

The Schwab Self-Directed Brokerage Account Indicators™

Quarter Ending December 31, 2016

An industry-leading benchmark on retirement plan participant investment activity within self-directed brokerage accounts.

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Key Schwab Observations for the Fourth Quarter 2016:

Asset Balance Summary

This quarter was dominated by the Presidential election. The bull market continued as economic growth improved and equity markets generally gained, with the S&P 500 posting a 3.8% gain. Given the strong sentiment and pace of the U.S. economy, the Federal Reserve raised short-term interest rates by 25 basis points to the range of .50-.75 for the first time in 2016, having raised rates initially in December 2015. Winning sectors for the quarter included financials, energy and industrials.

In step with the strong quarter, the average participant account balance in the Schwab Personal Choice Retirement Account[®] (PCRA) was up by 5% to \$204k from Q4 2015, and slightly up by .08% from last quarter. Trading volumes were up from last year by 1.5% and up 3.1% from Q3. On average, participants held 9.11 positions in their PCRA, very similar to last year. Over half of the participants were aged 50 and over, which had grown by .4% since last year.

Investing Behavior and General Investing Characteristics

Asset Allocation

Mutual Funds held the majority of participant assets to the tune of 37%, while Equities were the second largest holding at 27% with Cash & Equivalents coming in at 19%. During the year, the participant holdings remained relatively unchanged, with no more than a 1% shift in various holdings.

Equities

There were several minor shifts in participant Equity Sector Holdings over the course of the year, including Energy, Consumer Staples, Health Care and Materials sectors. The three largest equity sector holdings were Information Technology at 26%, down 2% from last year, Financials at 14%, up 1% from 2015 and Consumer Discretionary at 13%, down 1% from last year. The Health Care and Industrials sectors followed at 10% and 9% respectively.

Exchange-Traded Funds (ETFs)

U.S. Equity ETFs, comprised of Large Caps, Mid Caps and Small Caps, continued to be the top ETF holding in participant accounts and increased to 50% from 47% in Q4 of 2015, followed by International Equity ETFs at 14%, Sector ETFs at 13% and U.S. Fixed Income at 12%.

Mutual Funds

Large Cap Stock Funds and International Funds had a 1% decrease in participant mutual fund holdings, while Hybrid Funds, Specialized and Small Cap Stock Funds remained the same and Taxable Bond Funds increased by 1%.

Asset Flows

Net asset flows into Money Market Funds were up to 109.6% while most other asset classes were mostly in the negative: Fixed Income (-1.1%), Equity (-1.3%), Mutual Funds (-3.0%), ETFs (-4.2%) and Options (0.0%). The top three sectors of net asset flows were ETF-US Equity (40.1%), Mutual Funds-Large Cap Stock Funds (14.7%) and Mutual Funds-Taxable Bond Funds (8.7%).

PAST PERFORMANCE CANNOT GUARANTEE FUTURE RESULTS.

The information above is for general informational purposes only and is not intended as a solicitation of any security or instrument nor is it intended as an individualized recommendation or personalized investment advice.

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PCRA Participants Profile Information - All

Average Age	50
Average PCRA Account Balance	\$204,922

Average Positions (per Account)	
Equity	3.93
Mutual Funds	2.68
ETF	1.28
Cash	1.04
Fixed Income	0.18
TOTAL	9.11

Average Trades in Quarter (per Account)	
Mutual Funds	1.57
Equity	1.46
ETF	0.72
Fixed Income	0.02
TOTAL	3.77

**None of the information constitutes a recommendation by Schwab or a solicitation of an offer to buy or sell any securities. Prospectuses containing more information including management fees and expenses are available at Schwab. Please always read the prospectus carefully before investing or sending money. Small cap funds are subject to greater volatility than those in other asset categories. International investments are subject to additional risks such as currency fluctuation, political instability and the potential for illiquid markets. Since sector funds focus investments on companies involved in a particular sector, the funds may involve a greater degree of risk than an investment in other mutual funds with greater diversification.

Figures are based on Schwab's full PCRA participant population with a minimum balance of \$5,000 in their PCRA account (approximately 125,000 accounts). All data is for informational purposes only. Schwab does not guarantee the accuracy, timeliness or completeness of the information.

Top 10 Equity Holdings**	% of Equity Assets
APPLE INC	9.08%
FACEBOOK INC CLASS	2.50%
BERKSHIRE HATHAWAY CLASS	2.47%
AMAZON COM INC	2.39%
BANK OF AMERICA CORP	1.47%
GENERAL ELECTRIC CO	1.33%
MICROSOFT CORP	1.21%
ALPHABET INC. CLASS	1.13%
WALT DISNEY CO	1.05%
A T & T INC	1.04%

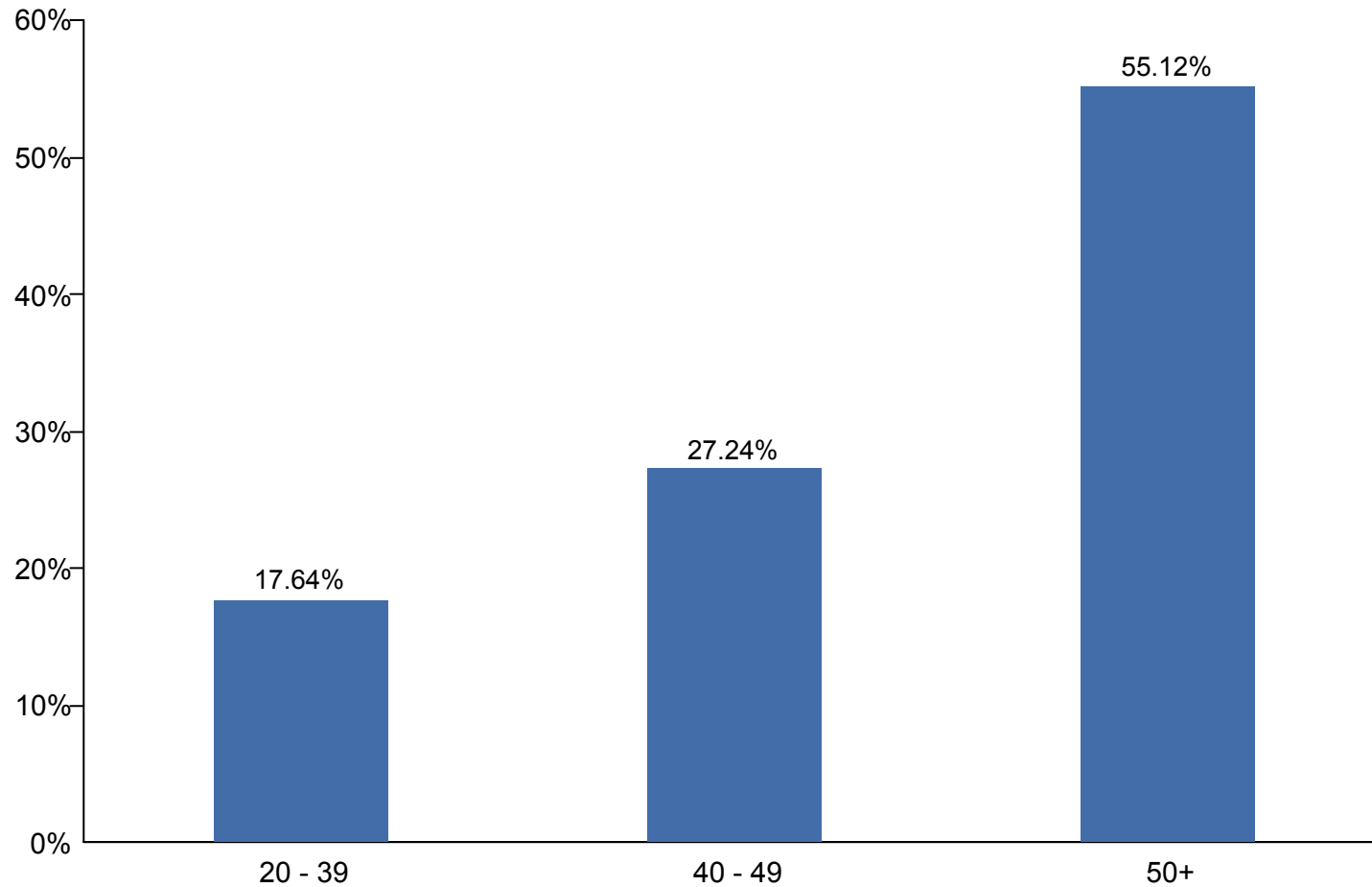
Top 10 ETF Holdings**	% of ETF Assets
SPDR S&P 500 ETF	4.78%
SCHWAB US BROAD MARKET ETF	3.90%
VANGUARD TOTAL STOCK MARKET	3.78%
SCHWAB US LARGE CAP ETF	2.89%
POWERSHARES QQQ TRUST SRS 1	2.75%
SCHWAB INTERNATIONAL EQUITY	2.04%
SPDR GOLD SHARES ETF	1.83%
VANGUARD S&P 500 ETF	1.72%
SCHWAB US AGGREGATE BONDETF	1.67%
SCHWAB US SMALL CAP ETF	1.61%

Top 10 Mutual Fund Holdings**	% of MF Assets
SCHWAB S&P 500 INDEX FD	3.31%
SCHWAB TOTAL STOCK MKT INDEX	1.69%
PIMCO INCM CL D	1.17%
PACIFIC FINANCIAL CORE EQTY F	0.89%
DFA US CORE EQTY 2 PORT INSTL	0.85%
VANGUARD 500 INDEX FD INVEST	0.78%
METROPOLITAN WEST TOTAL RETURN	0.74%
PARNASSUS CORE EQTY FD INV	0.71%
PACIFIC FINANCIAL DYNAMI	0.67%
DOUBLELINE TOTAL RETURN BD FD	0.66%

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PCRA Participants within Age Bands - All

As of December 31, 2016



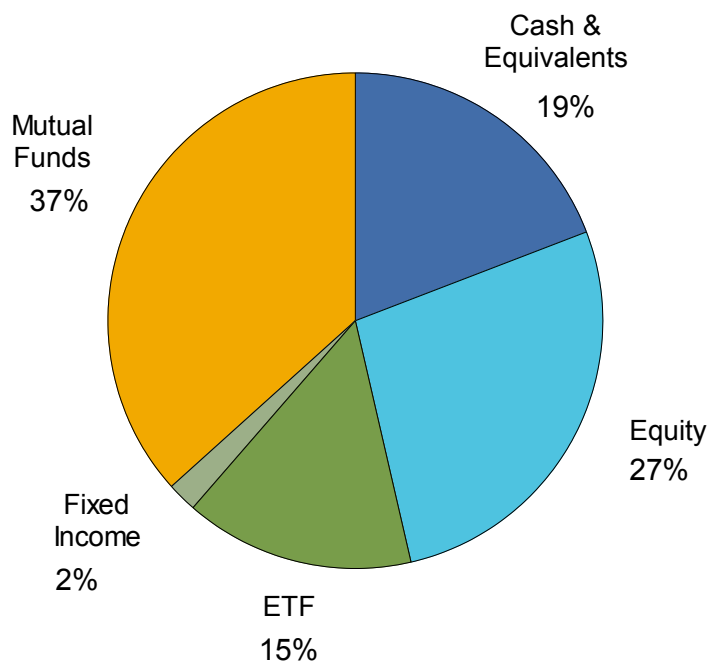
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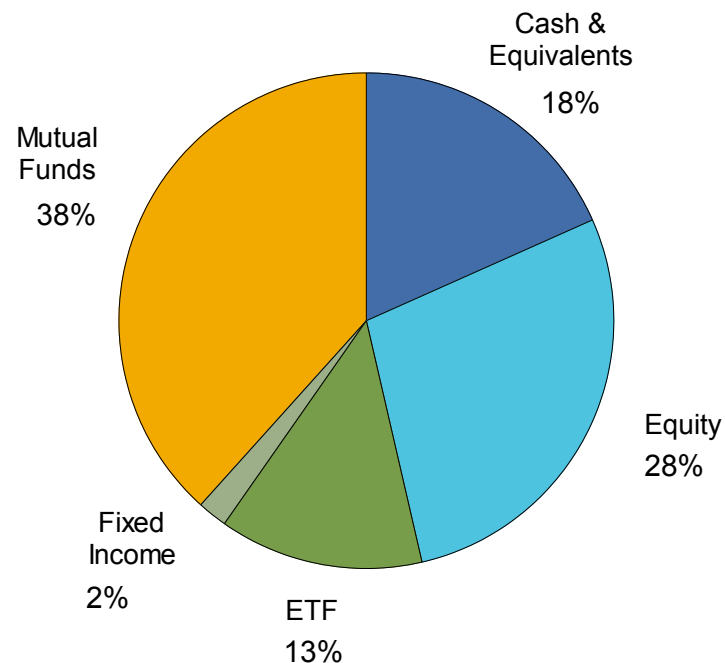
Market Value Allocation - Asset Classes - All

(Year over Year)

As of December 31, 2016



As of December 31, 2015



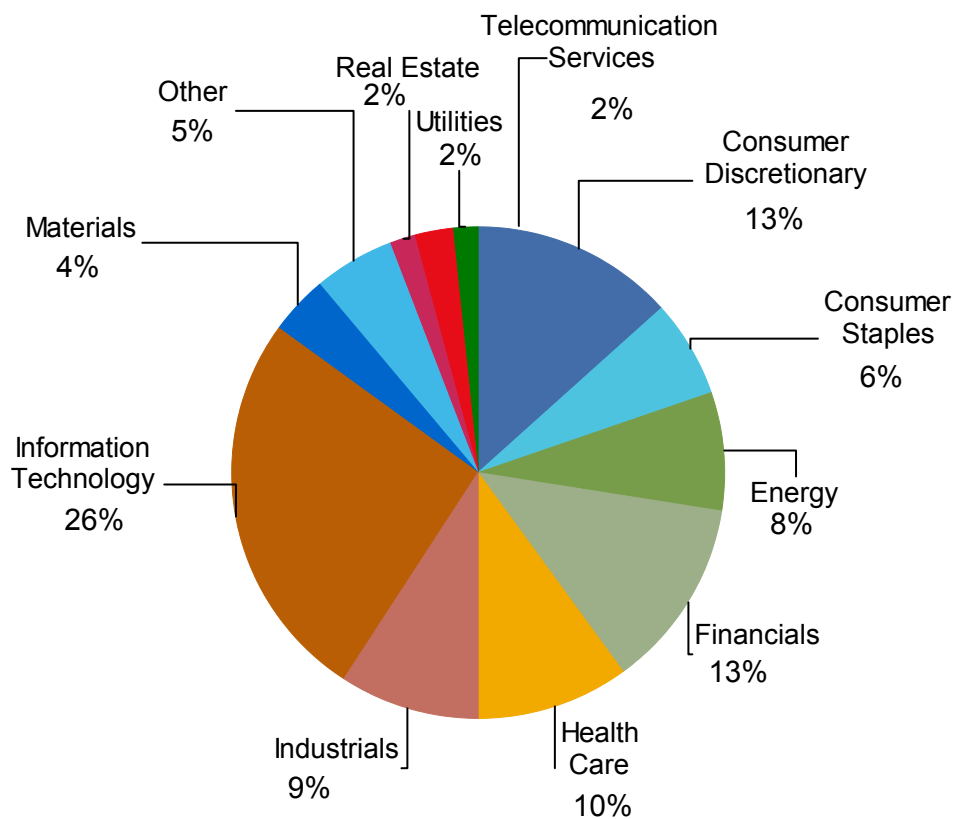
This chart illustrates the percentage of PCRA participant assets in each noted asset class as a percentage of total PCRA assets. Percentages are calculated as of month end, and the percentages may not add up to 100% due to rounding. Money market mutual funds are classified under Cash & Equivalents. Figures are based on all PCRA participants with a minimum balance of \$5,000 in their PCRA account (approximately 125,000 accounts). All data is for informational purposes only. Schwab does not guarantee the accuracy, timeliness or completeness of the information.

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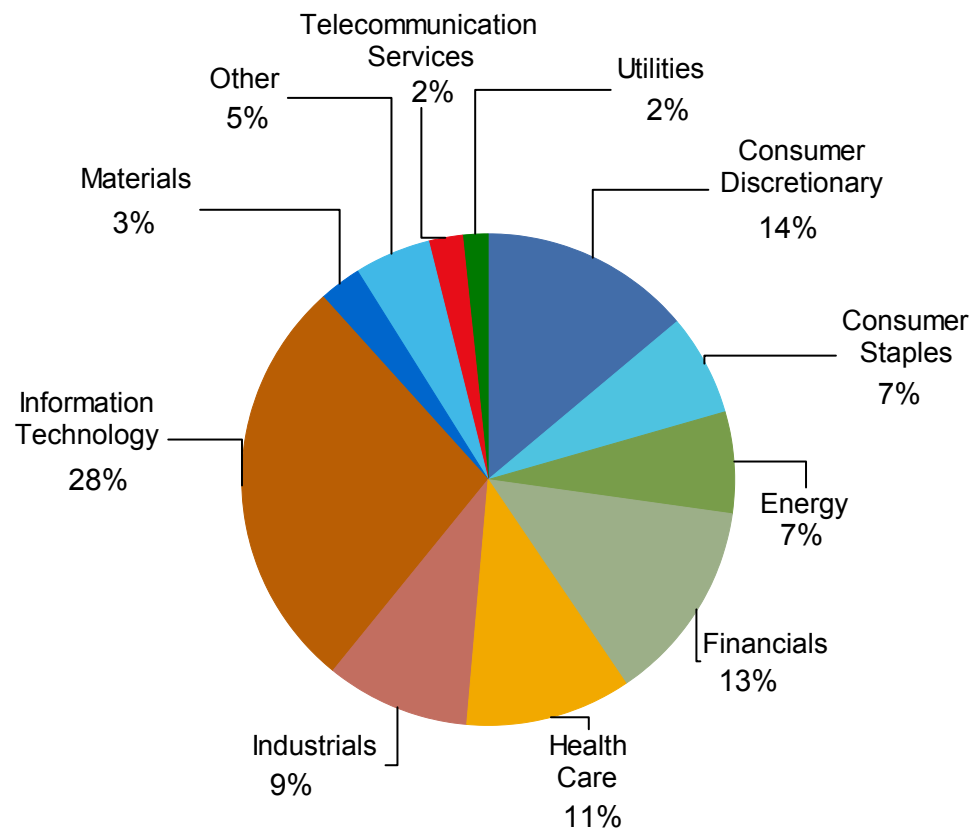
Market Value Allocation - Equity Sectors - All

(Year over Year)

As of December 31, 2016



As of December 31, 2015



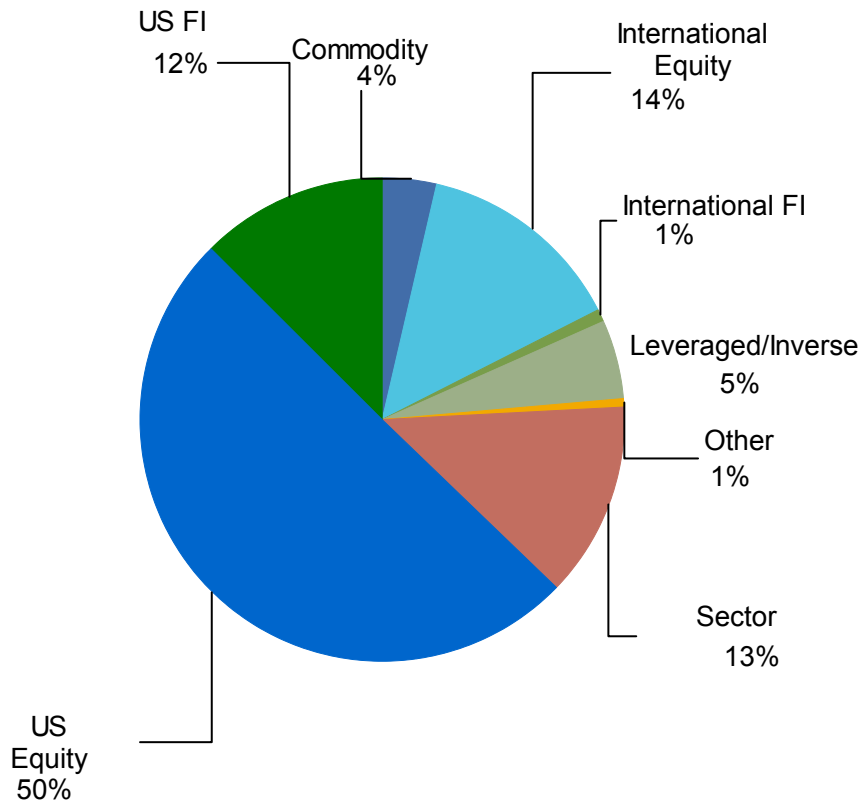
This chart illustrates the percentage of PCRA participant assets in each equity sector, as classified by Standard & Poor's, as a percentage of total PCRA assets within equity securities. Percentages are calculated as of month end, and the percentages may not add up to 100% due to rounding. Figures are based on all PCRA participants with a minimum balance of \$5,000 in their PCRA account (approximately 125,000 accounts). All data is for informational purposes only. Schwab does not guarantee the accuracy, timeliness or completeness of the information.

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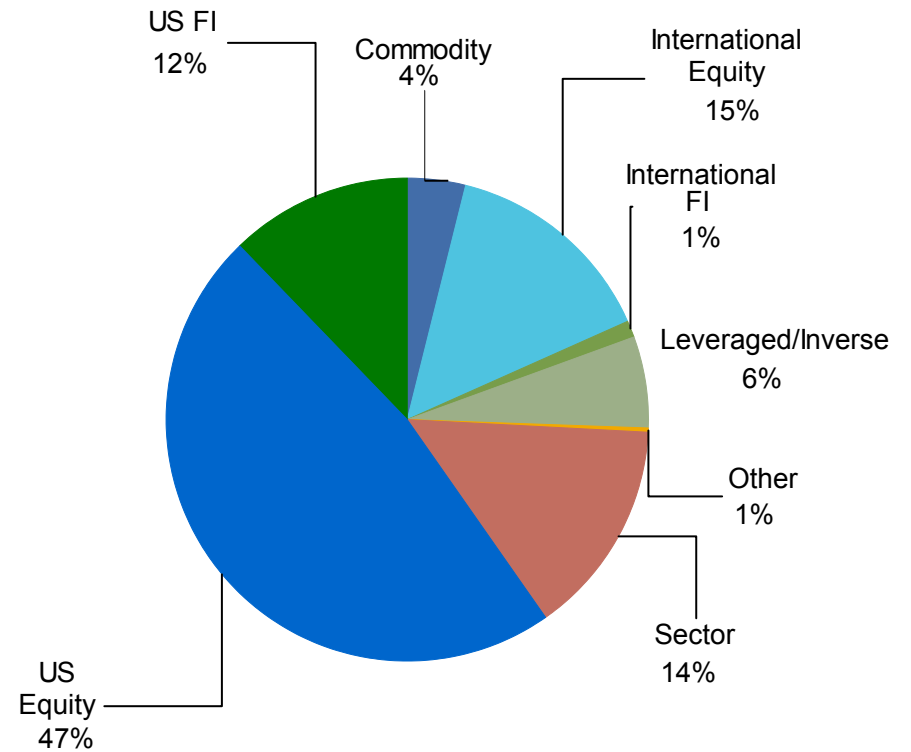
Market Value Allocation - ETFs - All

(Year over Year)

As of December 31, 2016



As of December 31, 2015

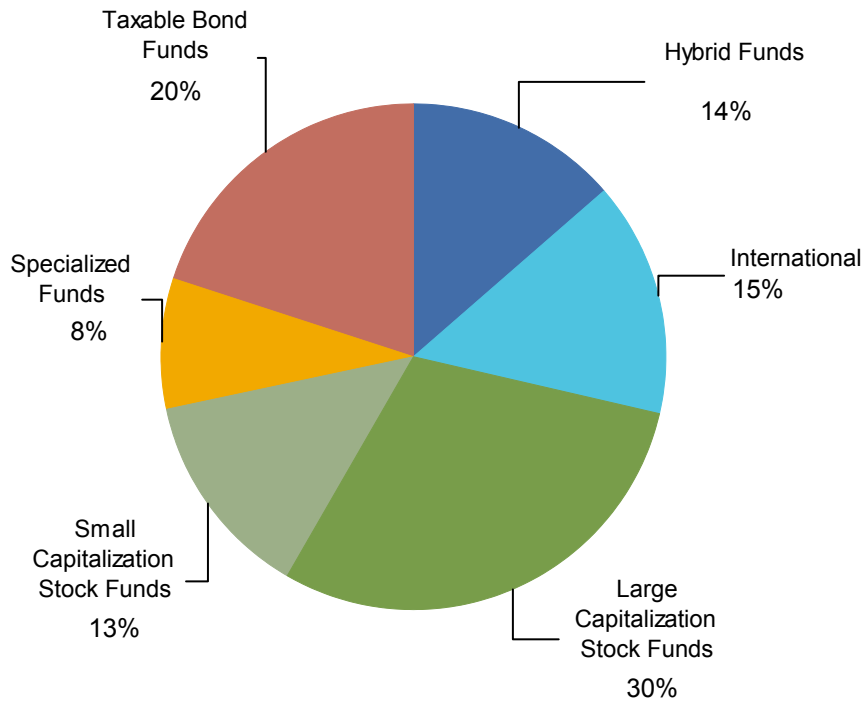


This chart illustrates the percent of PCRA participant assets in each ETF sector, as classified by Morningstar, as a percentage of total PCRA assets within ETF securities. Percentages are calculated as of month end, and the percentages may not add up to 100% due to rounding. Figures are based on all PCRA participants with a minimum balance of \$5,000 in their PCRA account (approximately 125,000 accounts). All data is for informational purposes only. Schwab does not guarantee the accuracy, timeliness or completeness of the information.

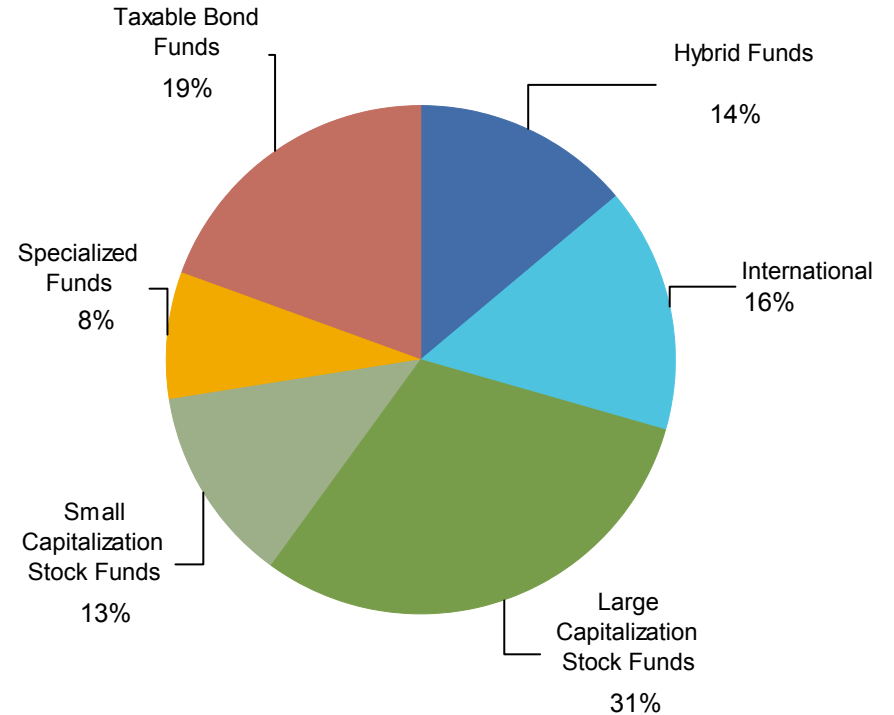
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Market Value Allocation - Mutual Funds - All (Year over Year)

As of December 31, 2016



As of December 31, 2015

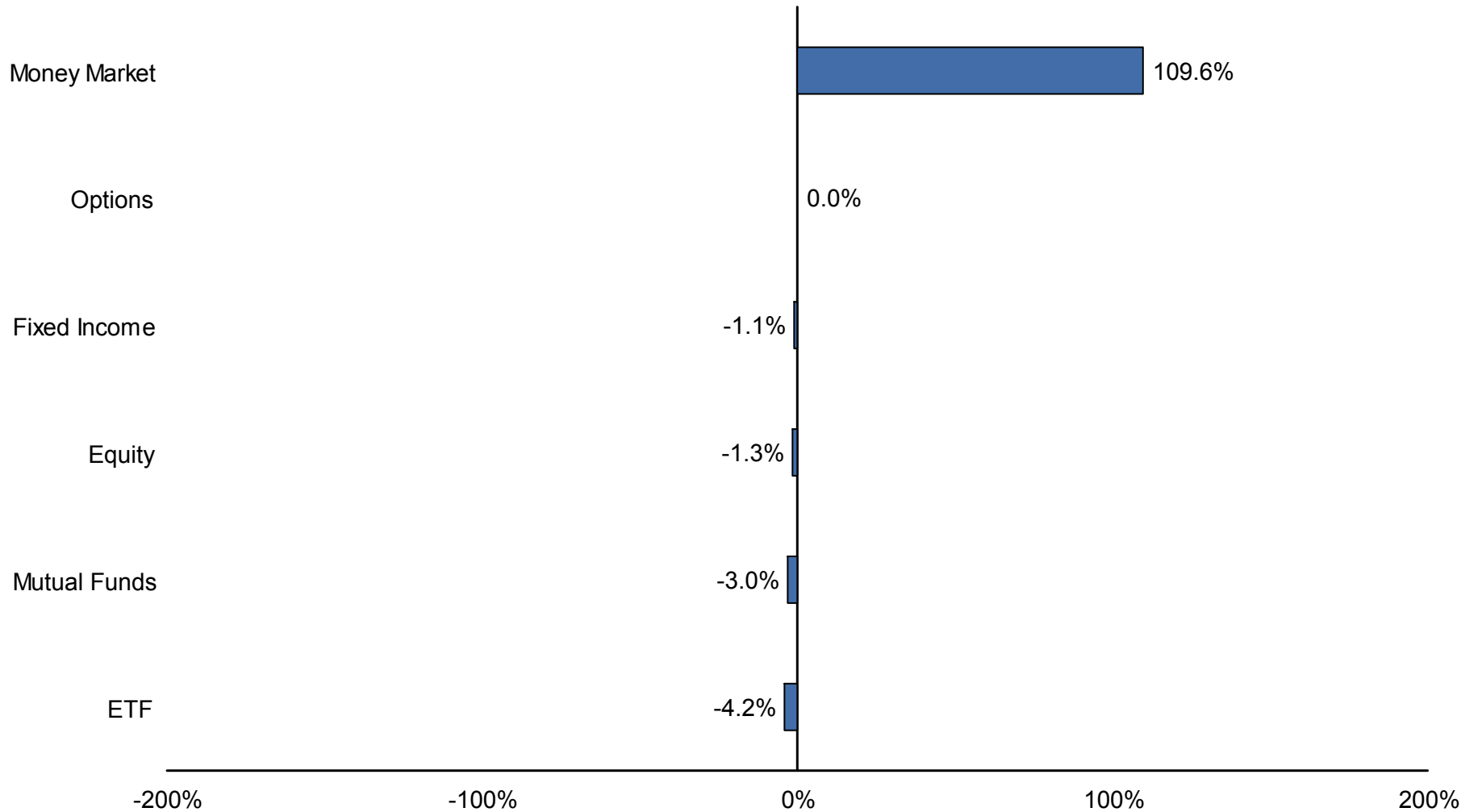


This chart illustrates the percentage of PCRA participant assets in each mutual fund category, as classified by Morningstar Inc., as a percentage of total PCRA long-term mutual fund assets. Percentages are calculated as of month end, and the percentages may not add up to 100% due to rounding. Figures are based on all PCRA participants with a minimum balance of \$5,000 in their PCRA account (approximately 125,000 accounts). Small cap funds are subject to greater volatility than those in other asset categories. International investments are subject to additional risks such as currency fluctuation, political instability and the potential for illiquid markets. Since sector funds focus investments on companies involved in a particular sector, the funds may involve a greater degree of risk than an investment in other mutual funds with greater degree of risk than an investment in other mutual funds with greater diversification. Data is for informational purposes only. Schwab does not guarantee the accuracy, timeliness or completeness of the information.

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Net Asset Flow - Asset Class - All

As of December 31, 2016



This chart illustrates the percentage of total net flows within each asset class over the three month period ending December 31, 2016.

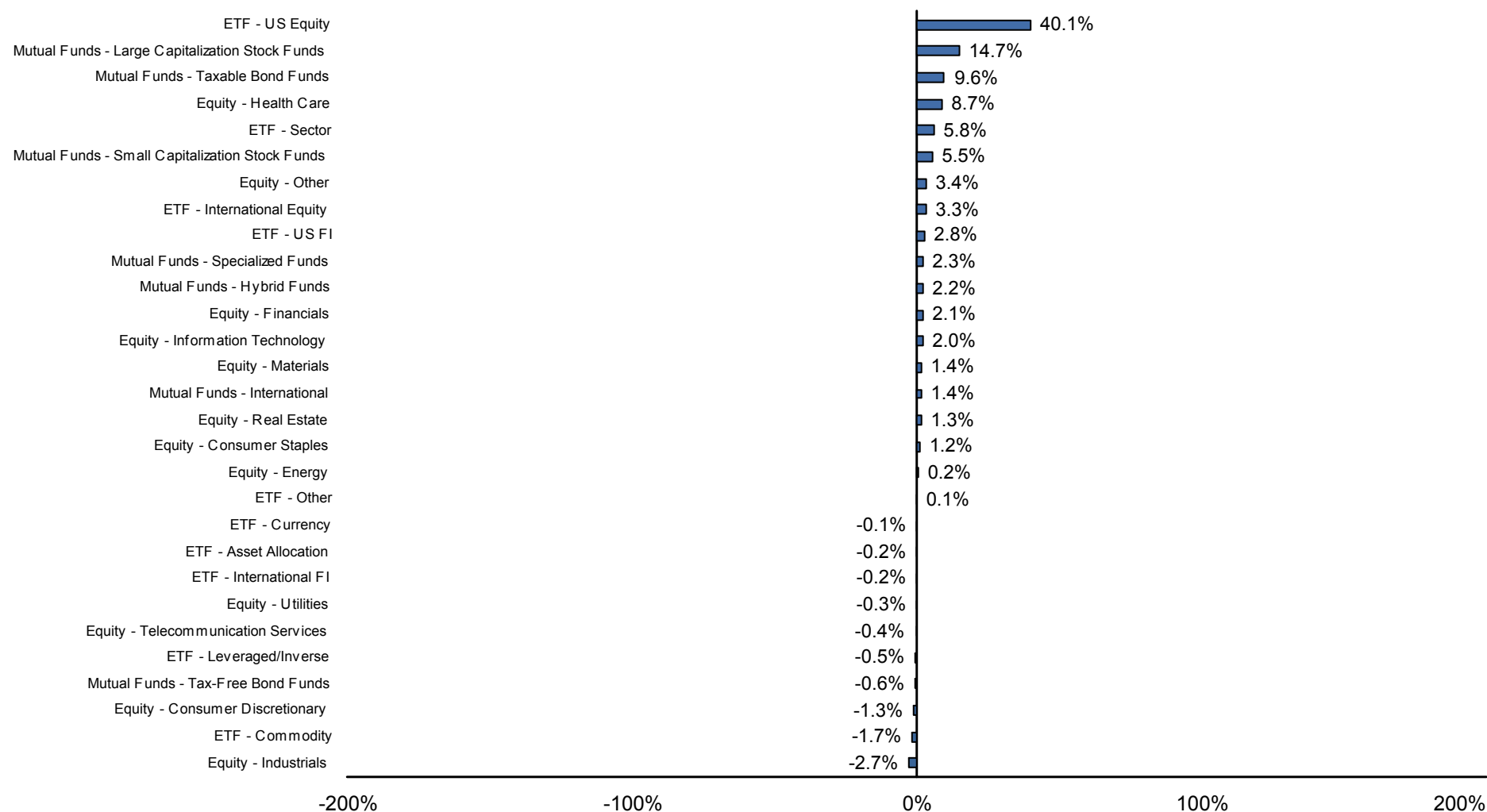
Net flow percentages are calculated by adding the purchases and sales amounts within each respective asset class and dividing by the total net flow over the period. Figures are based on all PCRA participants with a minimum balance of \$5,000 in their PCRA account (approximately 125,000 accounts). All data is for informational purposes only.

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Net Asset Flow - All Categories - All

As of December 31, 2016



This chart illustrates the percentage of total net flows within each investment category, as classified by Standard & Poor's and Morningstar Inc., over the three month period ending December 31, 2016.

Net flow percentages are calculated by adding the purchases and sales amounts within each respective investment category and dividing by the total net flows over the period. Figures are based on all PCRA participants with a minimum balance of \$5,000 in their PCRA account (approximately 125,000 accounts). Small cap funds are subject to greater volatility than those in other asset categories. International investments are subject to additional risks such as currency fluctuation, political instability and the potential for illiquid markets. Since sector funds focus investments on companies involved in a particular sector, the funds may involve a greater degree of risk than an investment in other mutual funds with greater diversification. Data is for informational purposes only. Schwab does not guarantee the accuracy, timeliness or completeness of the information.

Disclosures

Investors should consider carefully information contained in the prospectus, including investment objectives, risks, charges, and expenses. You can request a prospectus by calling 800-435-4000. Please read the prospectus carefully before investing.

Money Market funds are neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.

Investment returns will fluctuate and are subject to the market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Unlike mutual funds, shares of ETFs are not individually redeemable directly with the ETF. Shares are bought and sold at market price, which may be higher or lower than the net asset value (NAV).