into their overall financial strategy, and revisit the questionnaire if their situation changes.

Investors complete the account open and funding process online. For ongoing access to portfolio information, investors can use the Schwab Intelligent Portfolios website or mobile app. A service team is available via phone or online chat at any time.

Learn more

- Visit **intelligent.schwab.com.**
- Contact your Schwab Relationship Manager.

Schwab Intelligent Portfolios™ at a glance	
Account minimum	$5,000
Account registration types available	Individual, Joint, IRA, Living Trust
Portfolio strategies available	Both taxable and non-taxable portfolios will be made available with the ability to further accommodate the need for income or a preference for municipal investments.
Number of asset classes	Up to 20 across stocks, fixed income, real estate, and commodities
ETF selection	Based on lowest operating expense ratios (OERs) and other parameters; includes Schwab ETFs and other leading providers
Rebalancing	Daily rebalancing available for accounts over $5,000
Tax loss harvesting	Client opt-in with $50,000 minimum
Service support	Live help from Schwab investment professionals as needed and service support available via phone or online chat 24/7—365 days a year

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.

Tax loss harvesting is available for clients with invested assets of $50,000 or more in their Schwab Intelligent Portfolios account. Clients must enroll to receive this service.

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.

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

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.

Schwab Advisor Services™ serves independent Registered Investment Advisors (RIAs) 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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