The Schwab Self-Directed Brokerage Account Indicators™

Quarter Ending March 31, 2017

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

charles SCHWAB

The Schwab Self-Directed Brokerage Account Indicators™[1]

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

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Key Schwab Observations for the First Quarter 2017:

Asset Balance Summary

Economic data remained positive across the globe, with another solid quarter of growth for U.S. companies. The bull market continued as economic growth improved, with the S&P 500 posting a 4.9% quarterly blended earnings growth rate. The Leading Economic Index showed six out of the ten indicators in the "Strong" category, including S&P 500, average consumer expectations for business conditions and ISM New Orders Index. There were no warning flashes in the Index[2], confirming the ongoing economic expansion.

In step with the strong quarter, the average participant account balance in the Schwab Personal Choice Retirement Account® (PCRA) was up by 8.7% to $212,178 from $195,214 in Q1 2016, and also up by 3.5% from last quarter. Trading volumes were down from last year by 4.5% and up 1.6% from Q4. On average, participants held 9.2 positions in their PCRA, very similar to last year. Participants aged 50 and over continued to increase to 55%, with the 40-49 age group coming in second at 27%.

Investing Behavior and General Investing Characteristics

Asset Allocation
Mutual Funds held the majority of participant assets at 37%, while Equities were the second largest holding at 28%, with Cash & Equivalents coming in at 18% and ETFs at 16%. 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 largest equity sector holding was Information Technology at 28%, up 1% from last year, in line with the overall positive market sector outlook and a projected boost in technology spending. Consumer Discretionary was second at 13%,with a positive outlook, due to improved American consumer spending. And Financials was third at 12%, boosted by Federal Reserve rate hikes and strong loan demand. The Health Care and Industrials sectors followed at 10% and 09% respectively. One new sector that did not show up last year was Real Estate at 2%.

Exchange-Traded Funds (ETFs)
U.S. Equity ETFs, comprised of Large Caps, the most popular segment, Mid Caps and Small Caps, continued to be the top ETF holding in participant accounts and increased to 50% from 45% in Q1 of 2016, followed by International Equity ETFs at 15%, Sector ETFs at 13% and U.S. Fixed Income at 12%.

Mutual Funds
Large Cap Stock Funds, International Funds and Hybrid Funds had a 1% decrease in participant mutual fund holdings and Small Cap Stock Funds increased by 1%, while Taxable Bond Funds remained the same at 20%.

Asset Flows
The two biggest asset classes were ETFs at 36.1% and Mutual Funds at 25.5%, followed by Equities at 19% and Fixed Income at 18.4%. This is not surprising, as 76% of all investor respondents in the Schwab 2016 ETF Investor Study said that ETFs have had a positive impact on the way they invest.

The top three categories in Net Asset Flows were Equity-Information Technology at 14.4%, ETF-U.S. Equity at 13.4% and Mutual Funds-International, at 13.4%.

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PCRA Participants Profile Information - All

Average Age	50
Average PCRA Account Balance	$212,178

Average Positions (per Account)	
Equity	3.97
Mutual Funds	2.71
ETF	1.31
Cash	1.03
Fixed Income	0.18
TOTAL	9.20

Average Trades in Quarter (per Account)	
Mutual Funds	1.54
Equity	1.54
ETF	0.73
Fixed Income	0.02
TOTAL	3.83

**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.

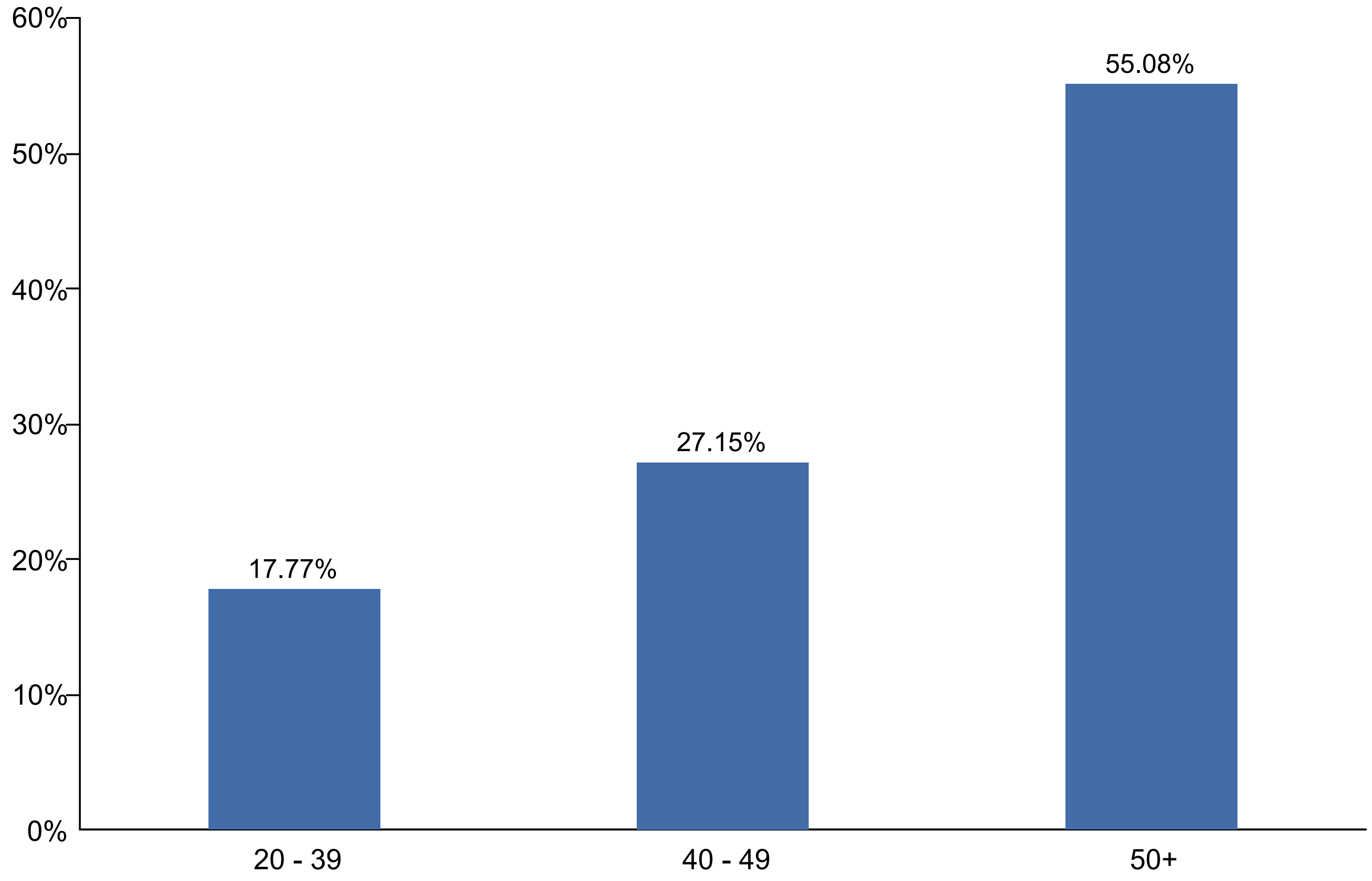
Top 10 Equity Holdings**	% of Equity Assets
APPLE INC	9.73%
FACEBOOK INC CLASS	2.67%
AMAZON COM INC	2.64%
BERKSHIRE HATHAWAY CLASS	2.43%
BANK OF AMERICA CORP	1.50%
MICROSOFT CORP	1.23%
GENERAL ELECTRIC CO	1.18%
ALPHABET INC. CLASS	1.14%
WALT DISNEY CO	0.98%
TESLA INC	0.94%

Top 10 ETF Holdings**	% of ETF Assets
SPDR S&P 500 ETF	4.64%
SCHWAB US BROAD MARKET ETF	3.88%
VANGUARD TOTAL STOCK MARKET	3.82%
POWERSHARES QQQ TRUST SRS 1	2.90%
SCHWAB US LARGE CAP ETF	2.65%
SCHWAB INTERNATIONAL EQUITY	2.30%
SPDR GOLD SHARES ETF	1.77%
VANGUARD S&P 500 ETF	1.73%
SCHWAB US AGGREGATE BONDETF	1.64%
SCHWAB US LARGE CAP GROWTH	1.64%

Top 10 Mutual Fund Holdings**	% of MF Assets
SCHWAB S&P 500 INDEX FD	3.48%
SCHWAB TOTAL STOCK MKT INDEX	1.77%
PIMCO INCM CL D	1.18%
PACIFIC FINANCIAL CORE EQTY F	0.96%
DFA US CORE EQTY 2 PORT INSTL	0.88%
VANGUARD 500 INDEX FD INVEST	0.78%
PARNASSUS CORE EQTY FD INV	0.73%
PACIFIC FINANCIAL DYNAMI	0.69%
METROPOLITAN WEST TOTAL RETURN	0.68%
VANGUARD TOTAL STOCK MKT INDEX	0.65%

PCRA Participants within Age Bands - All

As of March 31, 2017



Figures are based on 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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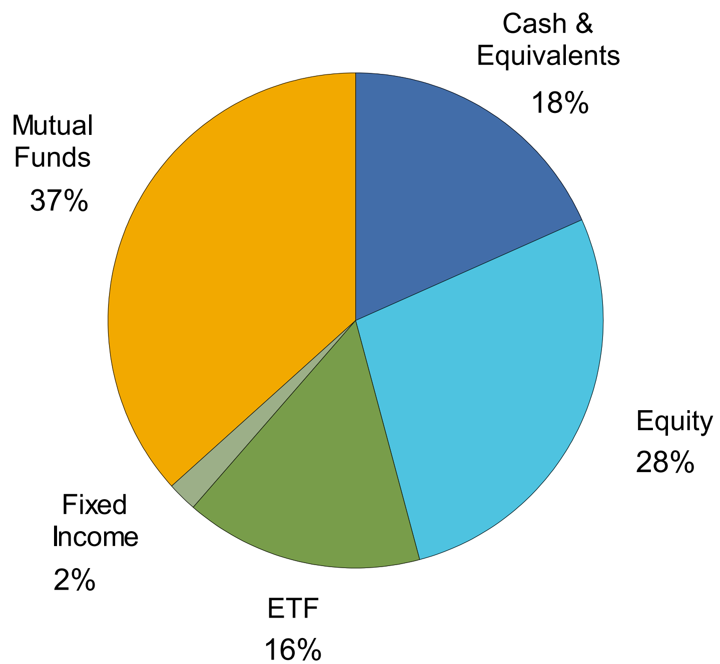
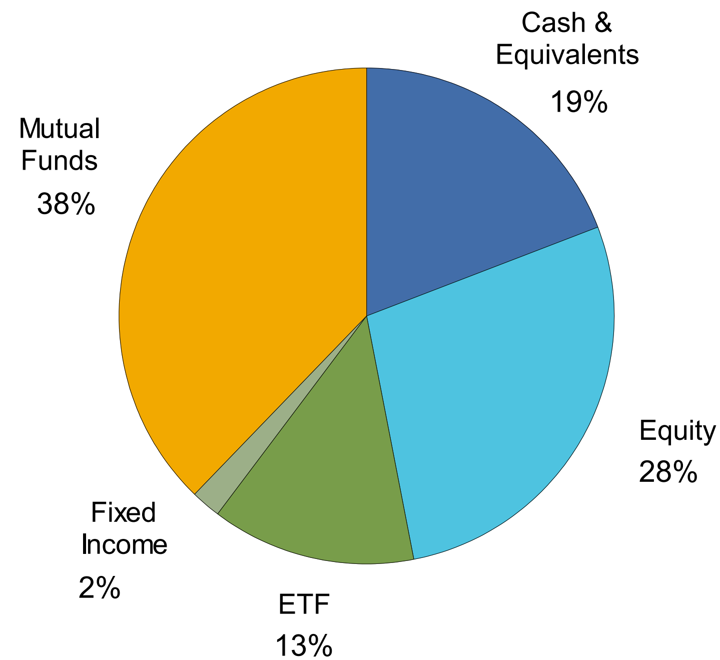
Market Value Allocation - Asset Classes - All

(Year over Year)

As of March 31, 2017



As of March 31, 2016



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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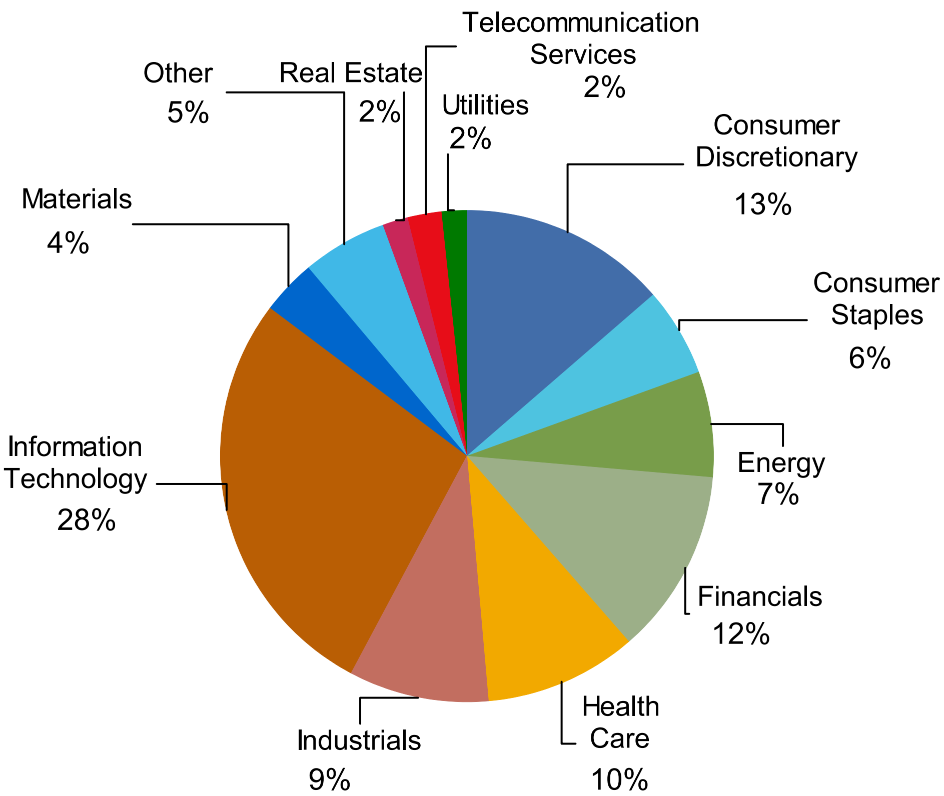
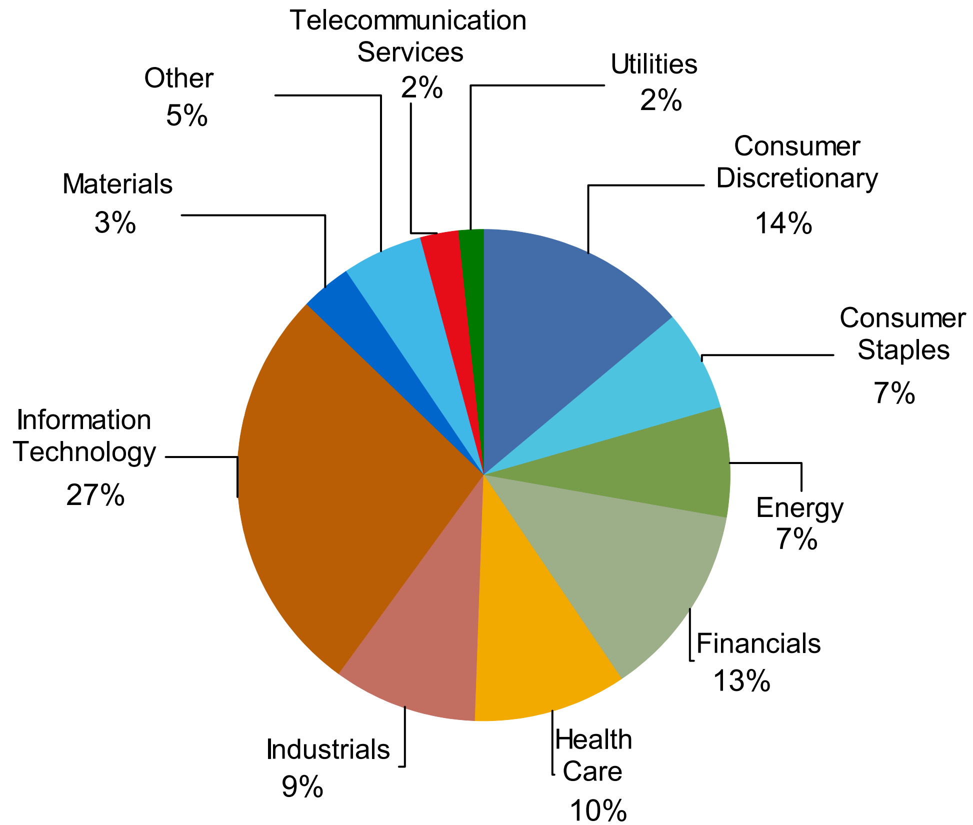
Market Value Allocation - Equity Sectors - All

(Year over Year)

As of March 31, 2017



As of March 31, 2016



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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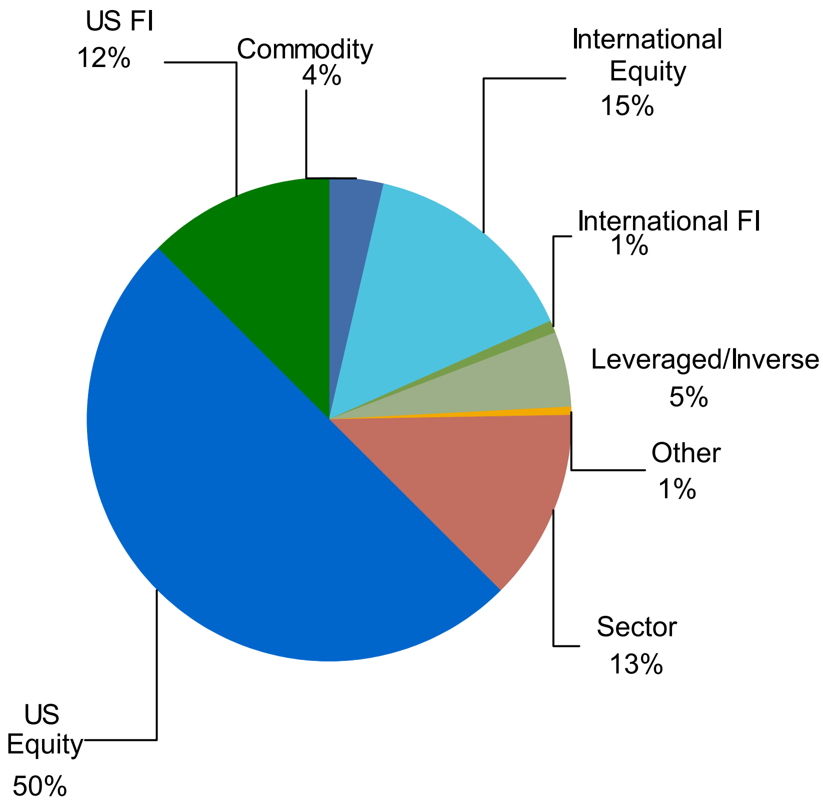
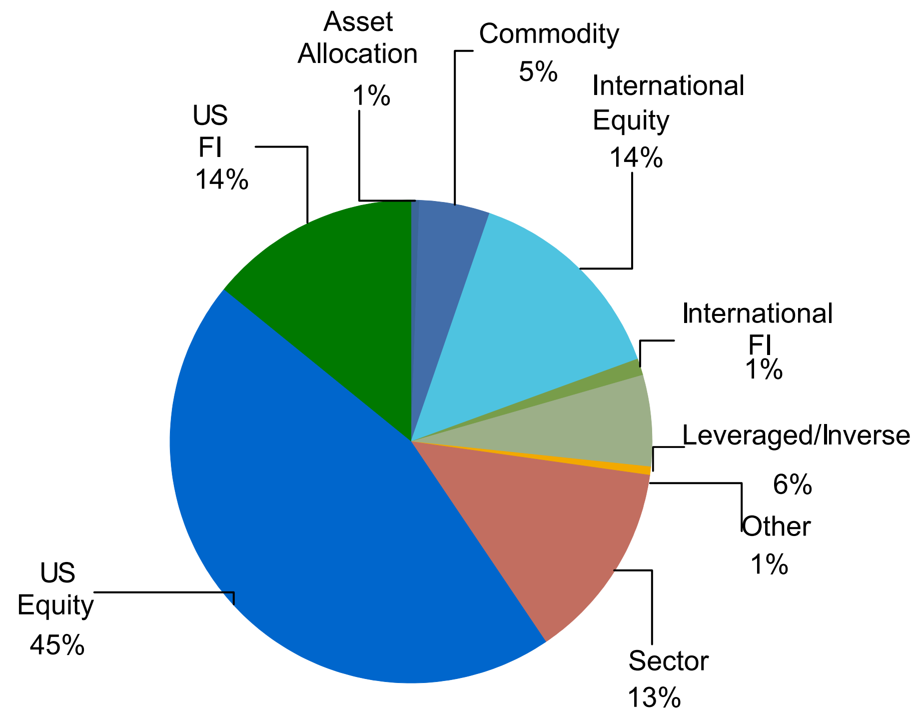
Market Value Allocation - ETFs - All

(Year over Year)

As of March 31, 2017



As of March 31, 2016



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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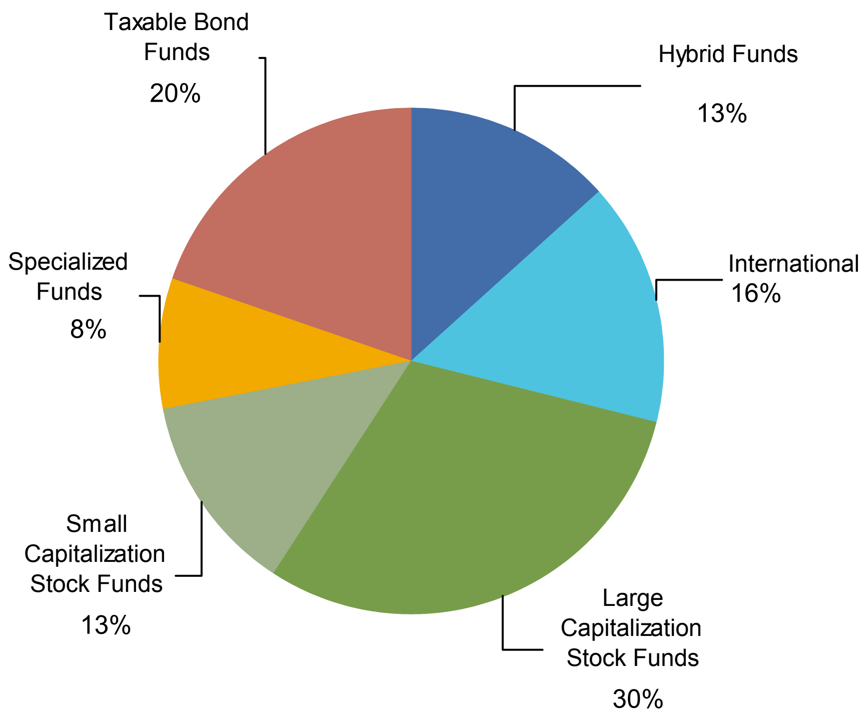
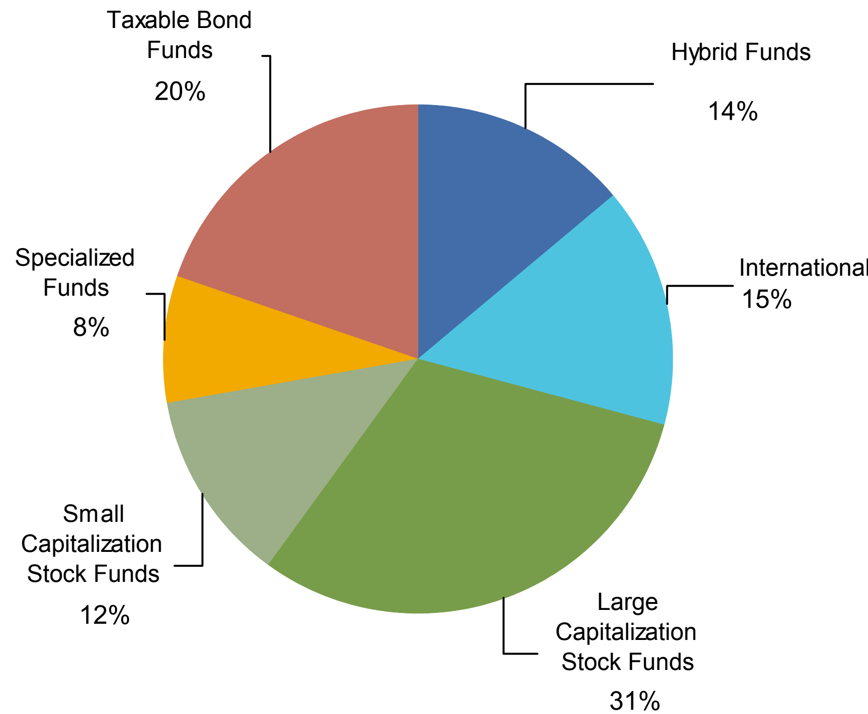
Market Value Allocation - Mutual Funds - All

(Year over Year)

As of March 31, 2017



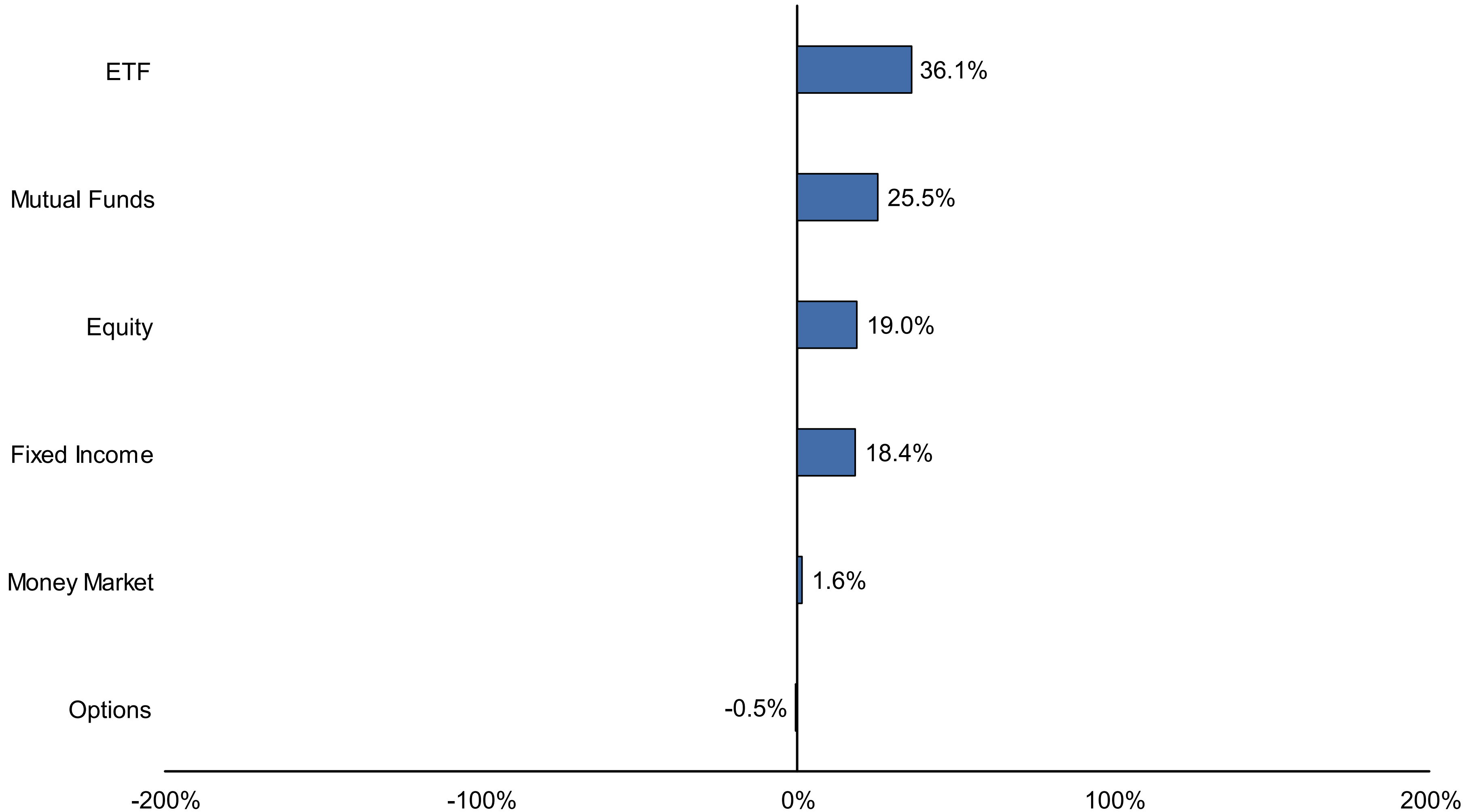
As of March 31, 2016



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 diversification. Data is for informational purposes only. Schwab does not guarantee the accuracy, timeliness or completeness of the information.

Net Asset Flow - Asset Class - All

As of March 31, 2017



This chart illustrates the percentage of total net flows within each asset class over the three month period ending March 31, 2017.
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. Schwab does not guarantee the accuracy, timeliness or completeness of the information.

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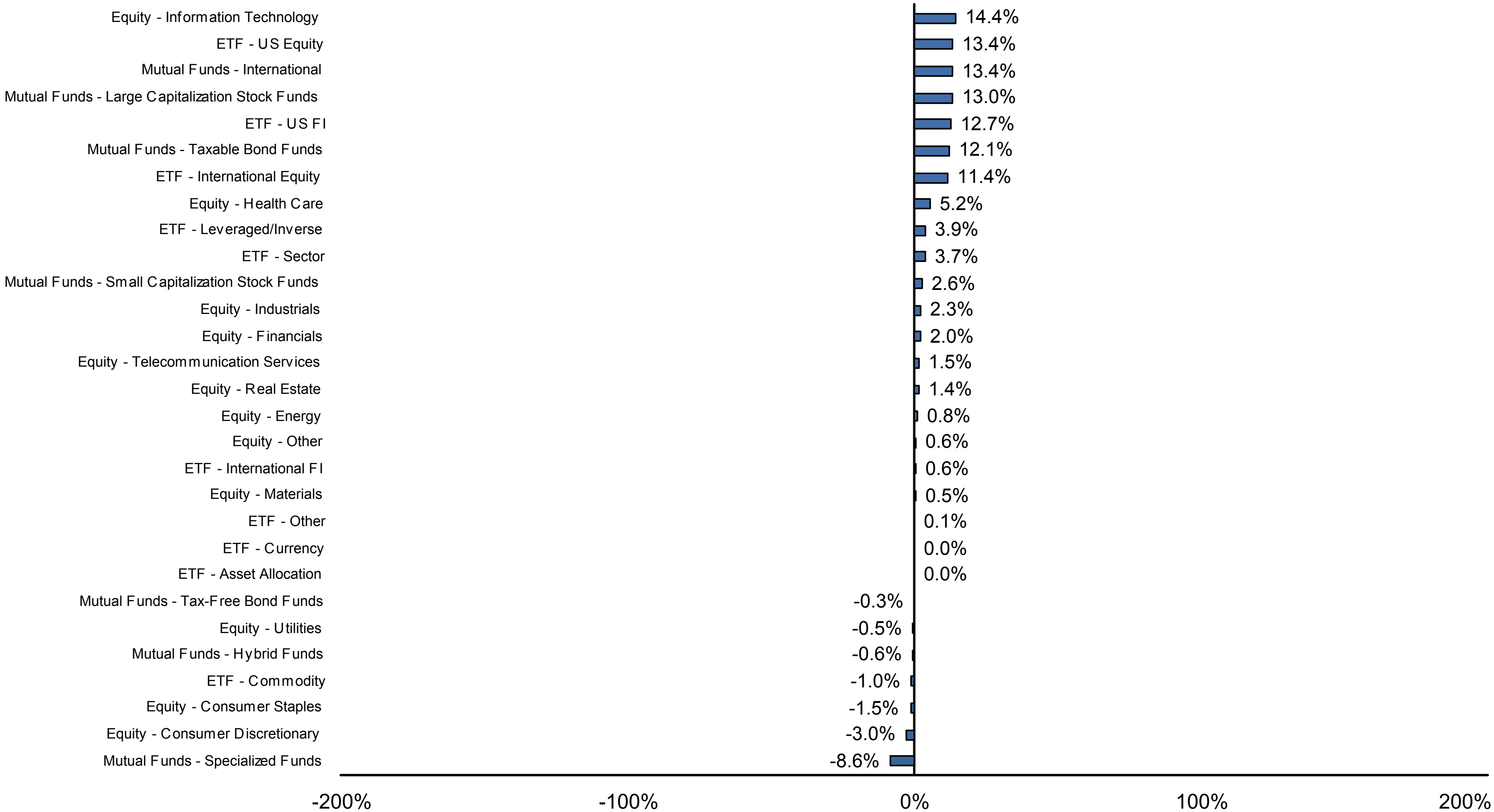
Net Asset Flow - All Categories - All

As of March 31, 2017



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 March 31, 2017.

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

[1] 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. Share are bought and sold at market price, which may be higher or lower than the net asset value (NAV).

For participants who utilize the Personal Choice Retirement Account (PCRA), the following fees and conditions may apply: Schwab's short-term redemption fee of $49.95 will be charged on redemption of funds purchased through Schwab's Mutual Fund OneSource® service (and certain other funds with no transaction fee) and held for 90 days or less. Schwab reserves the right to exempt certain funds from this fee, including Schwab Funds®, which may charge a separate redemption fee, and funds that accommodate short-term trading.

Trades in no-load mutual funds available through Mutual Funds OneSource service (including Schwab Funds) as well as certain other funds, are available without transaction fees when placed through schwab.com or our automated phone channels. Schwab reserves the right to change the funds we make available without transaction fees and to reinstate fees on any funds. Funds are also subject to management fees and expenses. Charles Schwab & Co., Inc., member SIPC, receives remuneration from fund companies for record keeping, shareholder services and other administrative services for shares purchased through its Mutual Fund OneSource service. Schwab also may receive remuneration from transaction fee fund companies for certain administrative services.

[2] Indexes are unmanaged, do not incur management fees, costs and expenses, and cannot be invested in directly.

Schwab Personal Choice Retirement Account (PCRA) is offered through Charles Schwab & Co., Inc. (Member SIPC), the registered broker/dealer, which also provides other brokerage and custody services to its customers.

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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 see to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the fund.