

The Schwab Self-Directed Brokerage Account Indicators™

Quarter Ending Sept 30, 2014

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

charles
SCHWAB

The Schwab Self-Directed Brokerage Account Indicators™

Key Schwab Observations for the Third Quarter 2014:

Asset Balance Summary

With geopolitical concerns about volatility in the Ukraine and Middle East, coupled with the Federal Reserve ending quantitative easing at the end October the market had modest returns for the quarter with the S&P 500 Index posting a 1.13% return. This marks the seventh consecutive quarterly gain for the S&P 500 Index which is up 8.34% for the year.

In comparison to last year, participants in the Schwab Personal Choice Retirement Account® (PCRA) decreased their average trades by 3.32%, while their number of account positions increased by 3.39% and overall average account values grew by 8.9% to \$200k. The Powershares QQQ replaced Ford in the Top 10 Equity Holdings, while the number of participants aged 50 and over grew to 52.77%.

Investing Behavior and General Investing Characteristics

Asset Allocation

A common trend that can be seen among participants is a reduction in their Mutual Funds and Cash & Equivalents exposure and a re-allocation into Exchange Traded Funds (ETFs) which jumped to 14%. Evidence of this is more apparent when comparing the top 10 equity holdings from a year ago, with half of them being ETFs.

Equities

The largest shift in the equity sectors by participants was a 3% increase in Information Technology and a 2% rise in Health Care. The overall top three largest sector holdings for participants continues to be Information Technology at 28%, followed by Financials at 13% and Consumer Discretionary at 12%.

Exchange-Traded Funds (ETFs)

With the continued decline of Commodity prices it is no surprise to see participants carry over their behavior from last quarter as they shed 2% of their Commodity (6%) holdings and reallocated into Large Caps (30%). Also there were 1% increases in International Equity, Small Cap and Specialized Sector ETFs.

Mutual Funds

Taxable Bond Funds carried on its theme from last year as participants reduced their exposure by 2%, giving it an overall allocation of 19%. All while participants continued to add to their Large Cap Stock funds growing their allocations to 30%.

Asset Flows

Net asset flows into Equities (up 68.6%), Mutual Funds (up 20%) and Fixed Income (up 12.2%) captured the majority of net asset flows for the quarter. When examining the asset flows broken down by sector ETFs, Information Technology Equities and International Funds were the top three choices among participants.

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.

The Schwab Self-Directed Brokerage Account Indicators™

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

Table of Contents:

- Key Schwab Observation for Quarter Ending September 30, 2014
- PCRA Participant Profile Information 2
- PCRA Participants within Age Bands 3
- Market Value Allocation - Asset Classes 4
- Market Value Allocation - Equity Sectors 5
- Market Value Allocation - ETF Sectors 6
- Market Value Allocation - Mutual Funds 7
- Net Asset Flow - Asset Classes 8
- Net Asset Flow - All Investment Categories 9

The Schwab Self-Directed Brokerage Account Indicators™

PCRA Participants Profile Information - All

Average Age*	49
Average PCRA Account Balance	\$200,001

Average Positions (per Account)	
Equities	5.10
Mutual Funds	2.91
Cash & Equivalents	1.27
Fixed-Income	0.17
Total	9.45

Average Trades in Q1 (per Account)	
Equities	3.21
Mutual Funds	2.28
Fixed-Income	0.03
Total	5.52

Median Percent Invested*	
PCRA	73.1%
Core Offering	26.9%

Top 10 Equity Holdings**	% of Equity Assets
APPLE INC	7.07%
BERKSHIRE HATHAWAY B NEWCLAS	1.47%
S P D R S&P 500 ETF TR	1.45%
FACEBOOK INC CLASS A	1.14%
VANGUARD TOTAL STOCK MKTSTK I	1.10%
BANK OF AMERICA CORP	1.09%
SCHW US BRD MKT ETF	1.05%
POWERSHS QQQ TRUST SER 1	1.05%
GENERAL ELECTRIC COMPANY	1.01%
SPDR GOLD TRUST	0.79%

Top 10 Mutual Fund Holdings**	% of MF Assets
SCHWAB S&P 500 INDEX FD	2.59%
SCHWAB TOTAL STOCK MKT	1.15%
AMG YACKTMAN FOCUSED FD SVC	0.76%
OAKMARK INTL FD CLASS I	0.75%
PIMCO TOTAL RETURN FUND CL D	0.75%
PIMCO INCM CL D	0.73%
VANGUARD 500 INDEX FD	0.71%
DODGE & COX INTL STOCK	0.68%
OAKMARK EQUITY & INCOME FD CL	0.68%
PARNASSUS CORE EQTY FD	0.64%

*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.

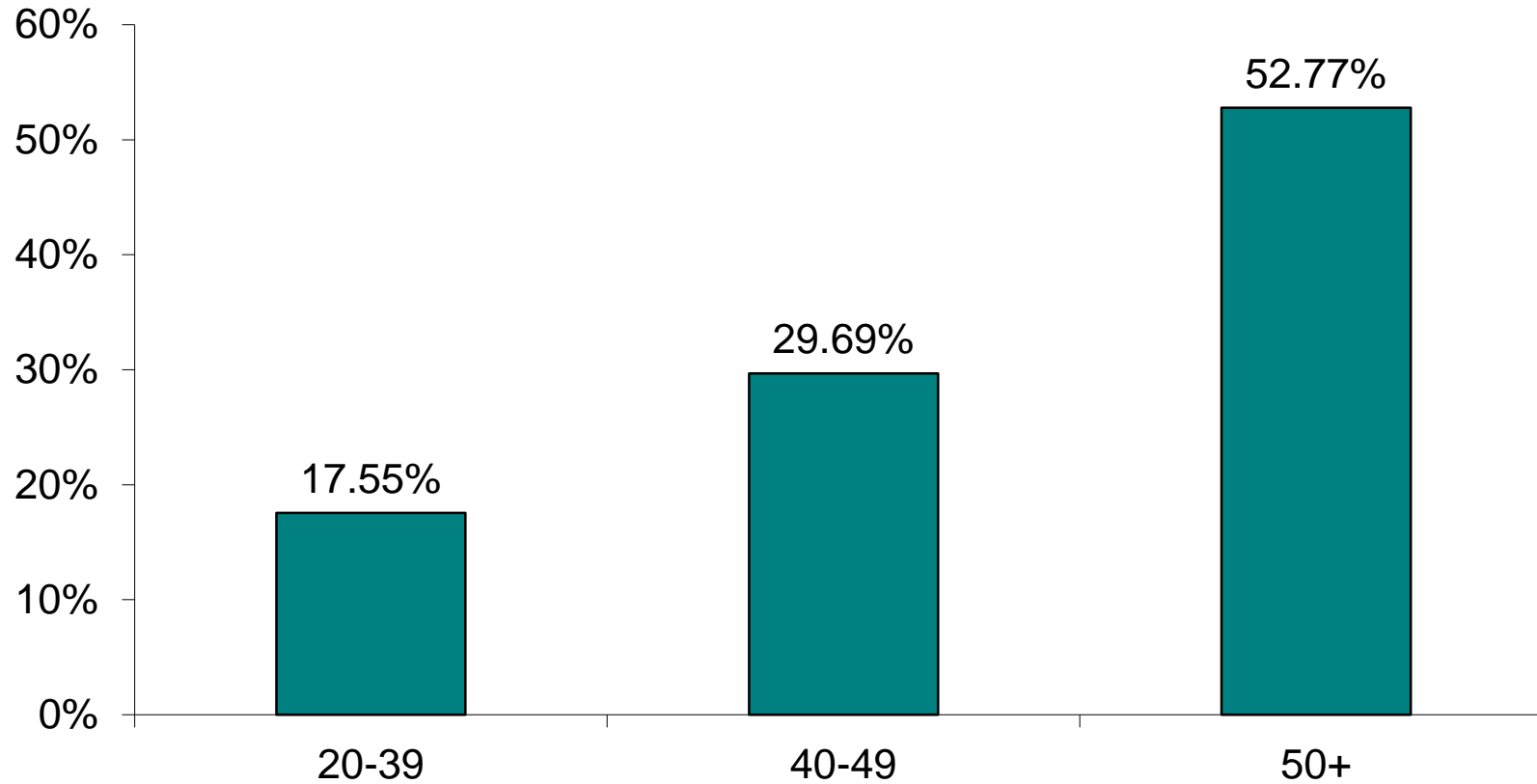
**None of the information constitutes a recommendation by Schwab or a solicitation of an offer to buy or sell any securities. Prospectuses containing more information including management fees and expenses are available from Schwab. Please always read the prospectus carefully before investing or sending 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.

The Schwab Self-Directed Brokerage Account Indicators™

PCRA Participants within Age Bands* - All

As of September 30, 2014



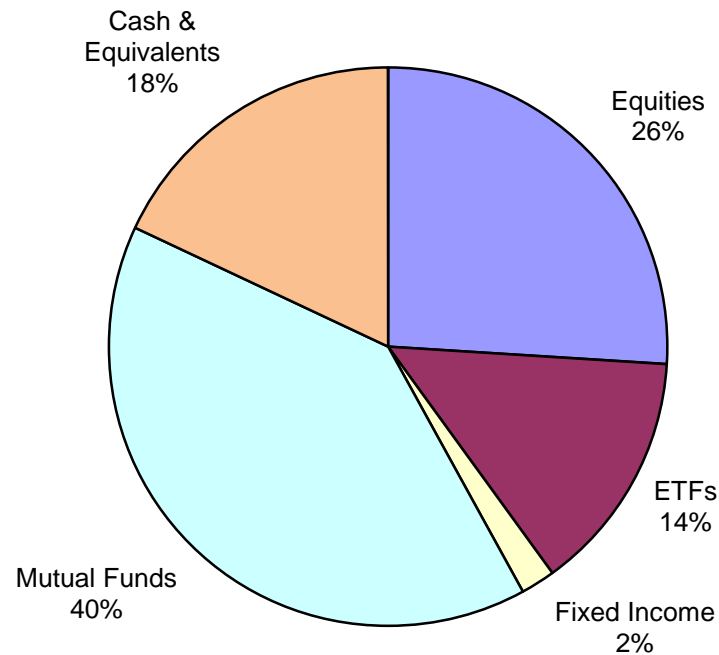
*Data is based on SchwabPlan PCRA participants only (approximately 10,000 accounts).

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.

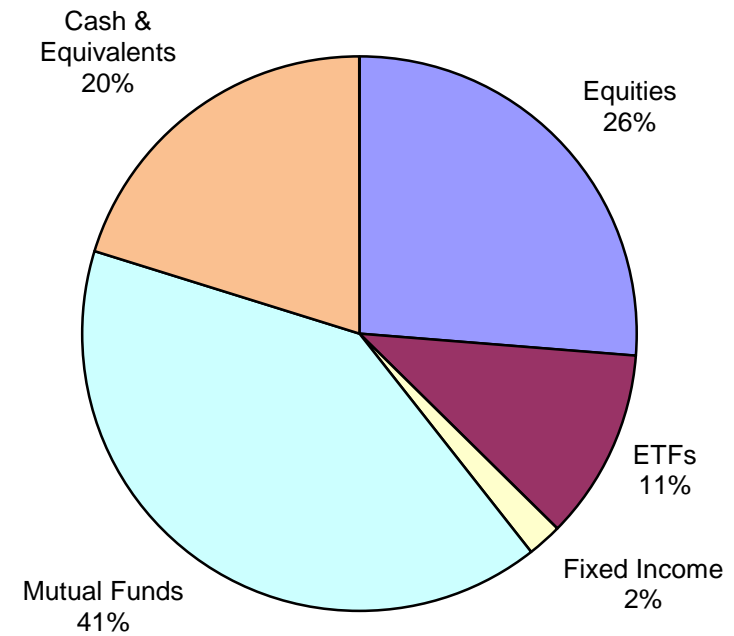
The Schwab Self-Directed Brokerage Account Indicators™

Market Value Allocation - Asset Classes - All (Year over Year)

As of September 30, 2014



As of September 30, 2013

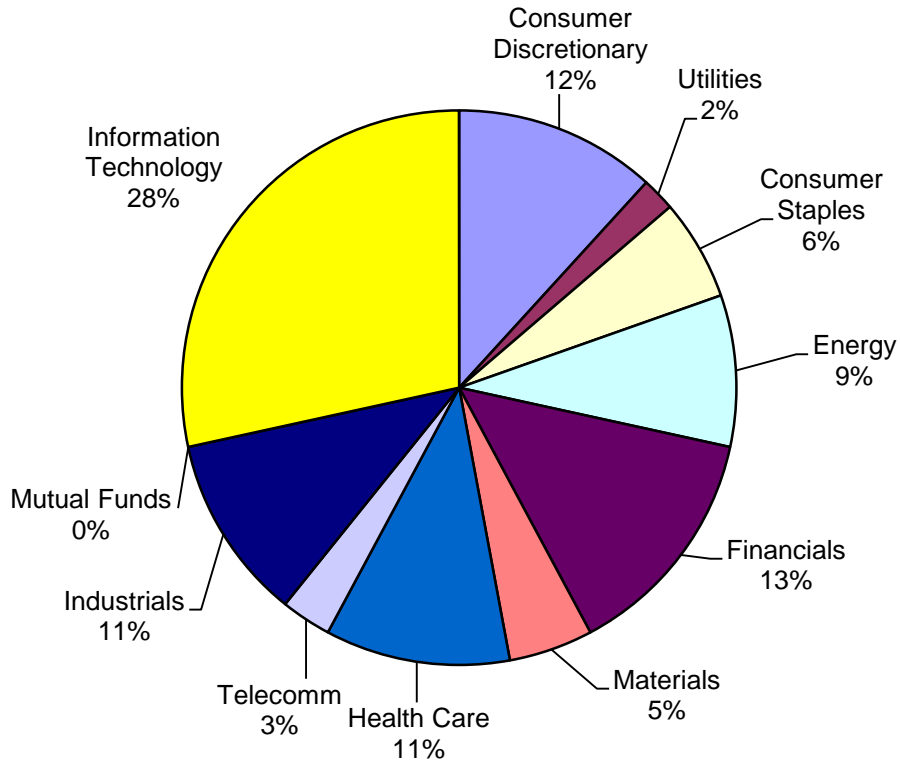


This chart illustrates the percent of PCRA participant assets in each noted asset class as a percentage of total PCRA assets. Percentages are calculated as of month end. Money market mutual funds are classified under Cash & Equivalents. Figures are based on all PCRA participants with a minimum balance 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.

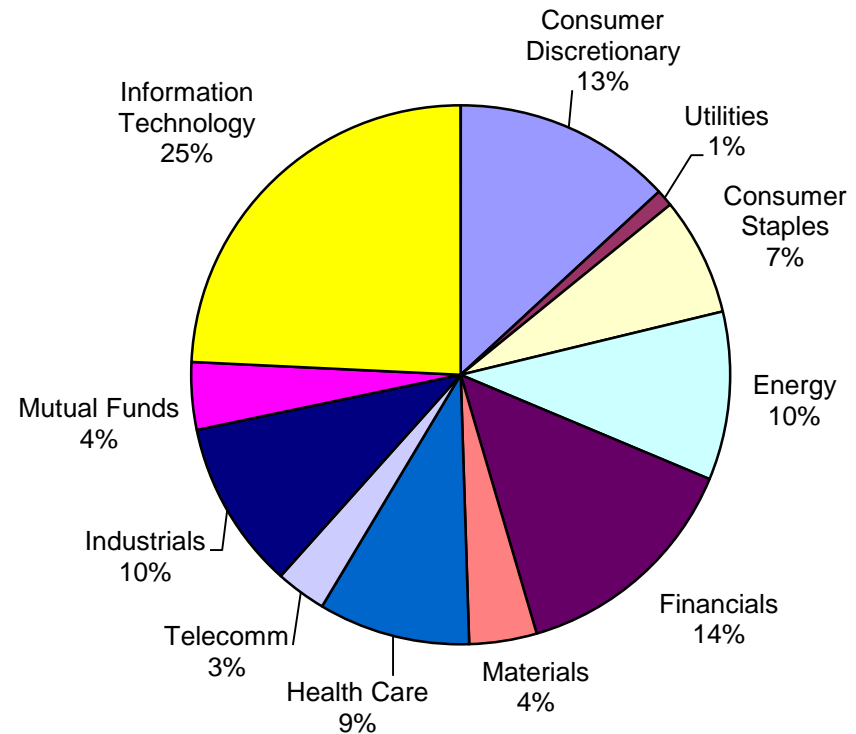
The Schwab Self-Directed Brokerage Account Indicators™

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

As of September 30, 2014



As of September 30, 2013

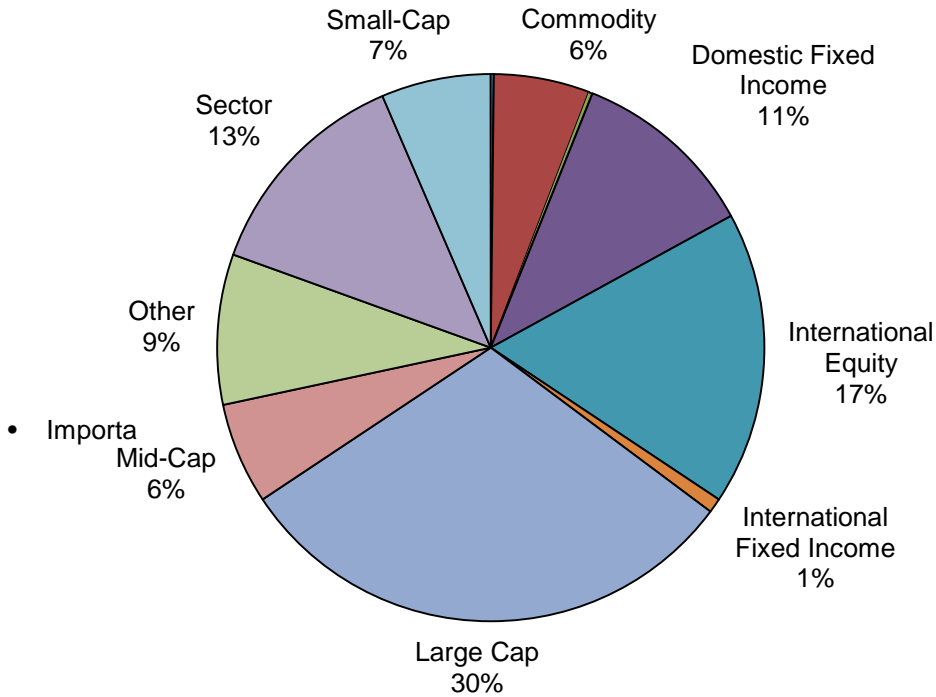


This chart illustrates the percent of PCRA participant assets in each equity sector, as classified by Standard & Poor's®, as a percentage of total PCRA assets within equity securities. Percentages are calculated as of month end. Figures are based on all PCRA participants with a minimum balance of \$5,000 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.

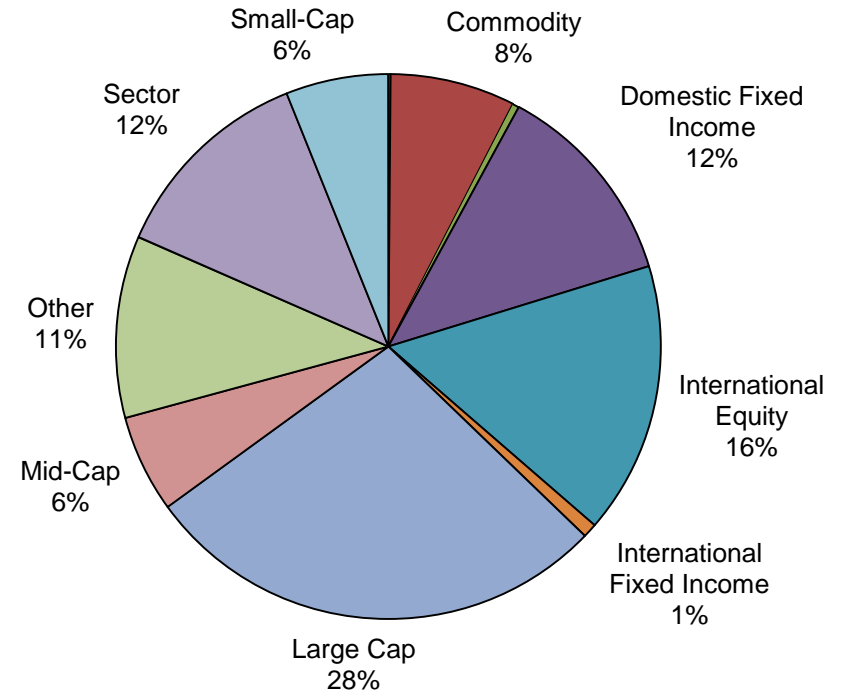
The Schwab Self-Directed Brokerage Account Indicators™

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

As of September 30, 2014



As of September 2013

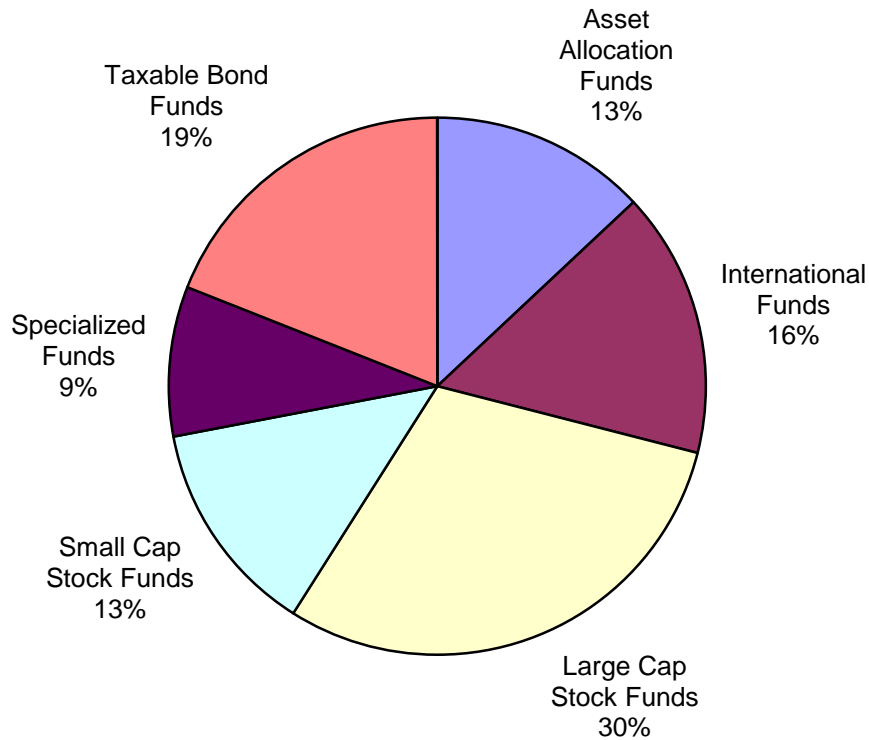


This chart illustrates the percent of PCRA participant assets in each ETF sector, as classified by Morningstar, as a percentage of total PCRA assets within ETF

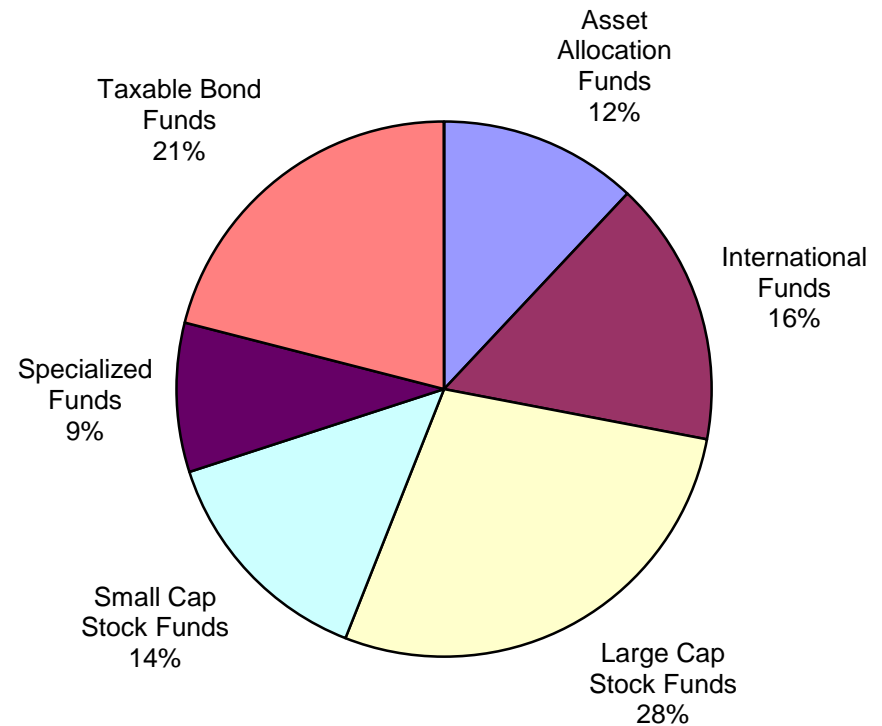
The Schwab Self-Directed Brokerage Account Indicators™

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

As of September 30, 2014



As of September 30, 2013

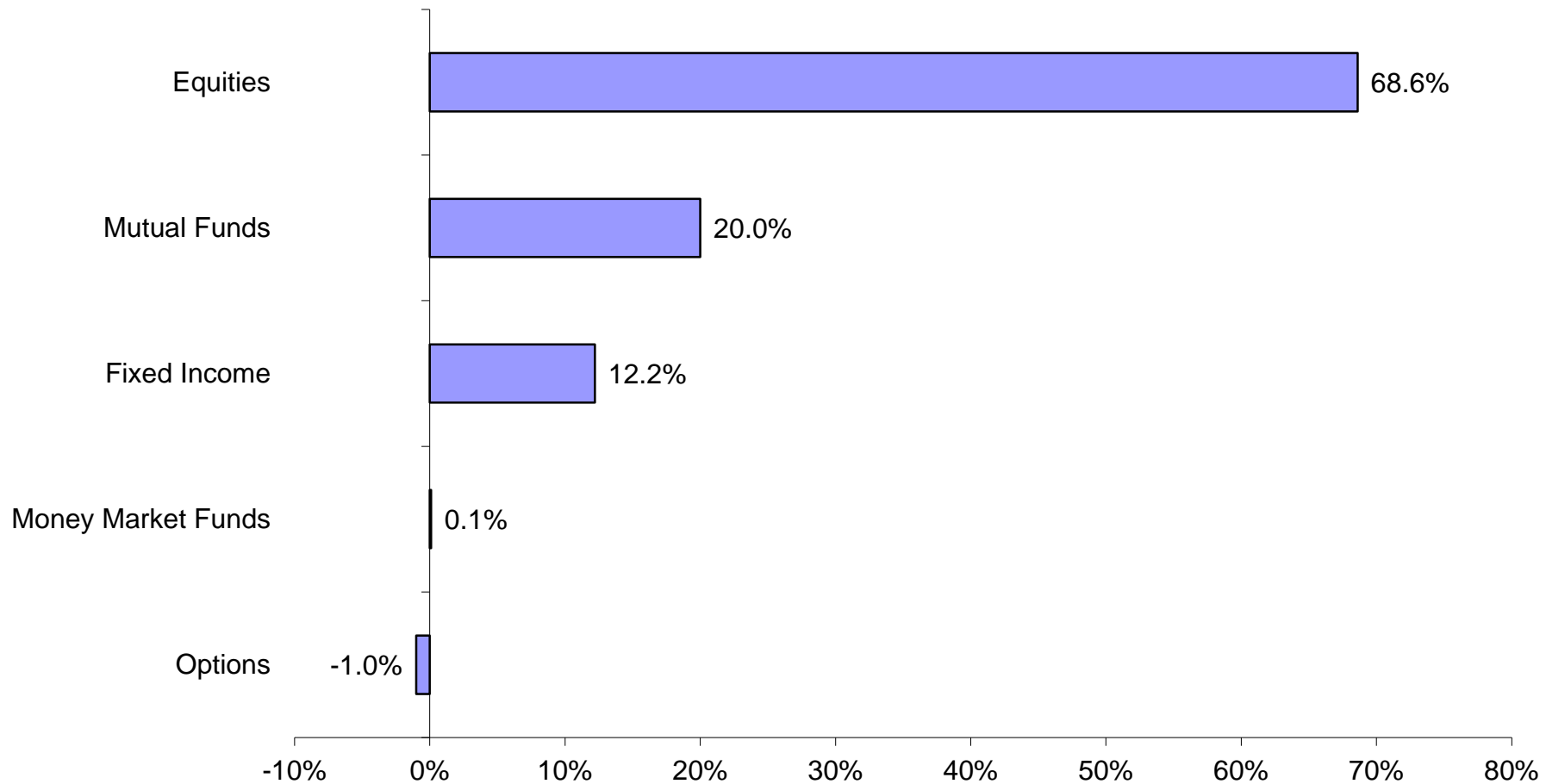


This chart illustrates the percent of PCRA participant assets in each mutual fund category, as classified by Morningstar Inc., as a percentage of total PCRA long-term mutual fund assets. Percentages are calculated as of month end. Figures are based on all PCRA participants with a minimum balance of \$5,000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

The Schwab Self-Directed Brokerage Account Indicators™

Net Asset Flow - Asset Class - All

As of September 30, 2014



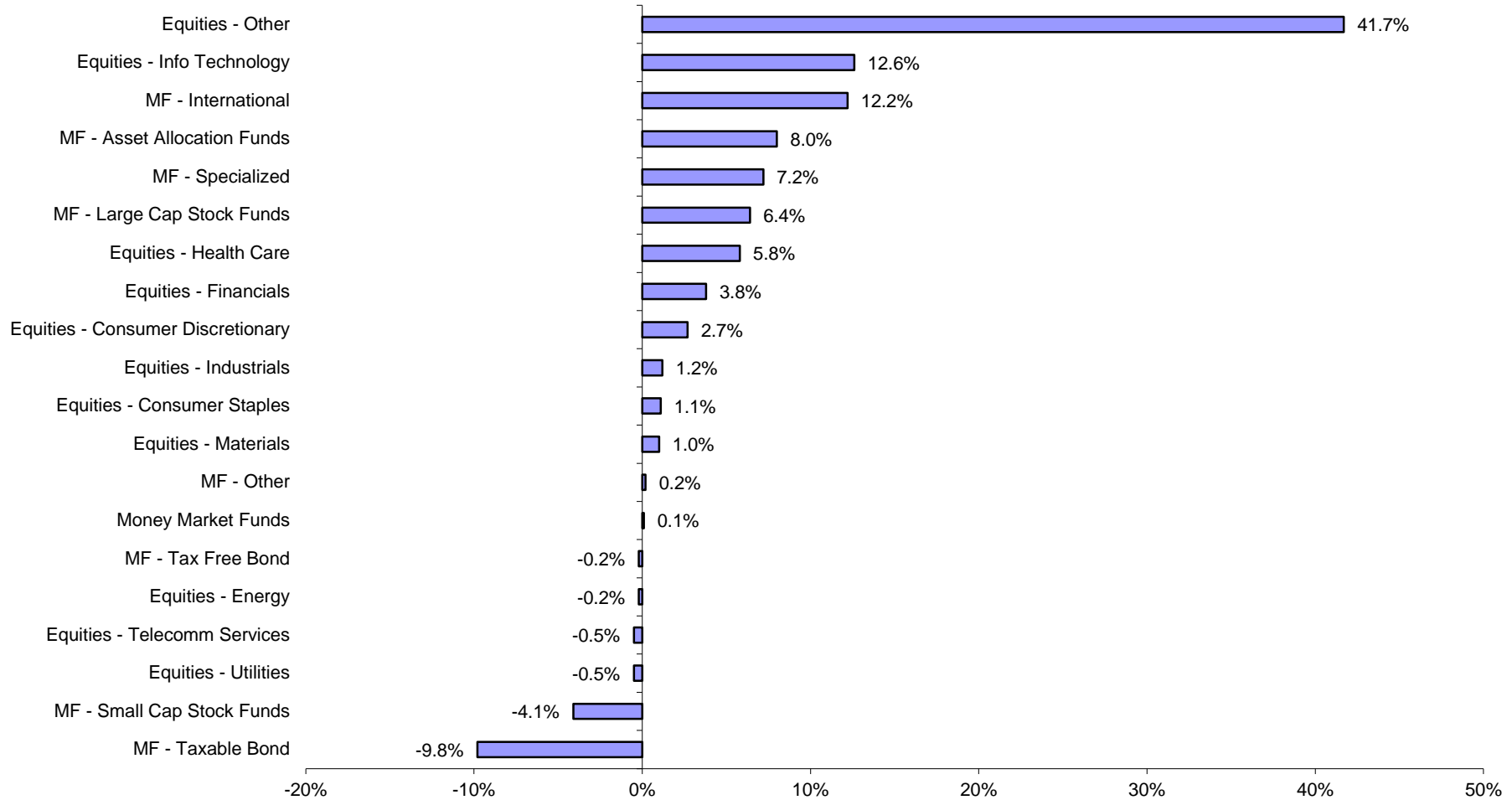
This chart illustrates the percent of total net flows within each asset class over the three month period ending September 30, 2014.

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.

The Schwab Self-Directed Brokerage Account Indicators™

Net Asset Flow - All Categories - All

As of September 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 September 30, 2014.

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).