

The Schwab Self-Directed Brokerage Account Indicators™

Quarter Ending Dec 31, 2014

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

charles
SCHWAB

The Schwab Self-Directed Brokerage Account IndicatorsTM

Key Schwab Observations for the Fourth Quarter 2014:

Asset Balance Summary

The market had another strong year in 2014, with the S&P 500 producing its eighth straight positive fourth quarter with a 4.9% return and a 13.7% return for the year. Even though the fourth quarter presented a few obstacles of its own, the market was able to overcome a sharp sell-off in October due to concerns over the termination of the Federal Reserve's quantitative easing program, a decline in oil prices and fears of an Ebola outbreak that eventually subsided in the fourth quarter.

Since last year, the average participant account balance in the Schwab Personal Choice Retirement Account[®] (PCRA) grew by 5.9% to over \$203k which was up 1.6% from last quarter. Trading volumes were up from last year to 25.2% and 20.6% from Q3. On average, participants held 9 positions in their PCRA, an increase of 3.3% from last year. Over half of the participants are aged 50 and over, which has grown by 1.29% since last year.

Investing Behavior and General Investing Characteristics

Asset Allocation

Mutual Funds held the majority of participant assets to the tune of 40%, while Equities were the second largest holding at 25% with Cash & Equivalents coming in at 17%. During the year there was a noticeable shift of 4% into Exchange Traded Funds (ETFs) as participants trimmed their holdings in Equities and Cash & Equivalents by 2% each.

Equities

There were several minor 1% shifts in participant Equity Sector Holdings over the course of the year, with the largest shift being a 2% increase in Information Technology and Health Care. Just like last year the three largest Equity Sector Holdings were Information Technology at 29%, followed by Financials at 14% and Consumer Discretionary at 13%.

Exchange-Traded Funds (ETFs)

Due to concerns of a decline in Commodity prices it is no surprise to see participants shed 1% of their Commodity holdings to 5%. Evidence of this is more apparent when comparing the top 10 equity holdings from a year ago, as the SPDR Gold Shares fell out of the top 10 holdings. Large Caps ETFs continue to be the top ETF holding in participant accounts at 34%, followed by both International Equity and Sector ETFs at 14%.

Mutual Funds

Across the board there were 1% reductions in participant mutual fund holdings. This was followed by a 2% reallocation into Large Cap and Asset Allocation funds, both combining to capture 45% of all fund allocations.

Asset Flows

Net asset flows into Equities (up 59.9%), Mutual Funds (up 33.3%) and Fixed Income (up 7.4%) captured the majority of net asset flows for the quarter. The largest concentration of net asset flows for the individual sectors were Exchange Traded Funds, Taxable Bond Funds and Energy Equities capturing over 57% of total net asset flows.

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

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PCRA Participants Profile Information - All

Average Age*	49
Average PCRA Account Balance	\$203,393

Average Positions (per Account)	
Equities	5.14
Mutual Funds	2.99
Cash & Equivalents	1.27
Fixed-Income	0.17
Total	9.57

Average Trades in Q4 (per Account)	
Equities	3.64
Mutual Funds	2.99
Fixed-Income	0.03
Total	6.66

Median Percent Invested*	
PCRA	72.7%
Core Offering	27.3%

Top 10 Equity Holdings**	% of Equity Assets
APPLE INC	7.32%
S P D R S&P 500 ETF TR	1.63%
BERKSHIRE HATHAWAY B NEWCLAS	1.61%
SCHW US BRD MKT ETF	1.15%
VANGUARD TOTAL STOCK MKTSTK I	1.15%
POWERSHS QQQ TRUST SER 1	1.09%
BANK OF AMERICA CORP	1.04%
FACEBOOK INC CLASS A	1.04%
GENERAL ELECTRIC COMPANY	0.93%
ALIBABA GROUP HLDG ADR F** PEN	0.86%

Top 10 Mutual Fund Holdings**	% of MF Assets
SCHWAB S&P 500 INDEX FD	2.80%
SCHWAB TOTAL STOCK MKT	1.23%
VANGUARD 500 INDEX FD	0.78%
AMG YACKTMAN FOCUSED FD SVC	0.76%
PIMCO INCM CL D	0.74%
PARNASSUS CORE EQTY FD	0.68%
OAKMARK EQUITY & INCOME FD CL	0.68%
OAKMARK INTL FD CLASS I	0.66%
VANGUARD TOTAL STOCK MKT INDE	0.63%
DODGE & COX INTL STOCK	0.63%

*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.

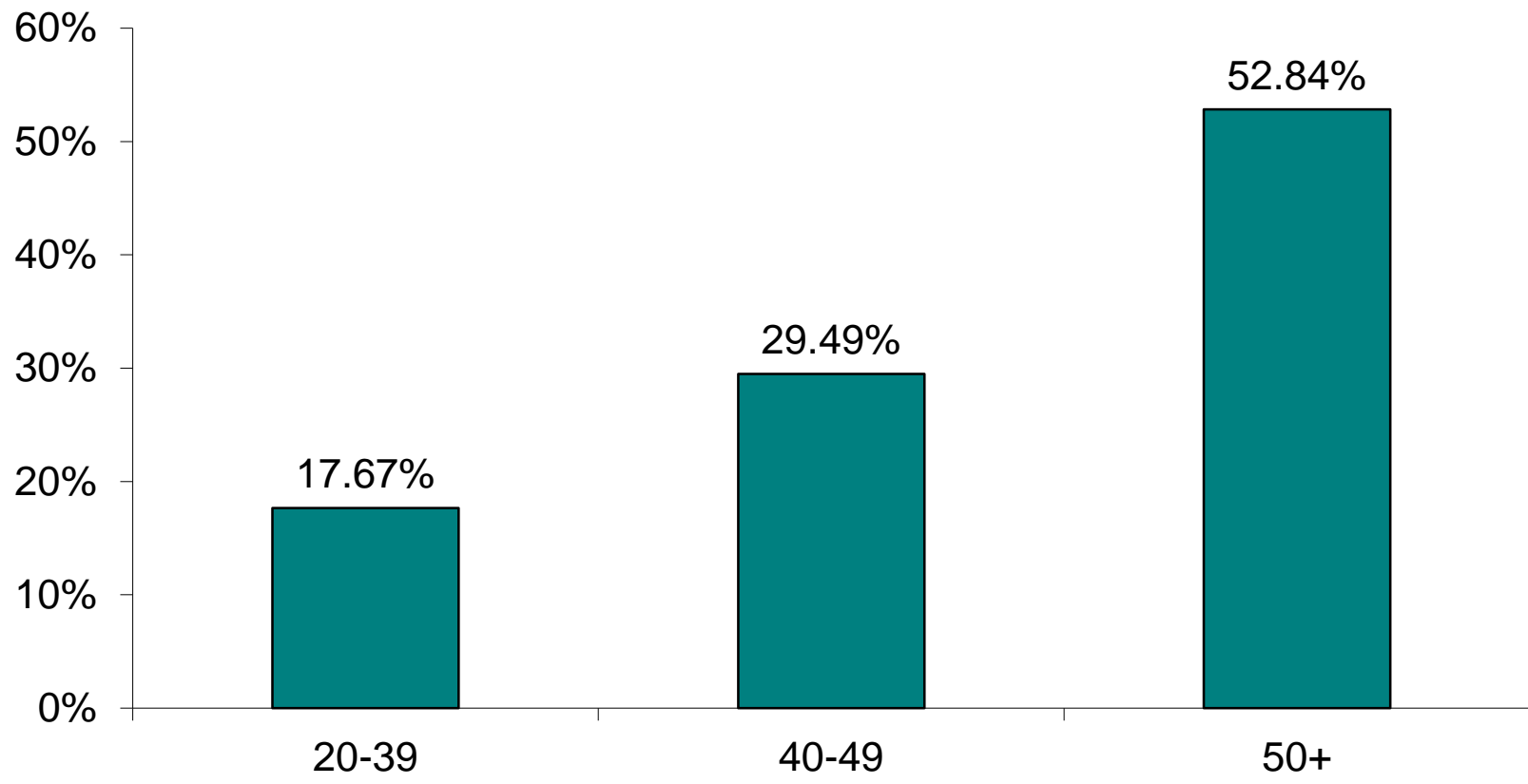
**None of the information constitutes a recommendation by Schwab or a solicitation of an offer to buy or sell any securities. Prospectuses containing more information including management fees and expenses are available from Schwab. Please always read the prospectus carefully before investing or sending 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 December 31, 2014



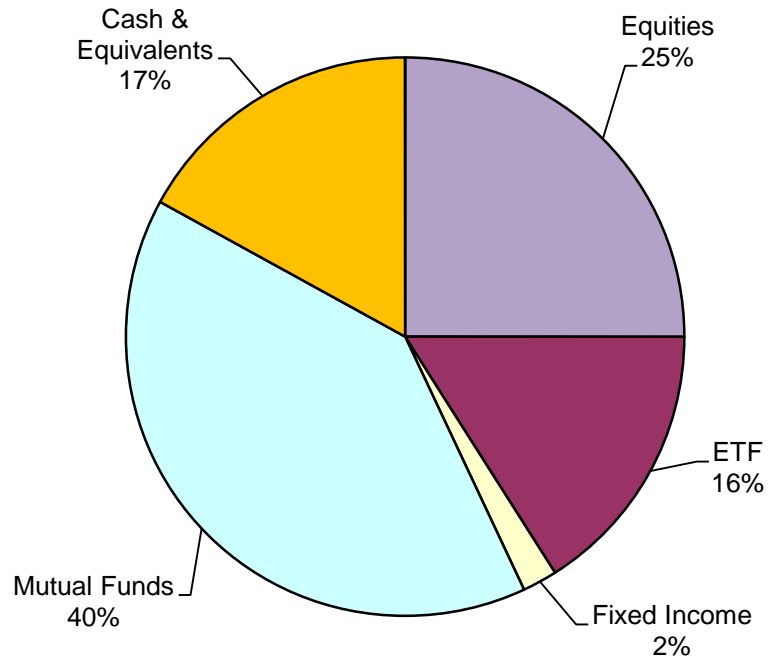
*Data is based on SchwabPlan PCRA participants only (approximately 10,000 accounts).

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.

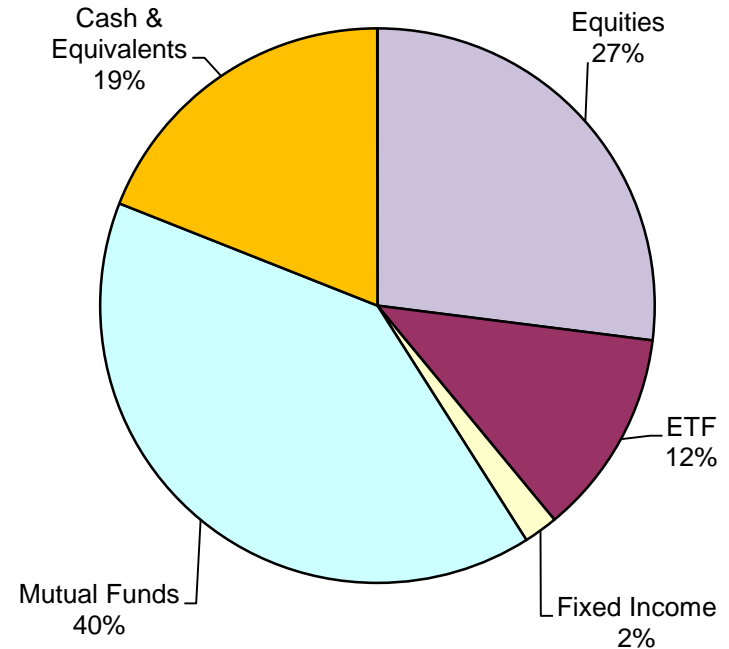
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Market Value Allocation - Asset Classes - All (Year over Year)

As of December 31, 2014



As of December 31, 2013

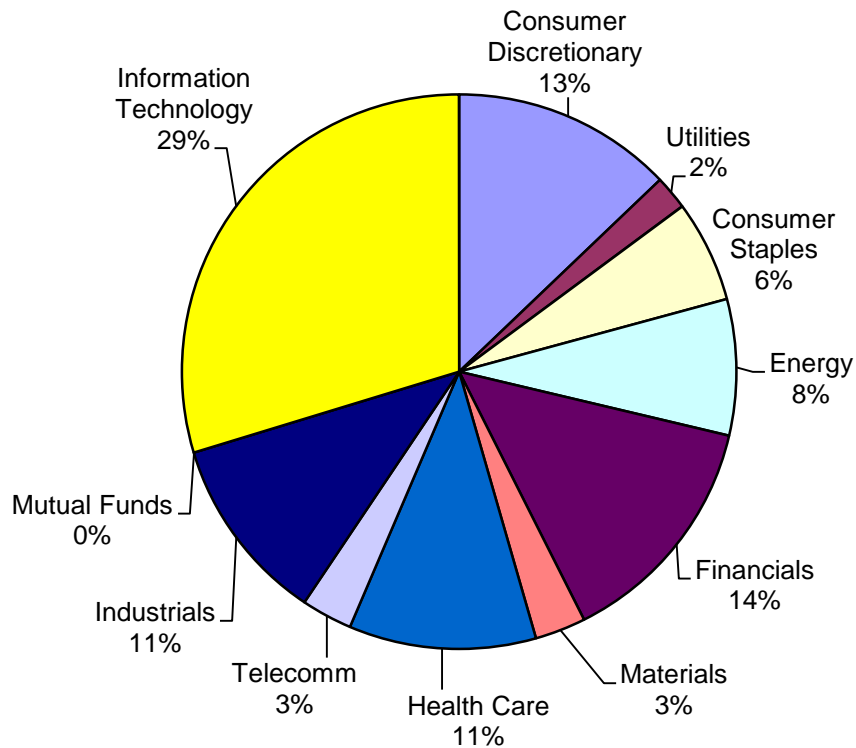


This chart illustrates the percent of PCRA participant assets in each noted asset class as a percentage of total PCRA assets. Percentages are calculated as of month end. Money market mutual funds are classified under Cash & Equivalents. Figures are based on all PCRA participants with a minimum balance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

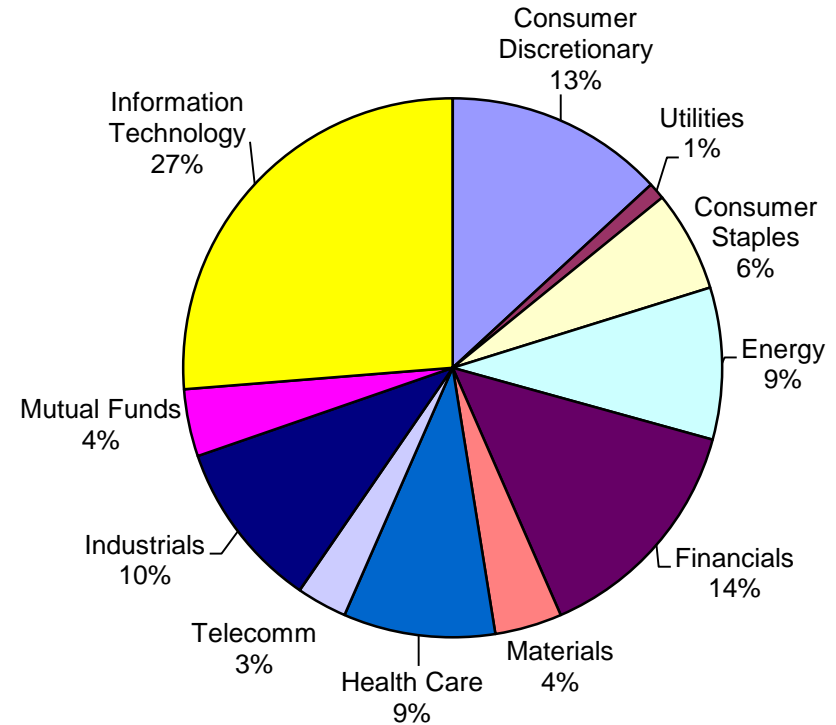
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Market Value Allocation - Equity Sectors - All (Year over Year)

As of December 31, 2014



As of December 31, 2013

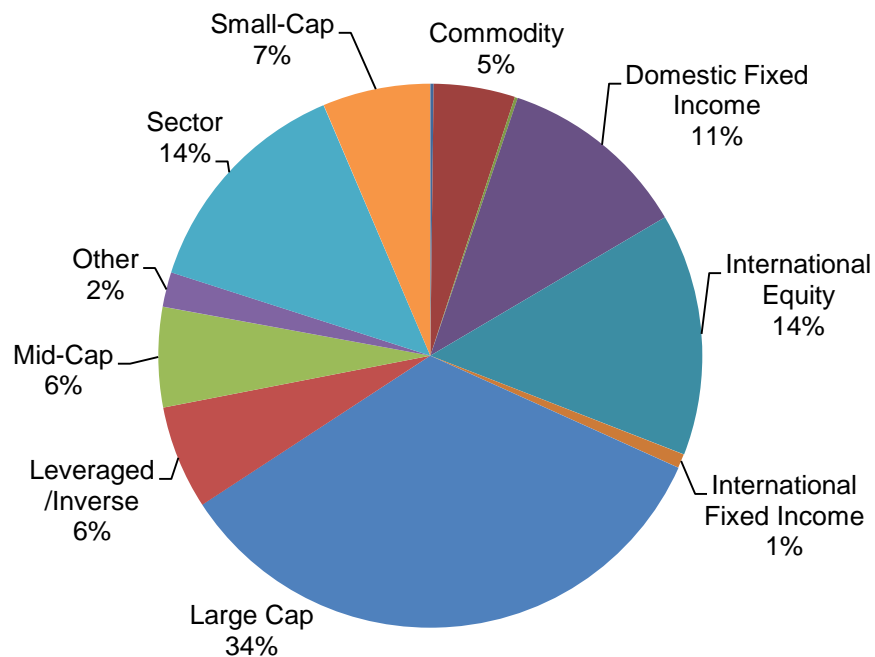


This chart illustrates the percent of PCRA participant assets in each equity sector, as classified by Standard & Poor's®, as a percentage of total PCRA assets within equity securities. Percentages are calculated as of month end. Figures are based on all PCRA participants with a minimum balance of \$5,000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

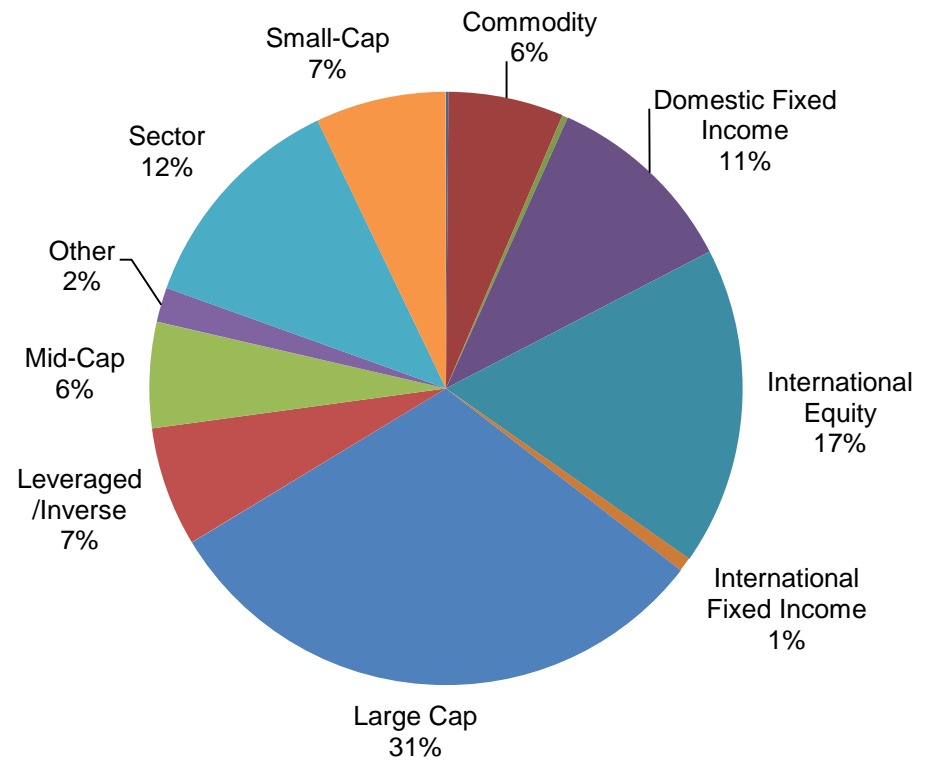
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Market Value Allocation - Exchange Traded Funds (ETF) Sectors* - All (Year over Year)

As of December 31, 2014



As of December 31, 2013

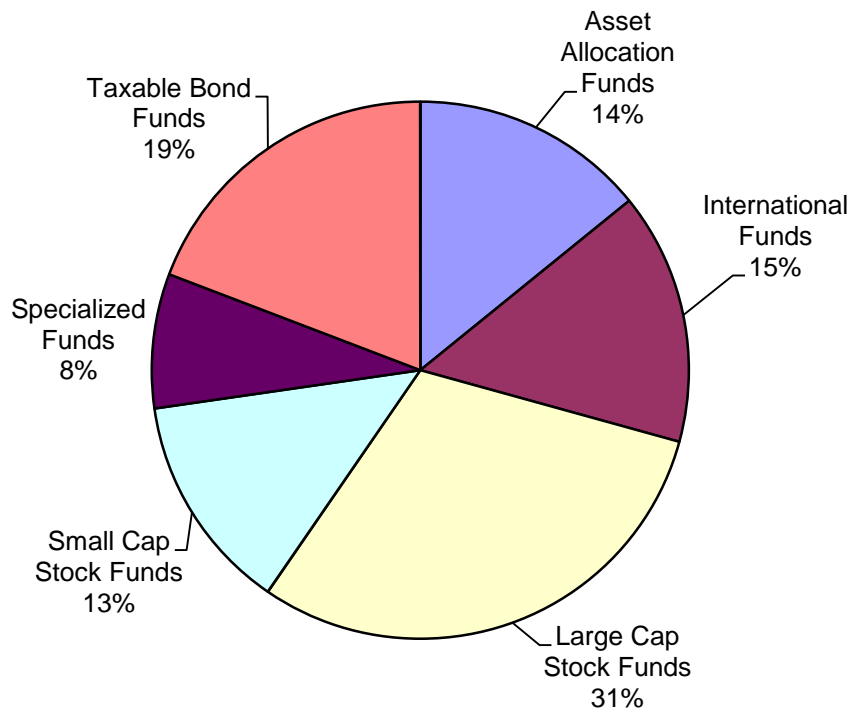


This chart illustrates the percent of PCRA participant assets in each ETF sector, as classified by Morningstar, as a percentage of total PCRA assets within ETF securities. Percentages are calculated

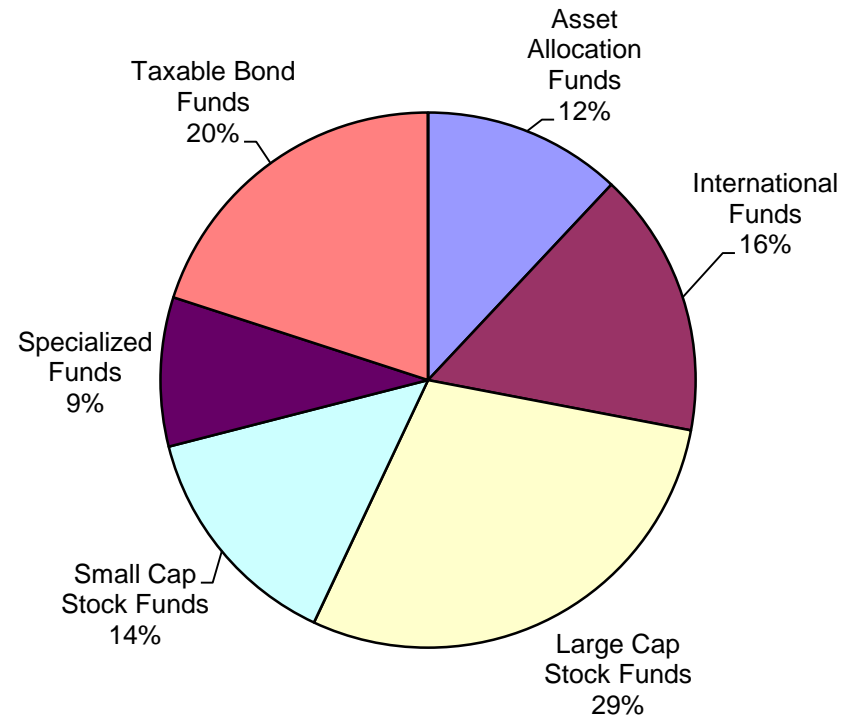
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Market Value Allocation - Mutual Funds - All (Year over Year)

As of December 31, 2014



As of December 31, 2013

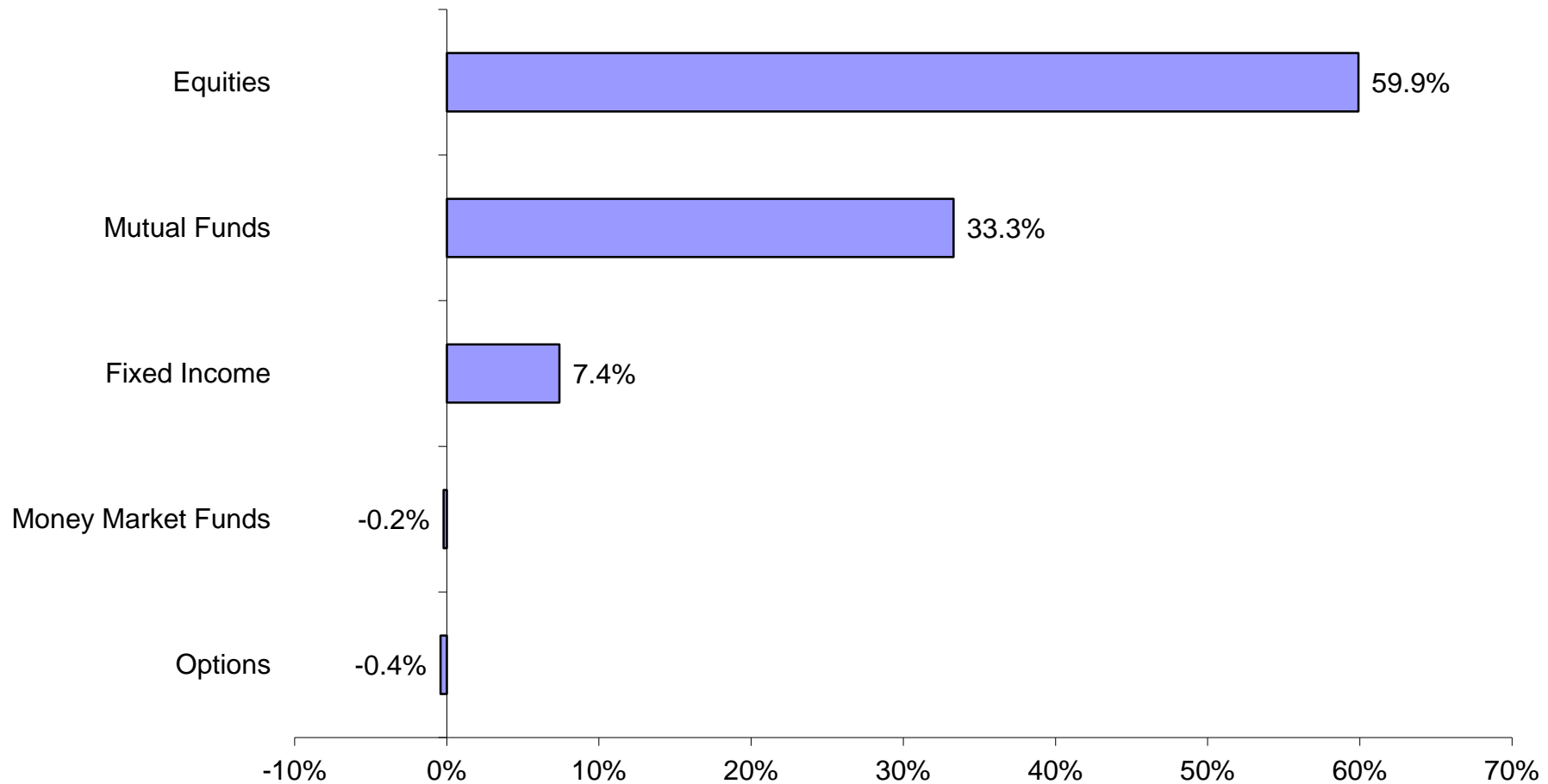


This chart illustrates the percent of PCRA participant assets in each mutual fund category, as classified by Morningstar Inc., as a percentage of total PCRA long-term mutual fund assets. Percentages are calculated as of month end. Figures are based on all PCRA participants with a minimum balance of \$5,000 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 December 31, 2014



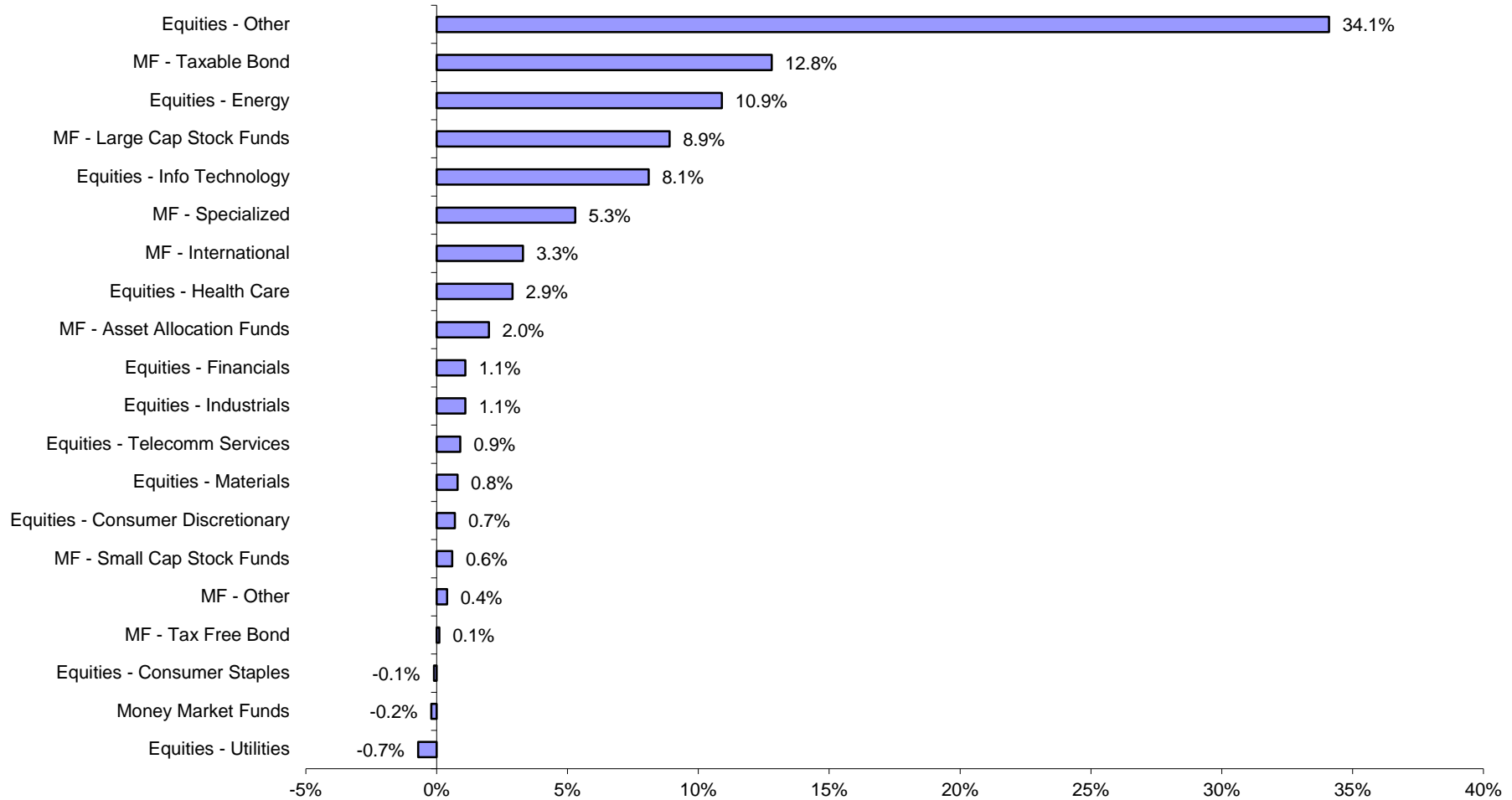
This chart illustrates the percent of total net flows within each asset class over the three month period ending December 31, 2014.

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 December 31, 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 December 31, 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).