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SCHWAB

Advisor Services

The Move to Independence

2017 New Independent
Advisor SEC Registrations

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Media Contact:

Meredith Richard

Corporate Public Relations

(212) 403-9255

Meredith.Richard@schwab.com



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Executive summary

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The independent movement continues to be strong

- New firms that registered with the SEC in 2017 represent \$84B in AUM
- 59% increase in number of new SEC registrations since 2013

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Larger firms are fueling the movement

- The percentage of \$300M+ firms with new SEC registrations has increased from 12% in 2013 to 29% in 2017
- Average assets for new SEC registered firms increased 28% year-over-year to \$352M as large firms are on the move to independence

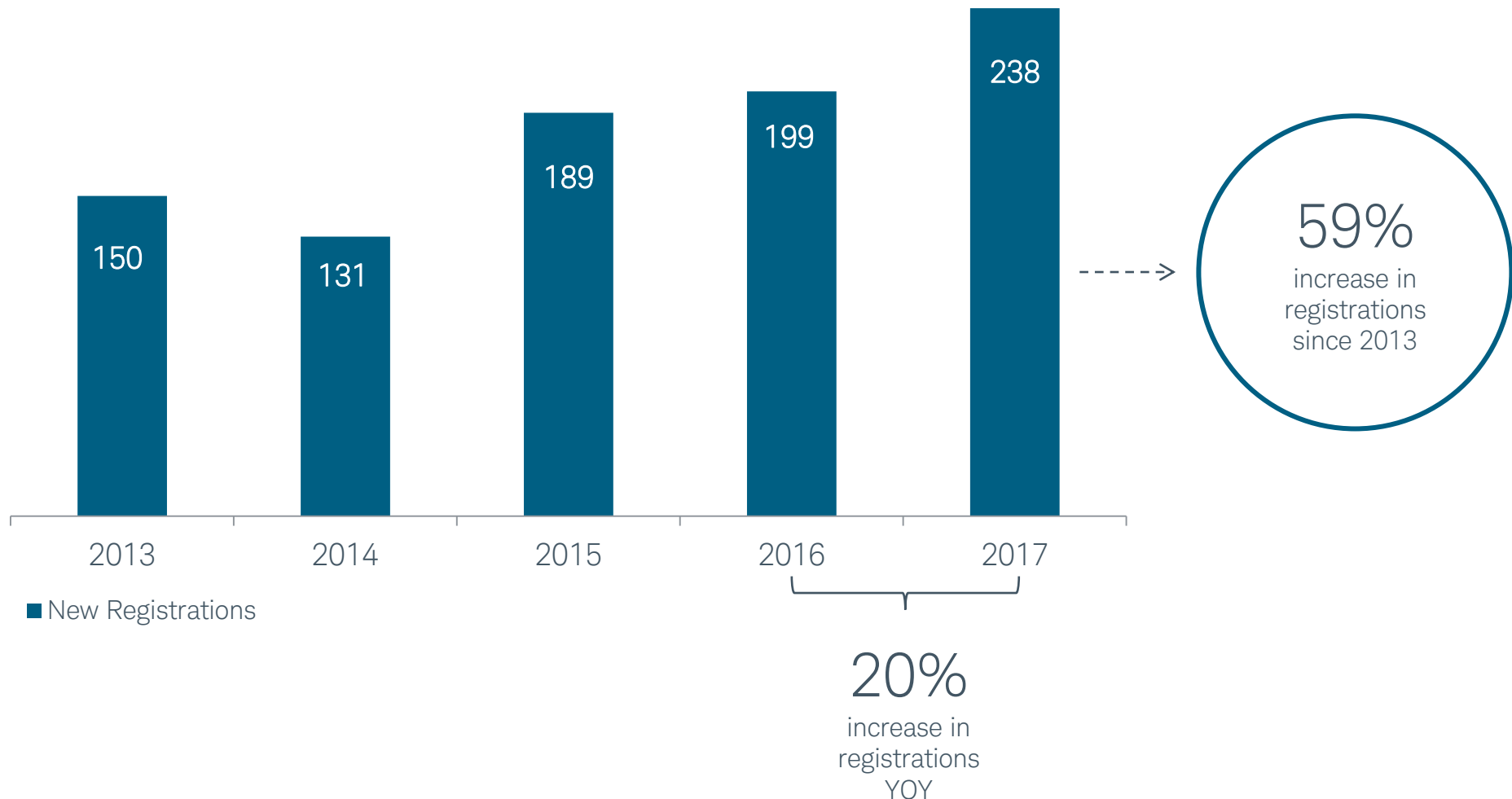
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Schwab continues to be the leader

- Schwab has 41% market share of the newly registered SEC firms making a single custodian selection
- Schwab was named in 55% in multi-custodian deals in 2017

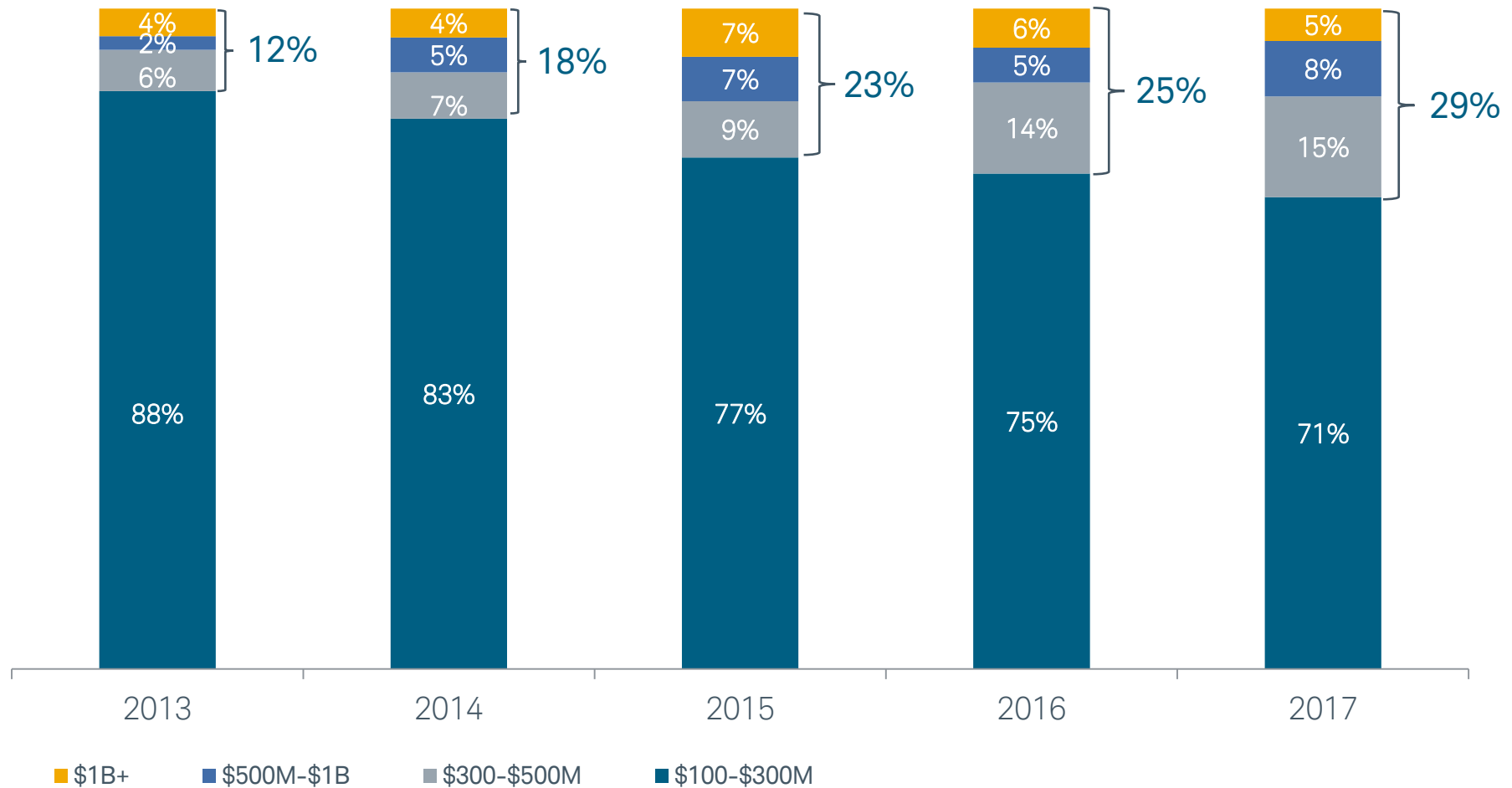
Move to independence is stronger than ever with more firms going independent

Number of new SEC RIA registrations YOY



New filings by firms with more than \$300M in AUM continues to increase YOY and represents 29% of new firms in 2017

Single and multi-custodian firms by size

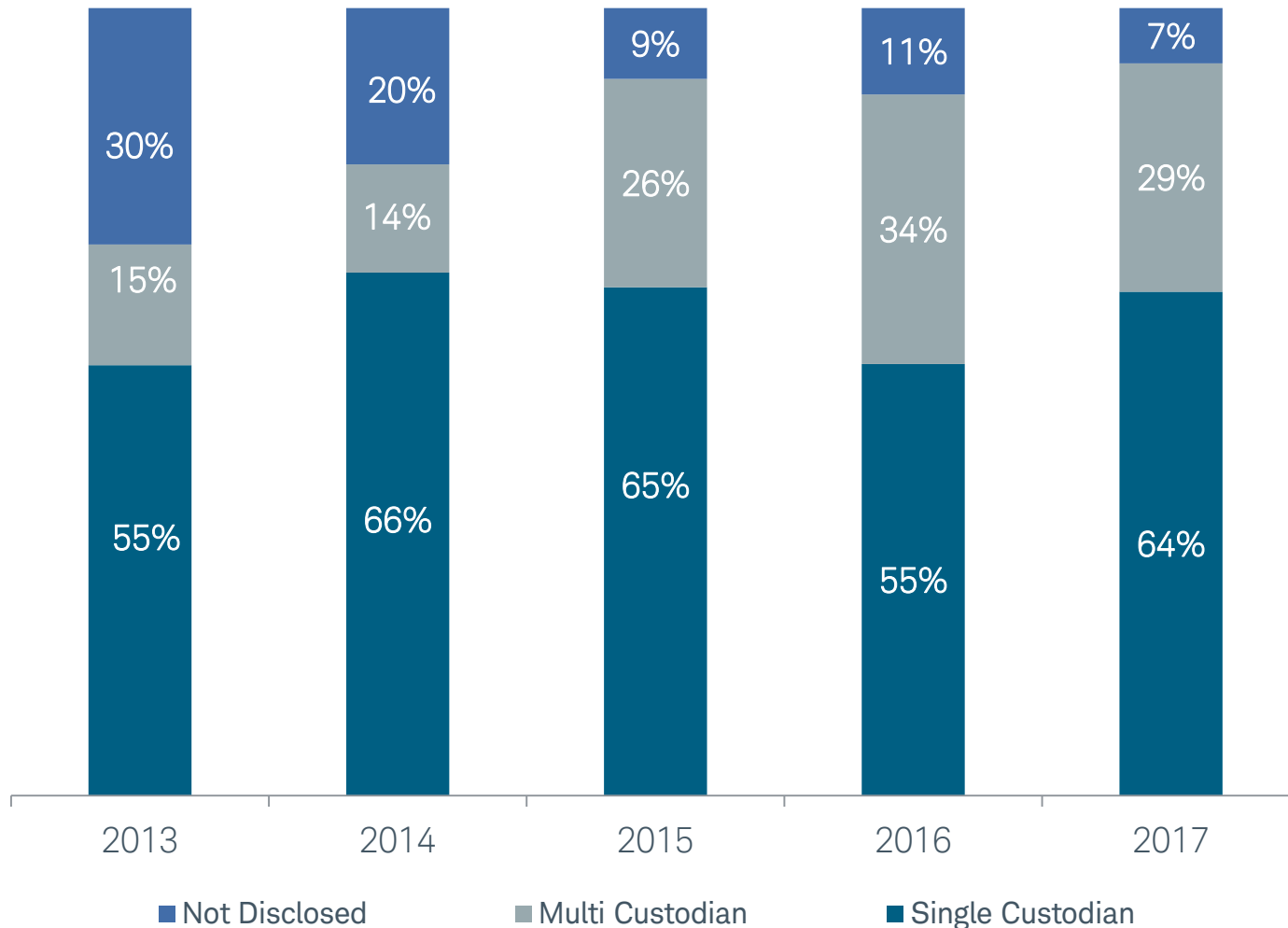


- Does not include firms under \$100M or firms that did not disclose their AUM
- Due to rounding, some values may not add up to 100

Source: SEC ADV Filings / Discovery Data 2013-2017

Most firms are selecting a single custodian

New firm custodian selection types



Avg Size 2017 (AUM)

Single	\$207M
Multi	\$661M
Not disclosed	\$389M

Schwab has 41% market share of newly registered SEC firms making a single custodian selection

Schwab was named in 55% of multi custodian deals in 2017

Source: SEC ADV Filings, Schwab Analysis 2013-2017

Baseline SEC filtering criteria/methodology

- Currently approved by the SEC
- Organized under US Law
- Actively engaged in ongoing supervisory or management of securities portfolios
- Less than 50% client AUM in pooled investment vehicles, pensions or profit sharing plans, or in state or municipal entities
- Not an advisor to a private fund
- Must have assets under management for HNW clients
- Not a broker/dealer
- Not a representative of a broker/dealer

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