

The Schwab Self-Directed Brokerage Account Indicators™

Quarter Ending June 30, 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 Second Quarter 2016:

Participant Summary

The second quarter was marked by sluggish economic growth and uncertainty about the eventual impact of Britain's decision to leave the EU. The Federal Reserve has remained noncommittal as to future action, leading to disappointing growth in Q2. The aftermath of Brexit, along with the highly contentious presidential election, brought continued bouts of volatility and uncertainty. The quarter overall finished in negative territory with a 2.5% decline in S&P earnings and the Nasdaq composite was flat.

As a result of the slow and lumbering U.S. growth in Q2, participant account balances in the Schwab Personal Choice Retirement Account[®] (PCRA) were up slightly (1.4%) from last quarter but down 4.1% from a year ago, with the average participant account balance at \$198,015. Participant activity slowed down in Q2 and trading volumes decreased by 3.9%, with the majority of trading activity taking place in Mutual Funds and Equities, the same as last quarter. Apple (AAPL) stock remains as the top overall holding in PCRA, at 9.18%, while the number of participants aged 50 and older remains the largest age demographic in PCRA at 54.51%.

Investing Behavior and General Investing Characteristics

Asset Allocation

Mutual Funds remained the top asset allocation at 38%, dropping 1% from last year. Equities also dropped 1% to 27%, from a year ago. Cash Investments, Exchange-Traded Funds (ETFs) and Fixed Income allocations captured a combined 35% of all asset allocation, up 2% from last year.

Equities

Information Technology was once again the largest sector holding in participant accounts at 25%, down 3% from a year ago. In addition, Consumer Discretionary (13%) was up 1% from a year ago and Financials (13%) was down 1% from a year ago. These rounded out the top 3 equity sector holdings.

Exchange-Traded Funds (ETFs)

Commodity holdings remained stable at 5%, increasing by 1% from last year. US Equity ETFs remained strong with 47%. The top four ETF sector holdings for the quarter were US Equity at 47%, International Equity and US Fixed Income, both at 14%, and Industry Sector holdings at 13%.

Mutual Funds

Overall, the Mutual Fund allocation remained very similar to a year ago, with Large Cap Funds remaining with the largest percentage at 29%, followed by Taxable Bond Funds at 21%, International at 15%, Hybrid Funds at 14% and Small Cap Funds at 13%. Specialized funds increased by 1% to 9%.

Asset Flows

For the quarter, net asset flows into Mutual funds were down significantly to 25.9%, while ETFs were up to 40.9% and Equities were slightly up at 29.0%. The top three sectors of net asset flows were U.S. Equities (32.7%), Equity Financials (10.6%) and Taxable Bond Funds at 10.3%. This marked quite a difference from last quarter, when the top three sectors of net asset flows were Taxable Bond Funds, US Fixed Income and Health Care Equities.

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PCRA Participants Profile Information - All

Average Age	50
Average PCRA Account Balance	\$198,015

Average Positions (per Account)	
Equity	3.97
Mutual Funds	2.74
ETF	1.24
Cash	1.24
Fixed Income	0.18
TOTAL	9.37

Average Trades in Quarter (per Account)	
Mutual Funds	1.79
Equity	1.33
ETF	0.71
Fixed Income	0.02
TOTAL	3.85

**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	9.18%
FACEBOOK INC CLASS	2.41%
BERKSHIRE HATHAWAY CLASS	2.31%
AMAZON COM INC	1.88%
GENERAL ELECTRIC CO	1.48%
BANK OF AMERICA CORP	1.12%
WALT DISNEY CO	1.10%
MICROSOFT CORP	1.08%
A T & T INC	1.06%
ALPHABET INC. CLASS	1.04%

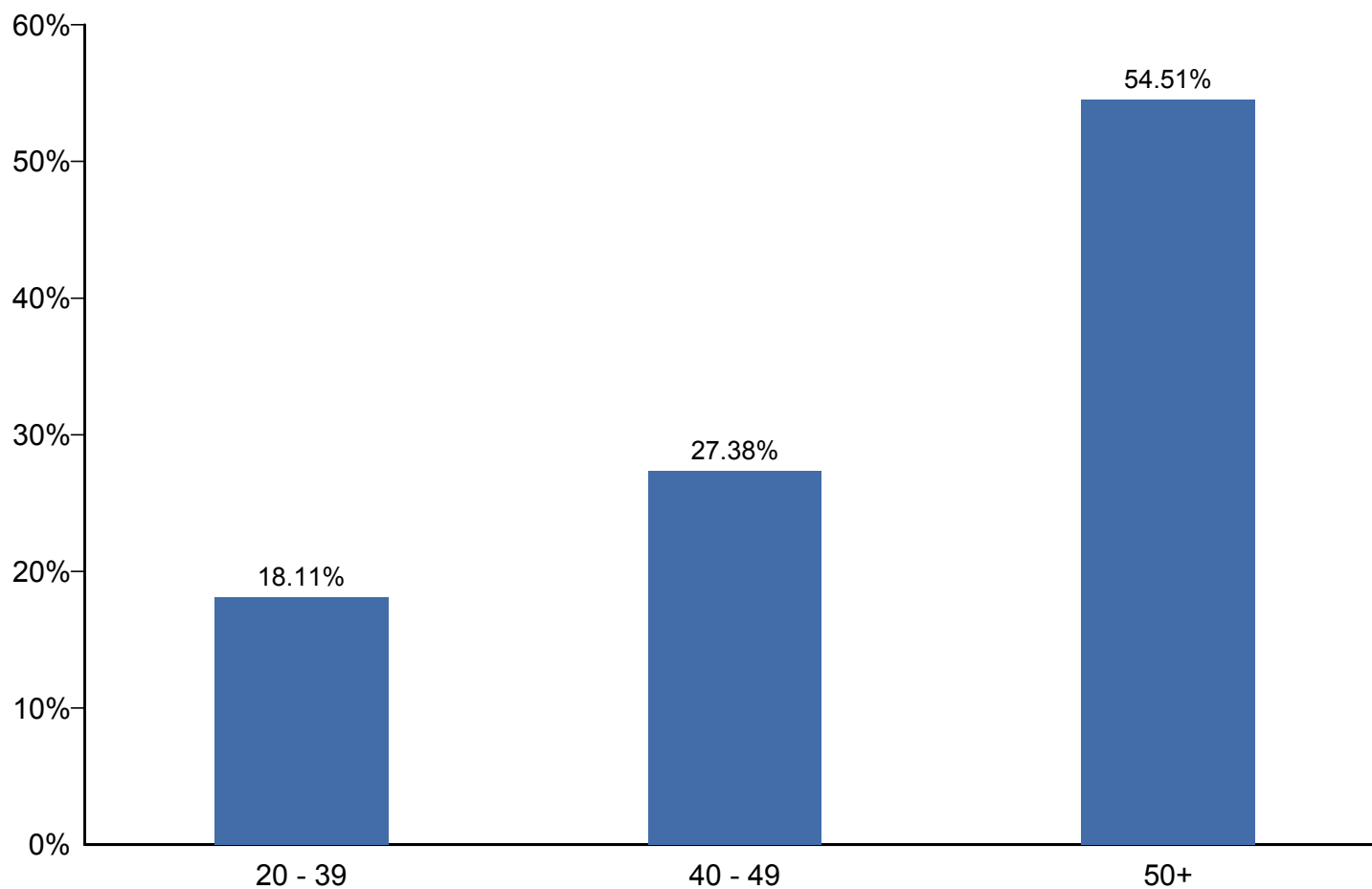
Top 10 ETF Holdings**	% of ETF Assets
SPDR S&P 500 ETF IV	4.58%
VANGUARD TOTAL STOCK MARKET	3.71%
SCHWAB US BROAD MARKET ETF	3.65%
POWERSHARES QQQ TRUST SRS 1	2.89%
SCHWAB US LARGE CAP ETF	2.86%
SCHWAB US AGGREGATE BONDETF	2.53%
SPDR GOLD SHARES ETF	2.50%
SCHWAB INTERNATIONAL EQUITY	1.98%
SCHWAB US LARGE CAP VALUE	1.79%
VANGUARD REIT ETF	1.57%

Top 10 Mutual Fund Holdings**	% of MF Assets
SCHWAB S&P 500 INDEX FD	3.02%
SCHWAB TOTAL STOCK MKT INDEX	1.52%
PIMCO INCM CL D	1.07%
METROPOLITAN WEST TOTAL RETURN	0.85%
VANGUARD 500 INDEX FD INVEST	0.76%
DFA US CORE EQTY 2 PORT INSTL	0.75%
DOUBLELINE TOTAL RETURN BD FD	0.71%
PACIFIC FINANCIAL CORE EQTY F	0.69%
PARNASSUS CORE EQTY FD INV	0.68%
DOUBLELINE TOTAL RETURN BD FD	0.68%

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PCRA Participants within Age Bands - All

As of June 30, 2016



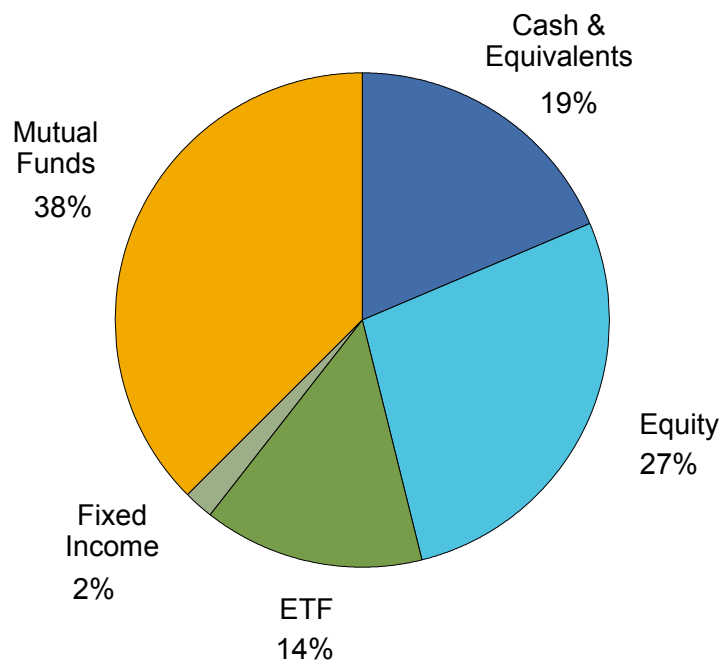
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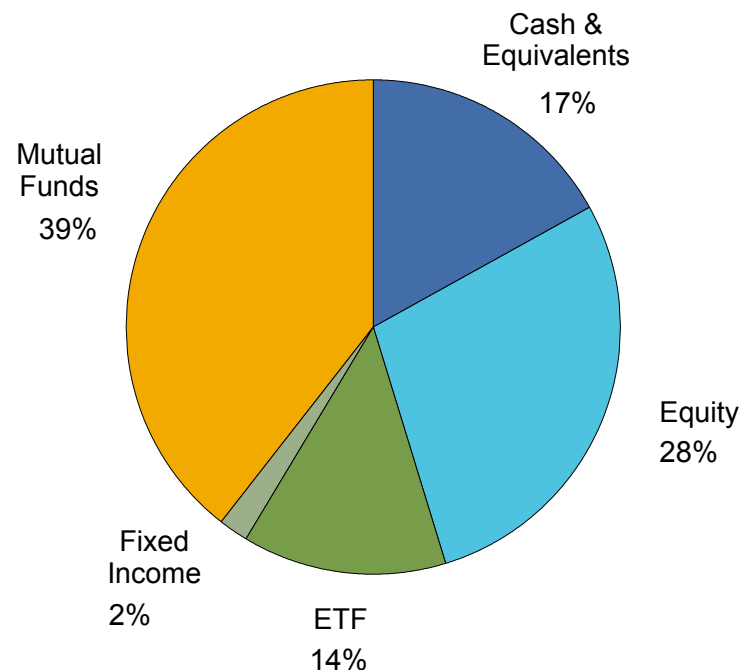
Market Value Allocation - Asset Classes - All

(Year over Year)

As of June 30, 2016



As of June 30, 2015

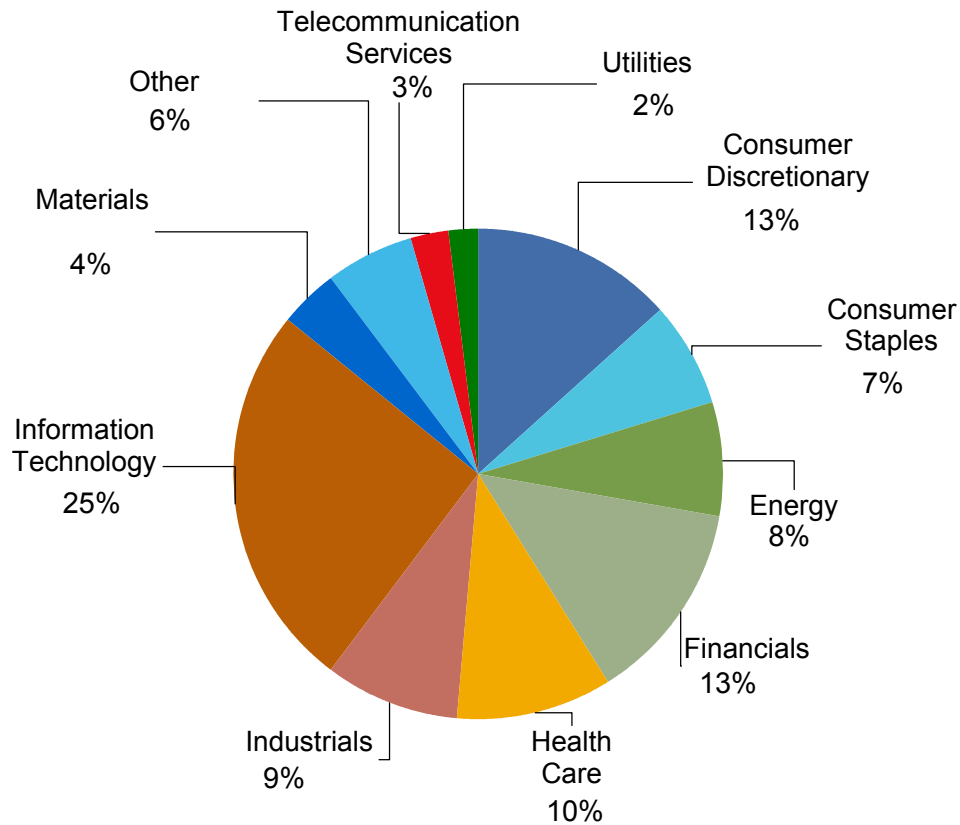


This chart illustrates the percentage of PCRA participant assets in each noted asset class as a percentage of total PCRA assets. Percentages are calculated as of month end, and the percentages may not add up to 100% due to rounding. Money market mutual funds are classified under Cash & Equivalents. Figures 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.

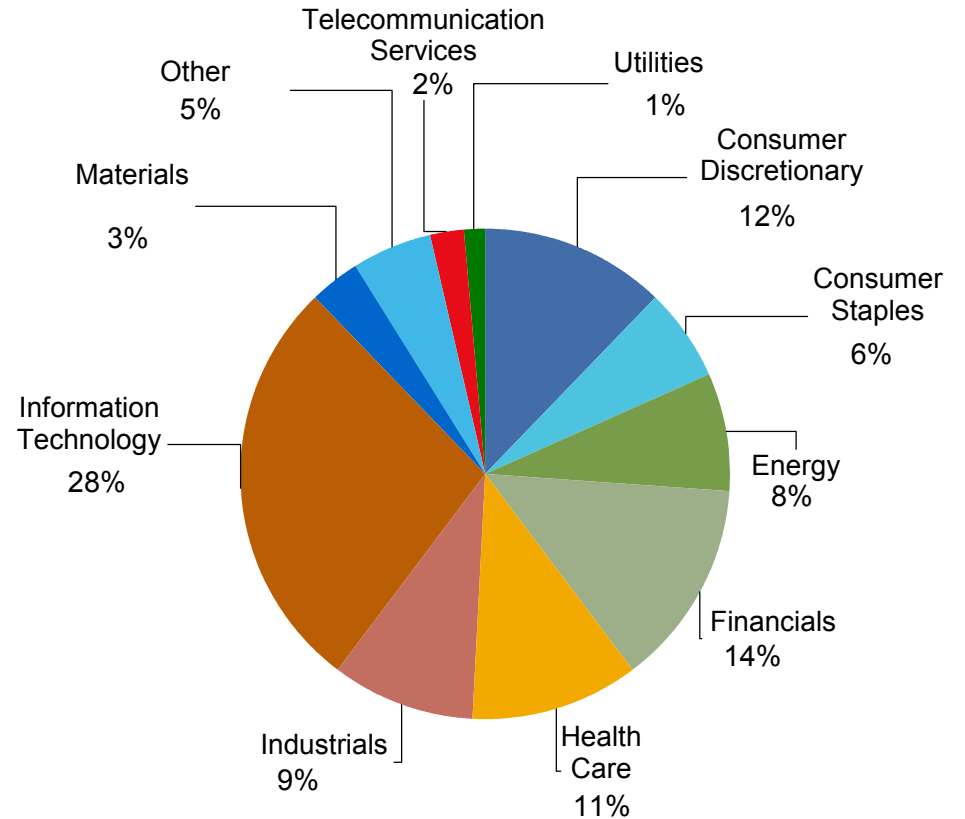
The Schwab Self-Directed Brokerage Account Indicators™

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

As of June 30, 2016



As of June 30, 2015



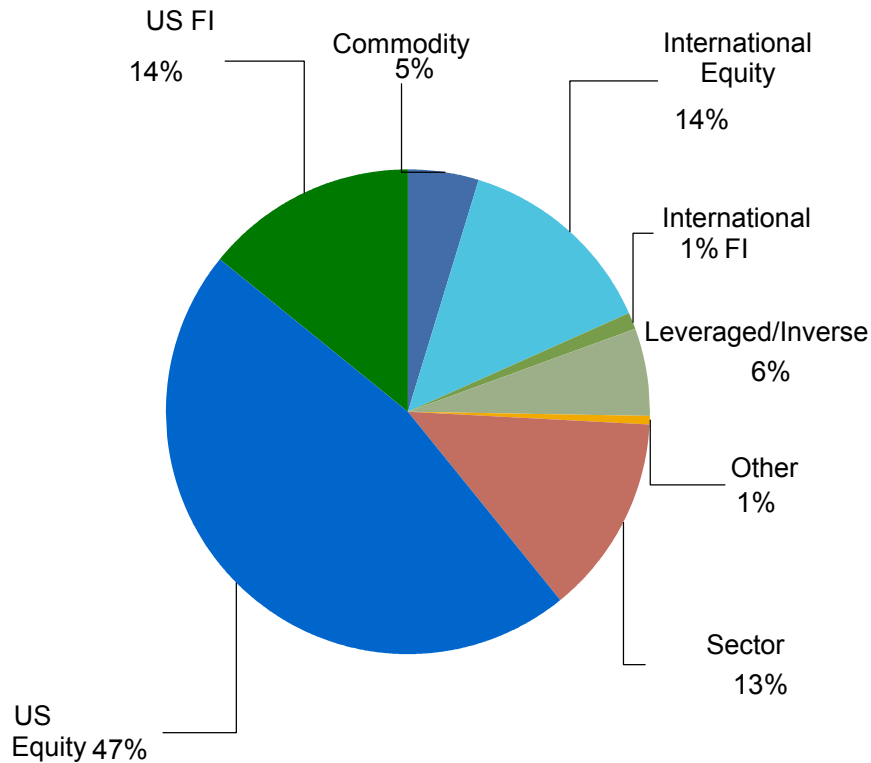
This chart illustrates the percentage of PCRA participant assets in each equity sector, as classified by Standard & Poor's, as a percentage of total PCRA assets within equity securities. Percentages are calculated as of month end, and the percentages may not add up to 100% due to rounding. Figures are 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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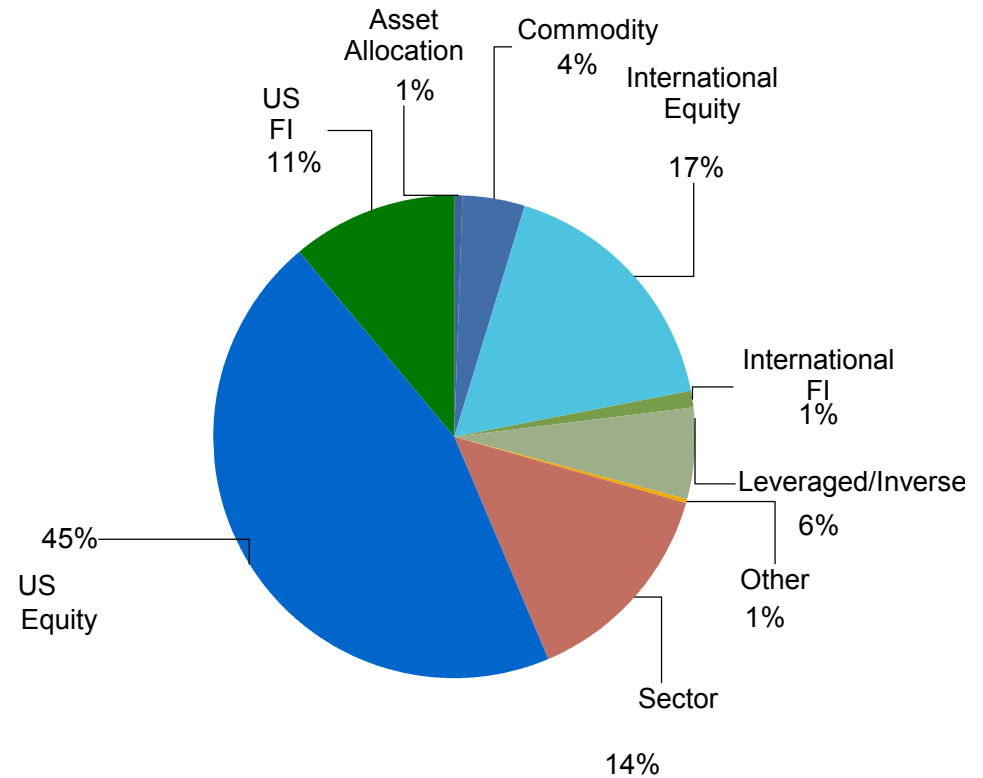
Market Value Allocation - ETFs - All

(Year over Year)

As of June 30, 2016



As of June 30, 2015

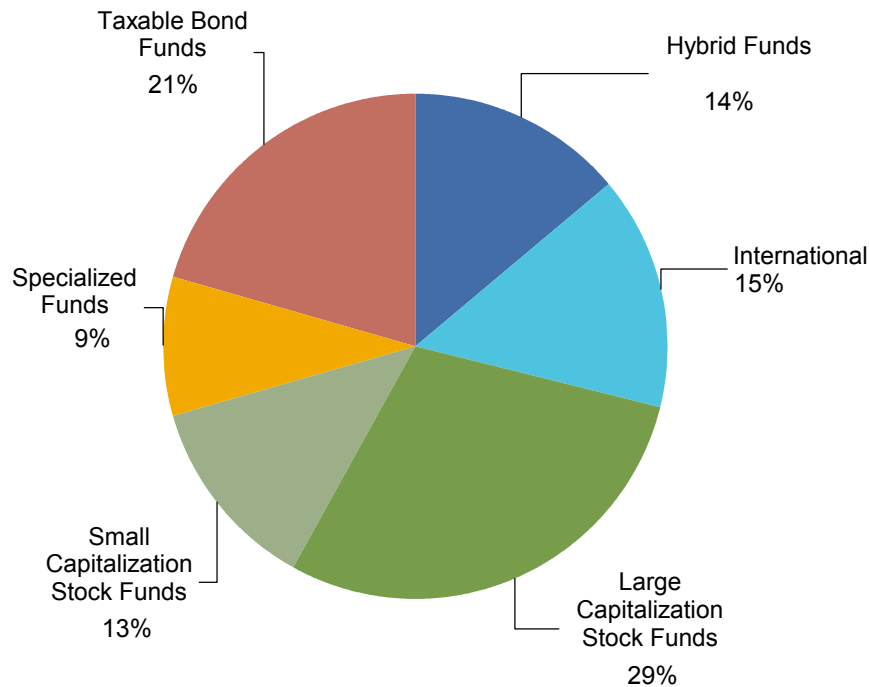


This chart illustrates the percent of PCRA participant assets in each ETF sector, as classified by Morningstar, as a percentage of total PCRA assets within ETF securities. Percentages are calculated as of month end, and the percentages may not add up to 100% due to rounding. Figures are based on all 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.

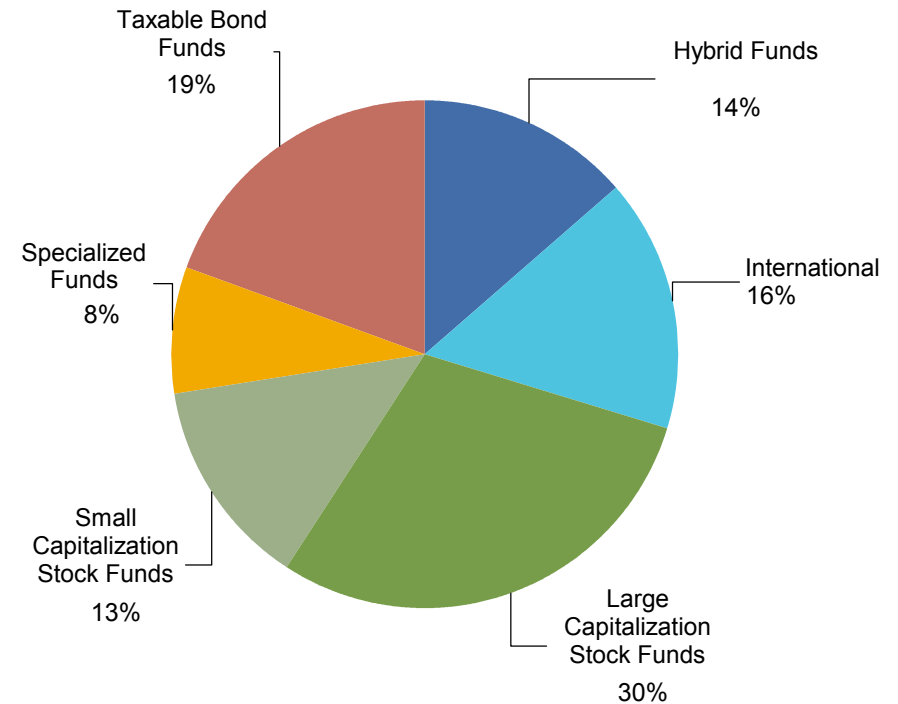
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Market Value Allocation - Mutual Funds - All (Year over Year)

As of June 30, 2016



As of June 30, 2015

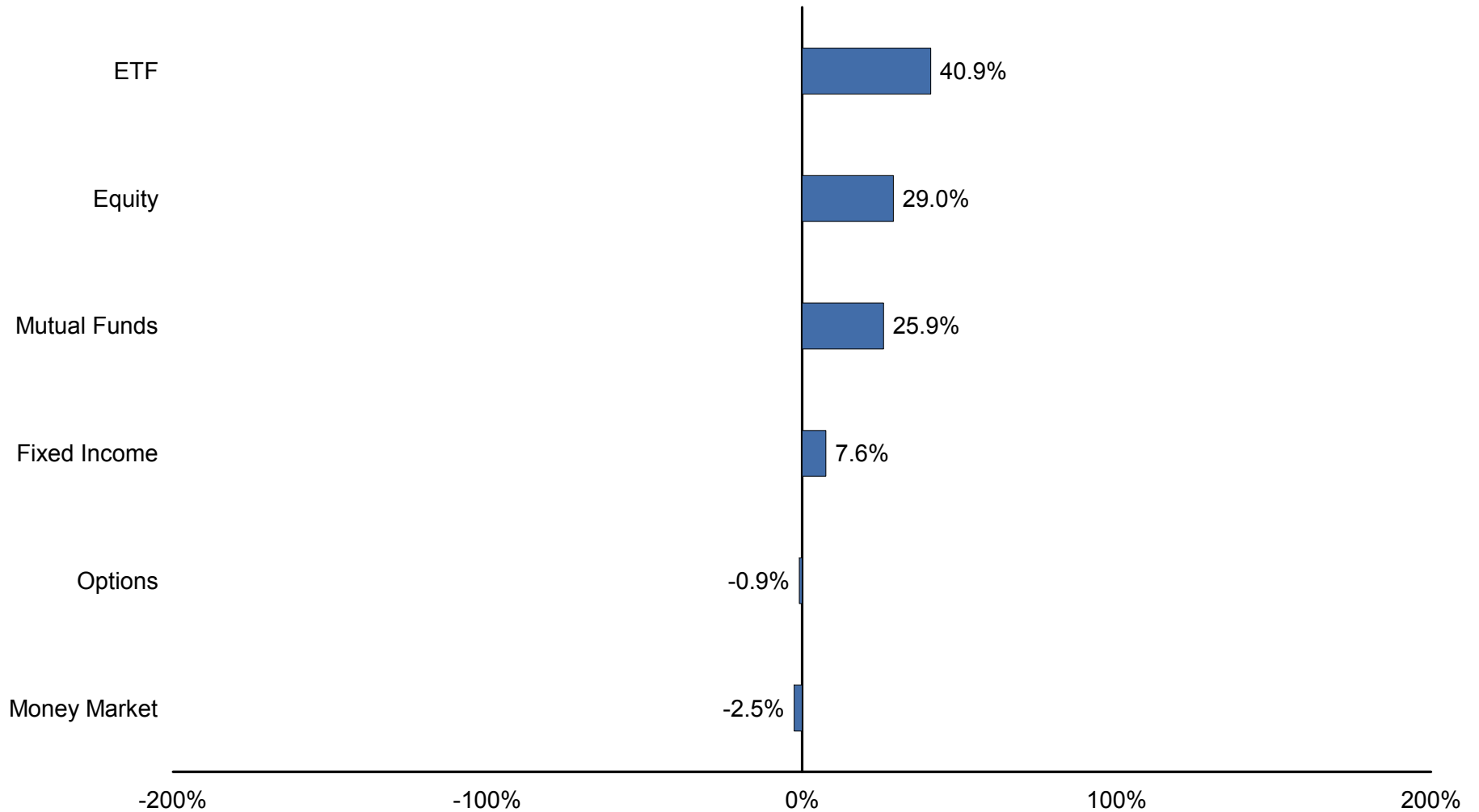


This chart illustrates the percentage of PCRA participant assets in each mutual fund category, as classified by Morningstar Inc., as a percentage of total PCRA long-term mutual fund assets. Percentages are calculated as of month end, and the percentages may not add up to 100% due to rounding. Figures 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 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, 2016



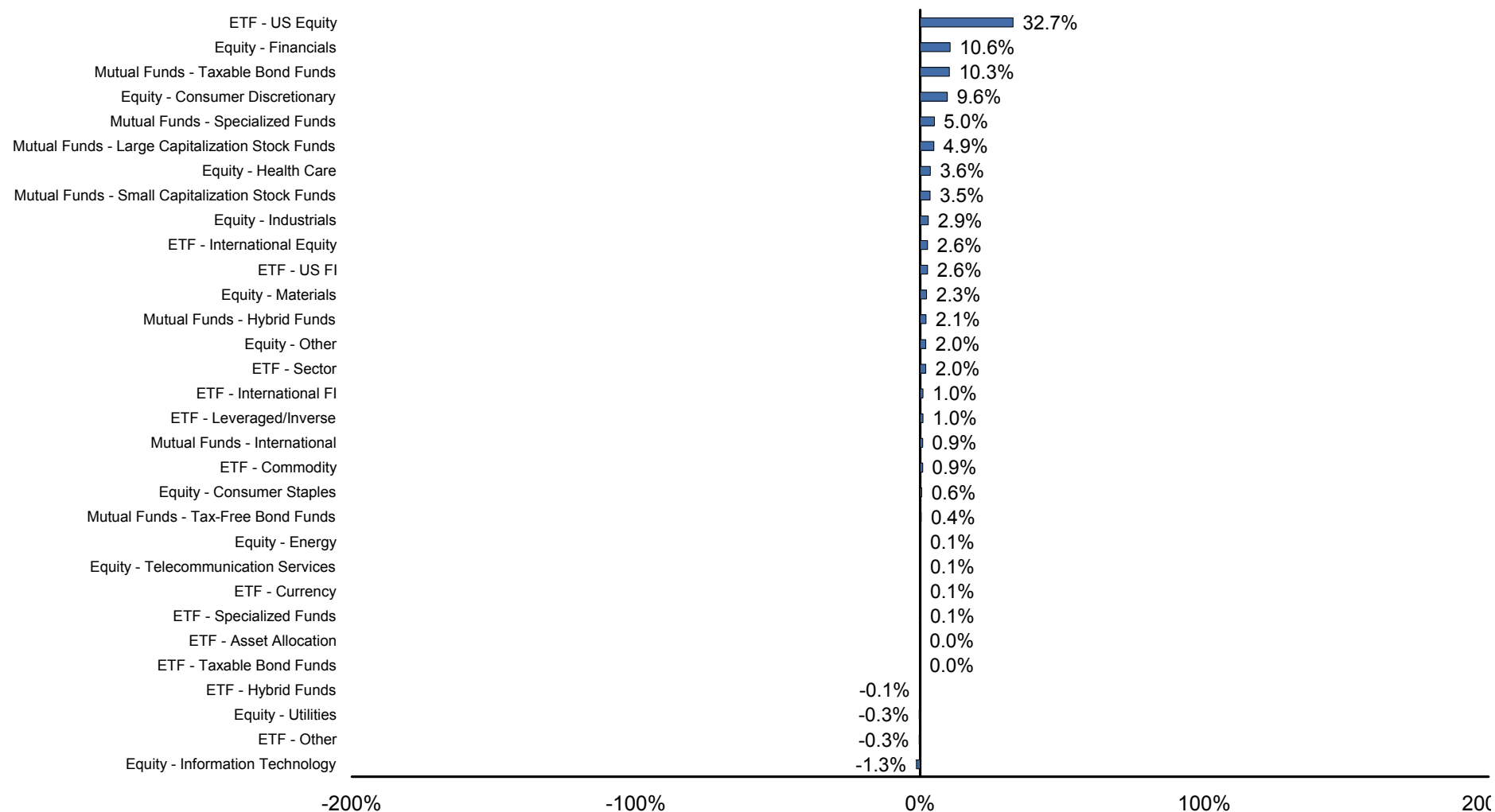
This chart illustrates the percentage of total net flows within each asset class over the three month period ending June 30, 2016.

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. 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 June 30, 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 June 30, 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).