

The Schwab Self-Directed Brokerage Account Indicators™

Quarter Ending June 30, 2014

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

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The Schwab Self-Directed Brokerage Account Indicators™

The leading industry benchmark on participant investment activity within self-directed brokerage accounts for retirement plans

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Key Schwab Observations for the Second Quarter 2014:

Participant Summary

While equities remained dormant in the winter months they began to thaw in the spring posting gains for each of the three months during the second quarter. The S&P 500 delivered a positive 5.2% return for the quarter its sixth consecutive quarterly rise marking the longest streak of quarterly gains for the index since 1998.

As a result participant account balances in the Schwab Personal Choice Retirement Account® (PCRA) were up 3.3% from last quarter, with an average account balance of \$201K. In connection to the strong returns of the market, participant trading volumes decreased by 15.8% while the number of their average positions were up 1.2% over last quarter. Apple (AAPL) stock remained the Top 10 Equity Holding in PCRA growing to 6.48% an increase of 13.68% from Q1.

Investing Behavior and General Investing Characteristics

Asset Allocation

The largest holdings among asset classes were Mutual Funds (41%) and Equities (28%); both account for 69% of all participant asset allocations. The biggest movement among asset classes was a 4% reduction in Cash & Equivalents, with a reallocation into Equities, Exchange Traded Funds (ETFs) and Mutual Funds when compared to a year ago.

Equities

Information Technology climbed 3% from the last year to 27%; this was followed by Financials at 14% and Consumer Discretionary at 12%. All of the other equity sectors had minor changes for the year.

Exchange-Traded Funds (ETFs)

Continuing their trend from last quarter participants shed 2% of their Commodity (6%) holdings and reallocated into Large Cap (30%) ETFs. For the quarter half of the Top 10 Equity Holdings were ETFs, with four of them being Large Cap ETFs.

Mutual Funds

One noticeable trend with the positive market returns was a retreat in Taxable Bond Funds by participants and a reallocation into Large Cap Funds. This is also supported by the vast majority of the Top 10 Mutual Fund Holdings being Large Cap Stock Funds as well.

Asset Flows

Compared to a year ago net asset flows in Equities were up by 3.6% totaling 51.7%, while Mutual Funds dropped to 41.7%. The top three net asset flows by sector were ETFs at 21.1%, Taxable Bond Funds at 13.9% and Information Technology equities at 11.3%.

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PCRA Participants Profile Information - All

Average Age*	49
Average PCRA Account Balance	\$201,017

Average Positions (per Account)	
Equities	5.06
Mutual Funds	2.98
Cash & Equivalents	1.31
Fixed-Income	0.17
Total	9.52

Average Trades in Q2 (per Account)	
Equities	3.22
Mutual Funds	2.18
Fixed-Income	0.03
Total	5.43

Median Percent Invested*	
PCRA	72.1%
Core Offering	28.0%

Top 10 Equity Holdings**	% of Equity Assets
APPLE INC	6.48%
S P D R S&P 500 ETF TR	1.38%
BERKSHIRE HATHAWAY B NEWCLAS	1.30%
FACEBOOK INC CLASS A	1.08%
VANGUARD TOTAL STOCK MKTSTK I	1.08%
GENERAL ELECTRIC COMPANY	1.04%
SCHW US BRD MKT ETF	0.99%
BANK OF AMERICA CORP	0.97%
POWERSHS QQQ TRUST SER 1	0.94%
SPDR GOLD TRUST	0.88%

Top 10 Mutual Fund Holdings**	% of MF Assets
SCHWAB S&P 500 INDEX FD	2.46%
SCHWAB TOTAL STOCK MKT	1.12%
OAKMARK INTL FD CLASS I	0.84%
PIMCO TOTAL RETURN FUND CL D	0.82%
AMG YACKTMAN FOCUSED FD SVC	0.78%
PIMCO TOTAL RETURN FUND INSTL	0.74%
PIMCO INCM CL D	0.70%
OAKMARK EQUITY & INCOME FD CL	0.70%
VANGUARD 500 INDEX FD	0.67%
DODGE & COX INTL STOCK	0.65%

*Data is based on SchwabPlan® PCRA participants only (approximately 11,000 accounts). All other figures are based on Schwab's full PCRA participant population with a minimum balance of \$5,000.

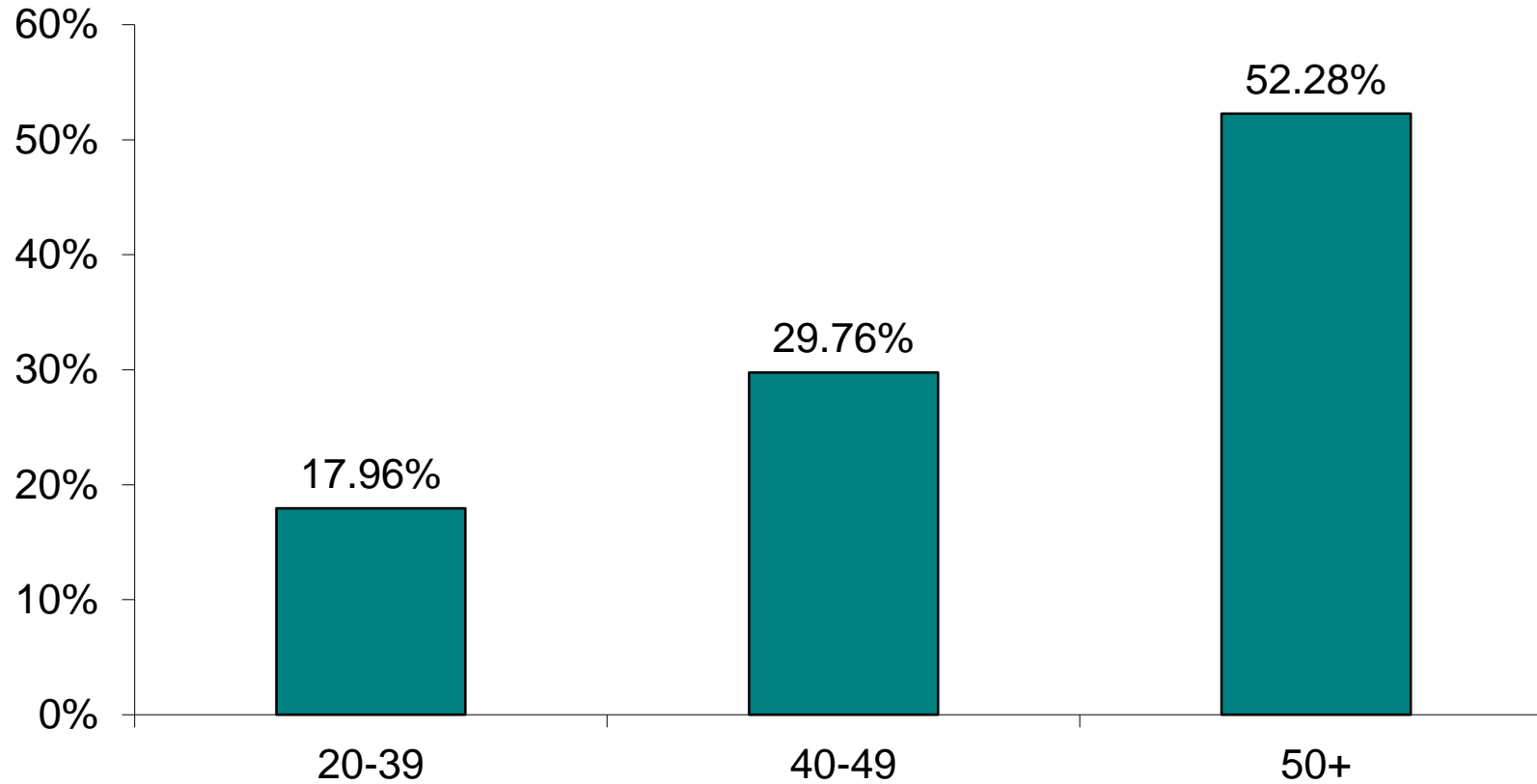
**None of the information constitutes a recommendation by Schwab or a solicitation of an offer to buy or sell any securities. Prospectuses containing more information including management fees and expenses are available from Schwab. Please always read the prospectus carefully before investing or sending 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 60,000 accounts). All data is for informational purposes only. Schwab does not guarantee the accuracy, timeliness or completeness of the information.

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PCRA Participants within Age Bands* - All

As of June 30, 2014

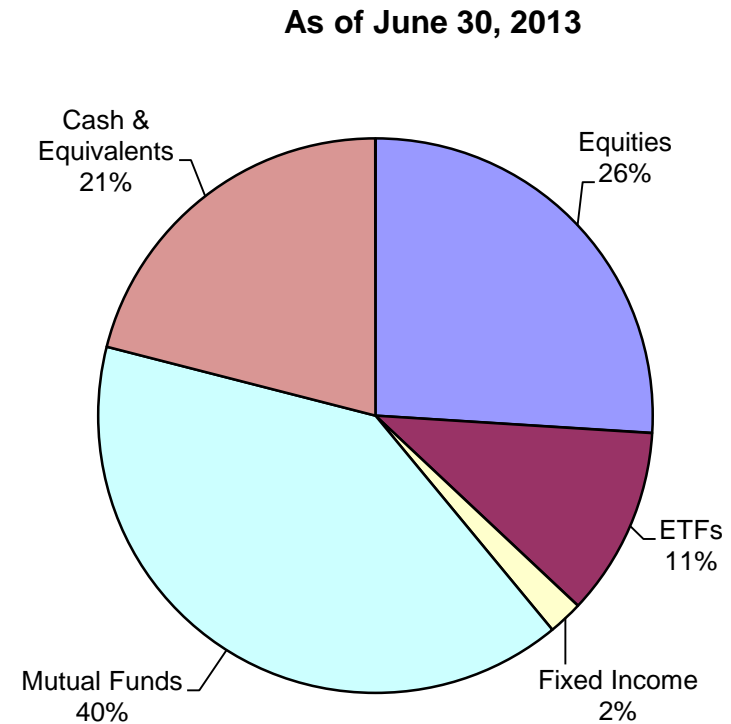
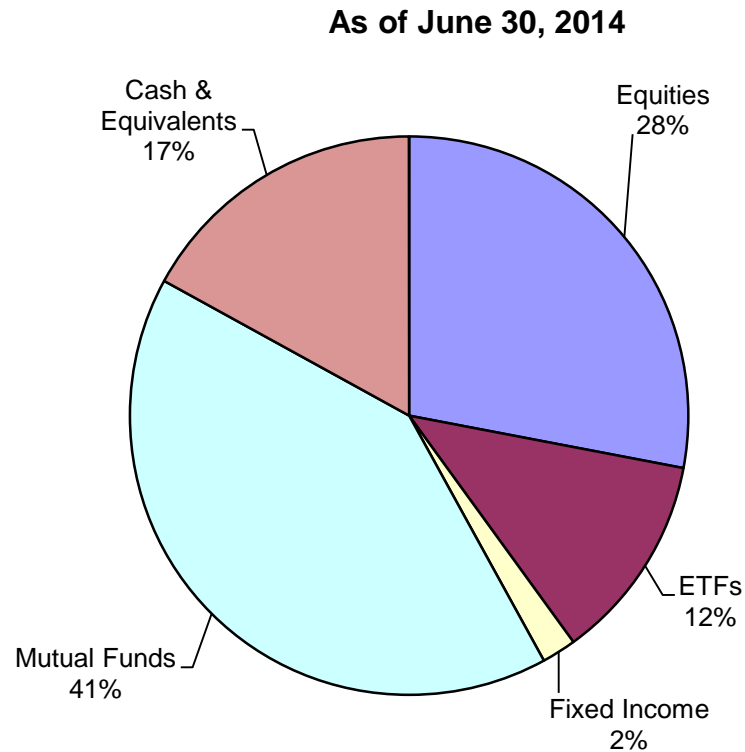


*Data is based on SchwabPlan PCRA participants only (approximately 10,000 accounts).

Figures are based on PCRA participants with a minimum balance of \$5,000 in their PCRA account (approximately 60,000 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)

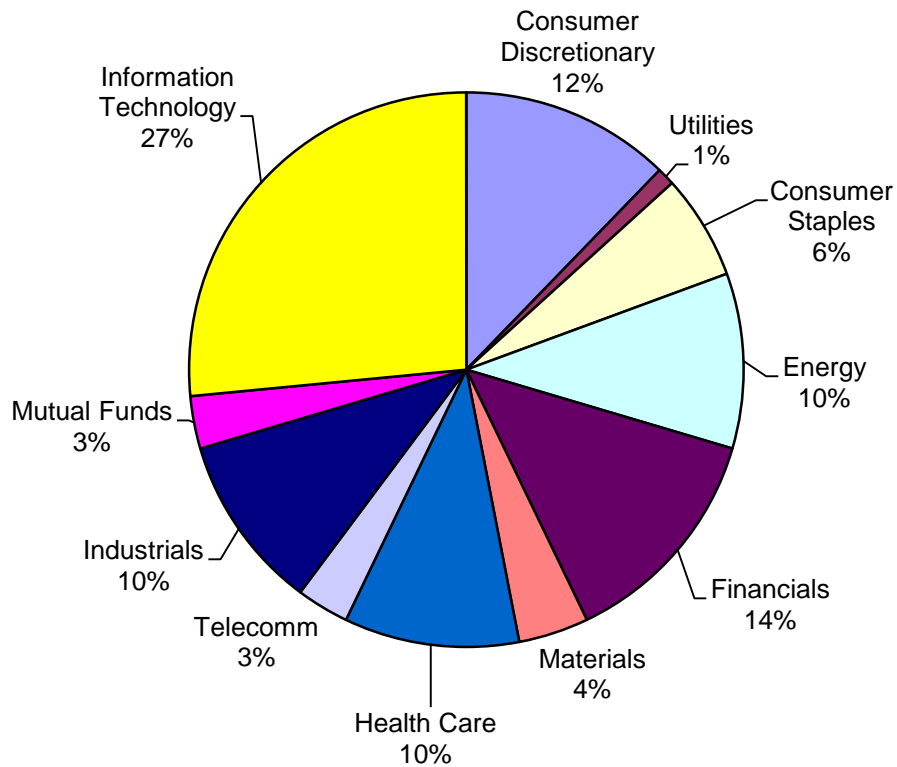


This chart illustrates the percent of PCRA participant assets in each noted asset class as a percentage of total PCRA assets. Percentages are calculated as of month end. Money market mutual funds are classified under Cash & Equivalents. Figures are based on all PCRA participants with a minimum balance of \$5,000 in their PCRA account (approximately 60,000 accounts). All data is for informational purposes only. Schwab does not guarantee the accuracy, timeliness or completeness of the information.

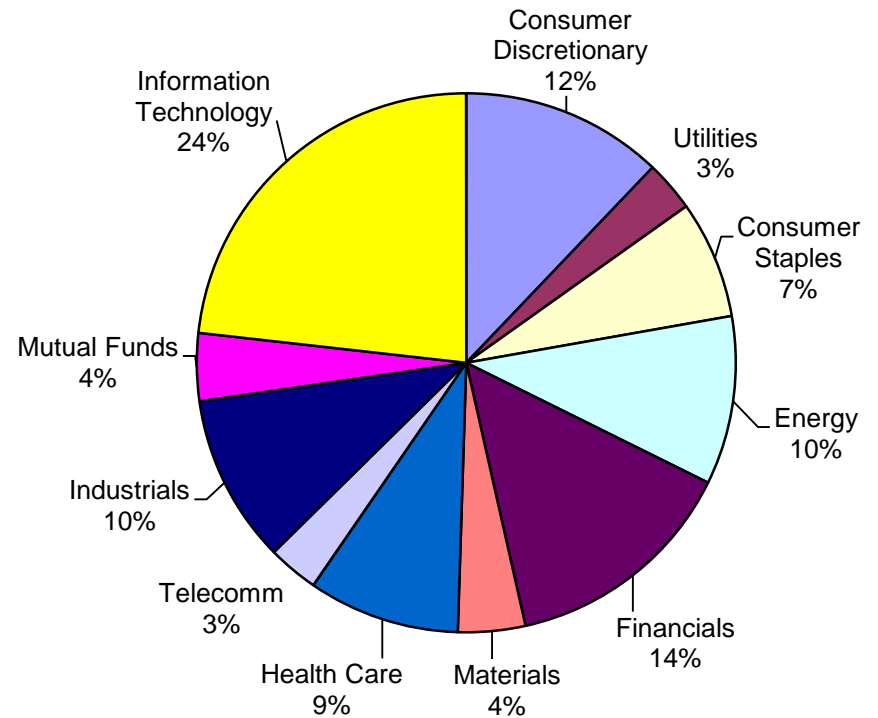
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Market Value Allocation - Equity Sectors - All (Year over Year)

As of June 30, 2014



As of June 30, 2013

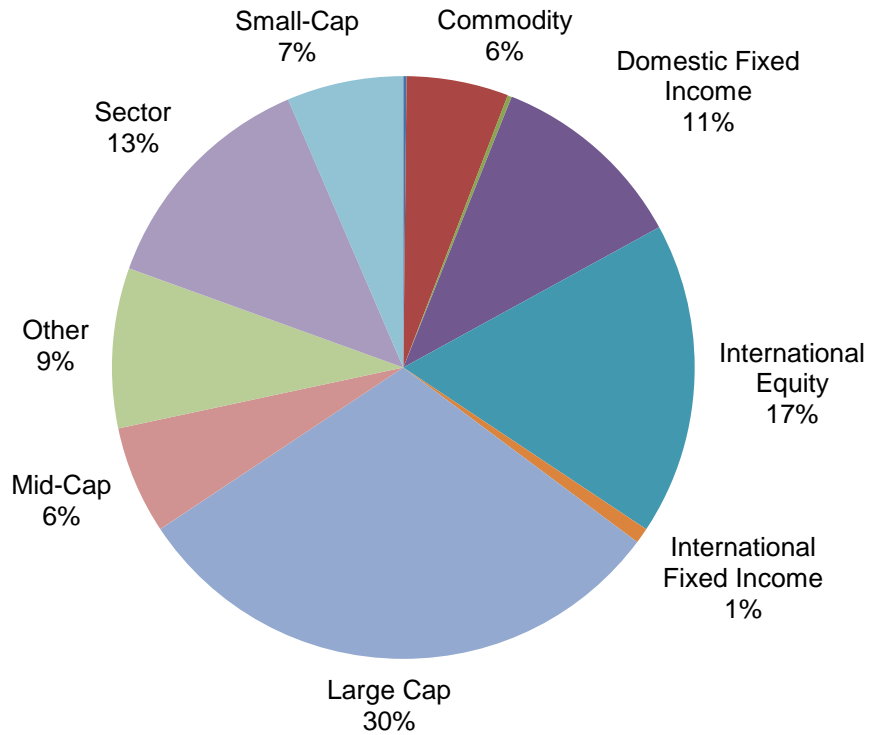


This chart illustrates the percent of PCRA participant assets in each equity sector, as classified by Standard & Poor's®, as a percentage of total PCRA assets within equity securities. Percentages are calculated as of month end. Figures are based on all PCRA participants with a minimum balance of \$5,000 in their PCRA account (approximately 60,000 accounts). Data is for informational purposes only. Schwab does not guarantee the accuracy, timeliness or completeness of the information.

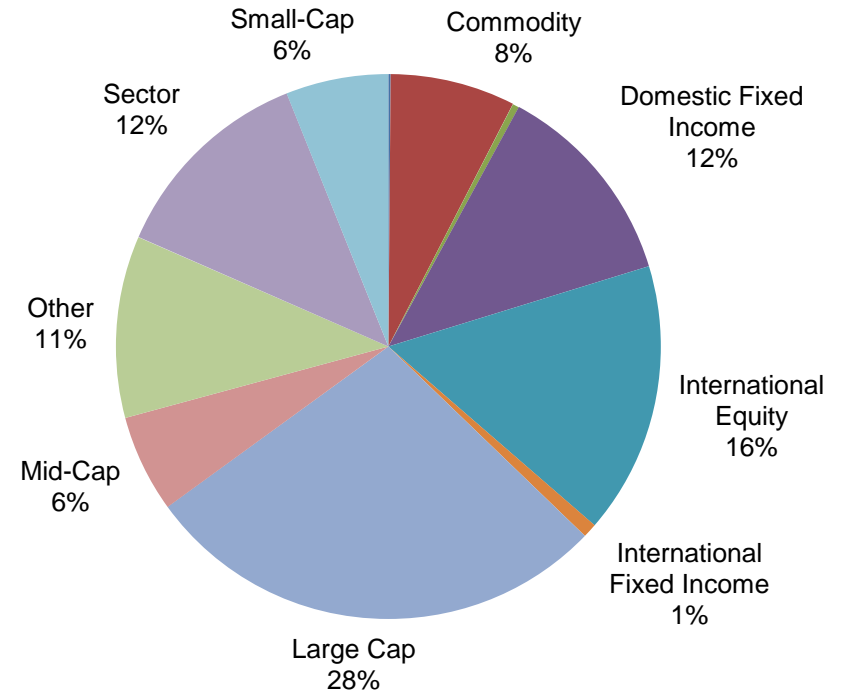
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Market Value Allocation - Exchange Traded Funds (ETF) Sectors* - All (Year over Year)

As of June 30, 2014



As of June 2013

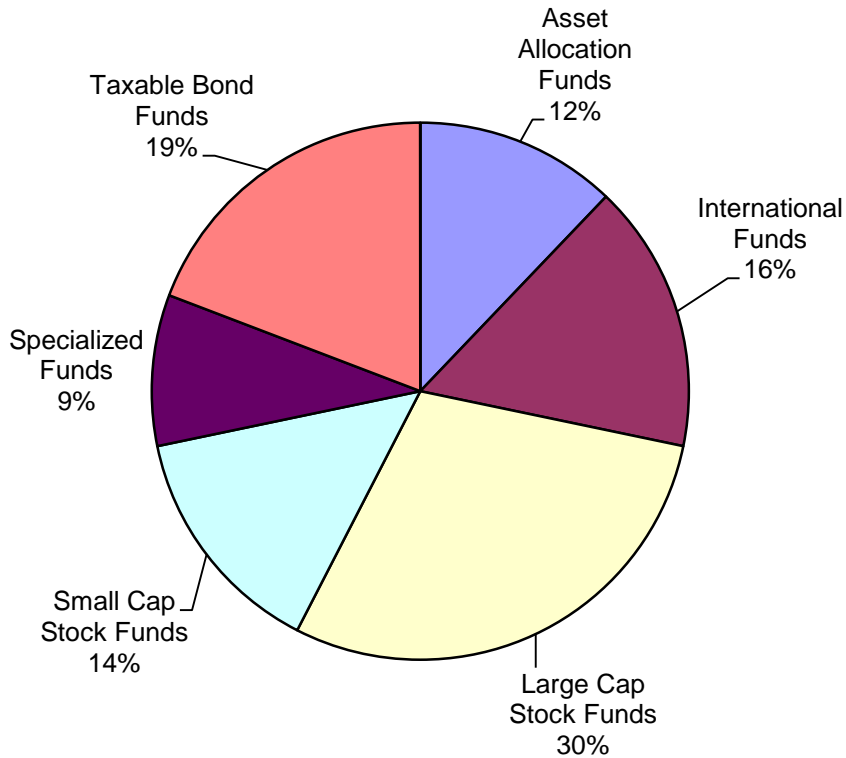


This chart illustrates the percent of PCRA participant assets in each ETF sector, as classified by Morningstar, as a percentage of total PCRA assets within ETF securities. Percentages are calculated as of month-end.

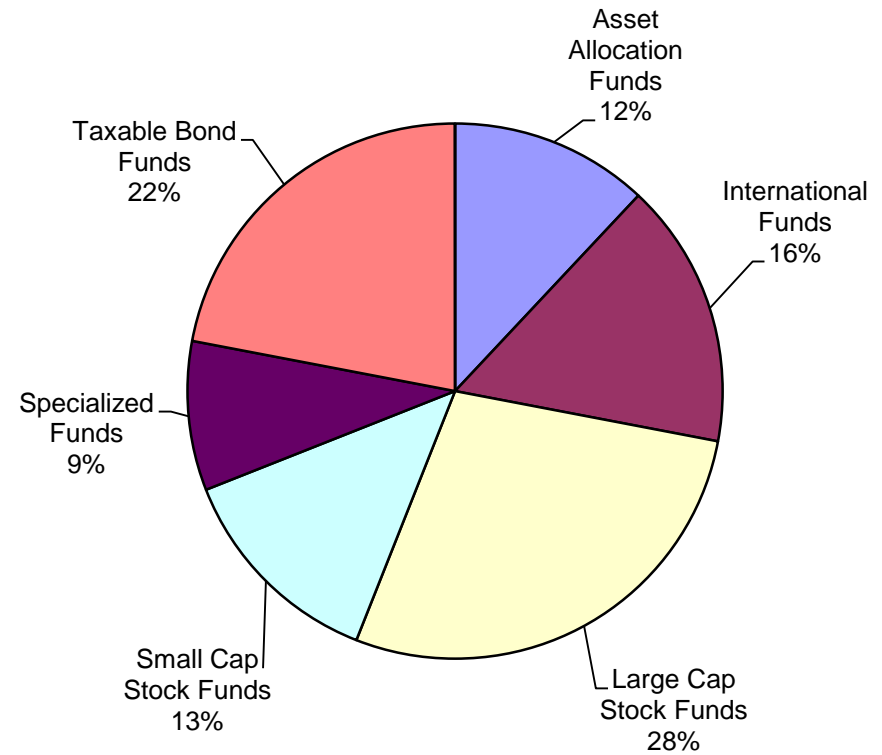
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Market Value Allocation - Mutual Funds - All (Year over Year)

As of June 30, 2014



As of June 30, 2013

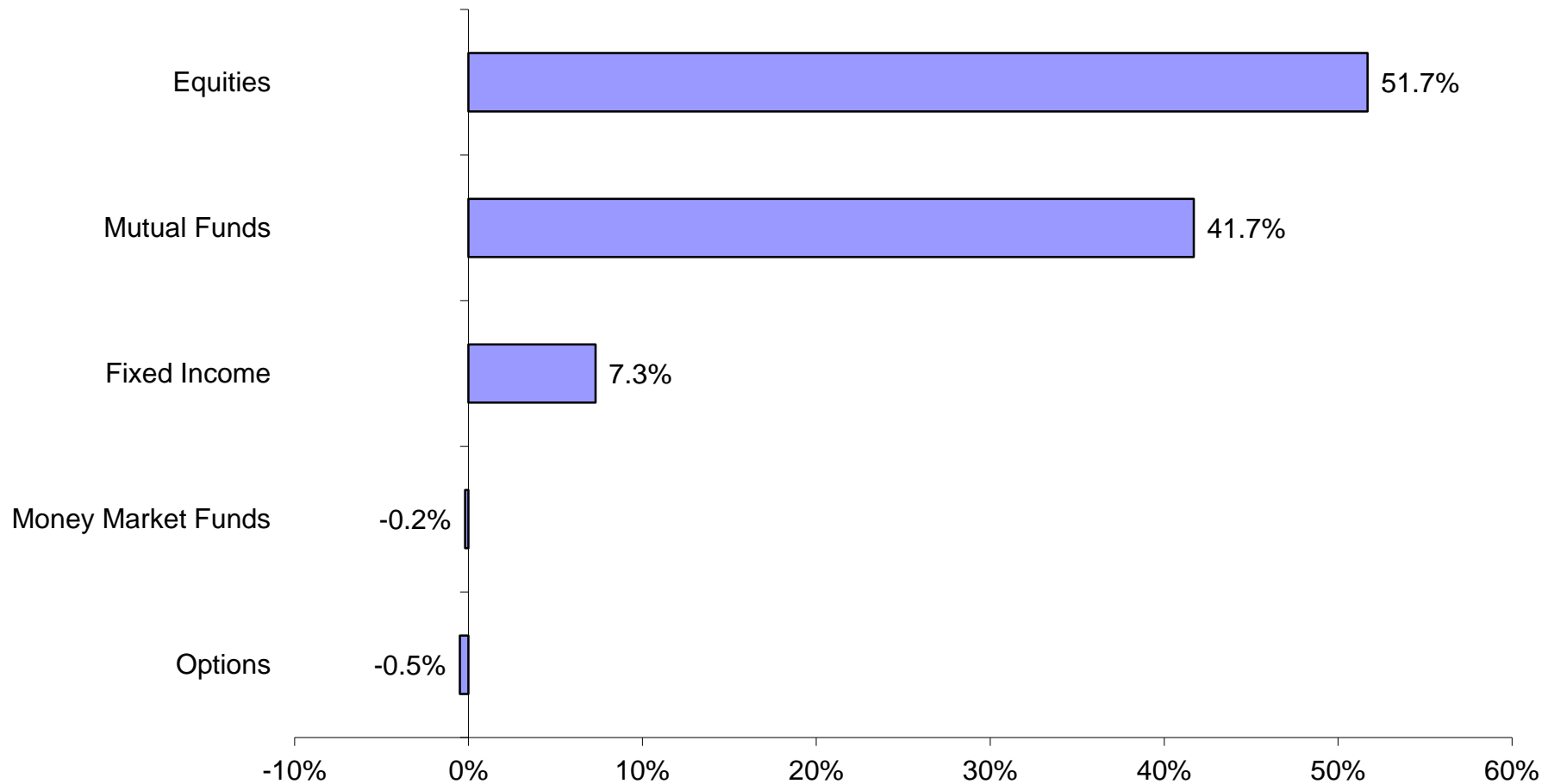


This chart illustrates the percent of PCRA participant assets in each mutual fund category, as classified by Morningstar Inc., as a percentage of total PCRA long-term mutual fund assets. Percentages are calculated as of month end. Figures are based on all PCRA participants with a minimum balance of \$5,000 in their PCRA account (approximately 60,000 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. 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 - Asset Class - All

As of June 30, 2014



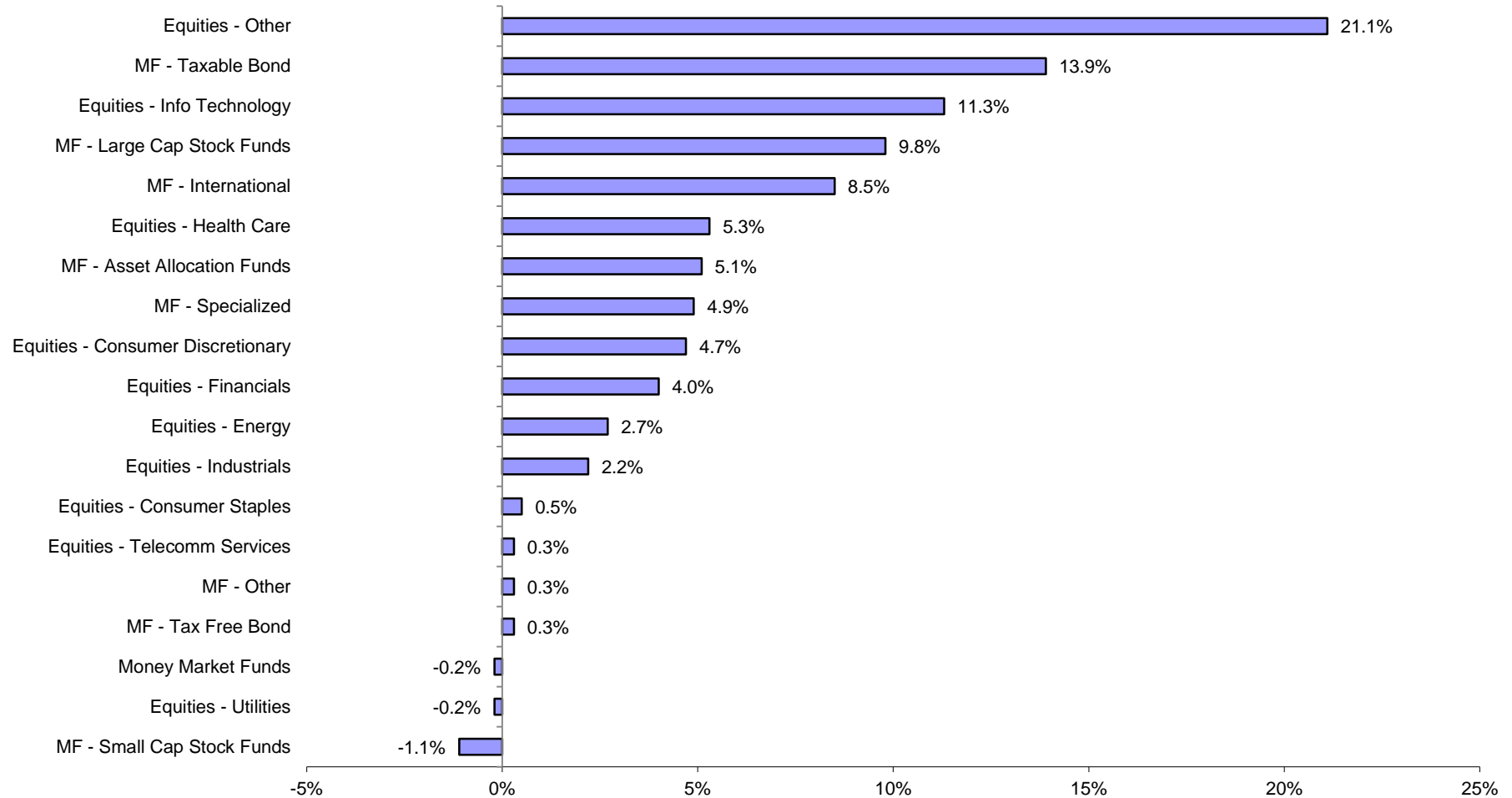
This chart illustrates the percent of total net flows within each asset class over the three month period ending June 30, 2014.

Net flow percentages are calculated by adding the purchases and sales amounts within each respective asset class 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 60,000 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 June 30, 2014



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

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 60,000 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 fund seeks 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).