



The Schwab Self-Directed Brokerage Account Indicators

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

All Participants
Quarter Ending 3/31/2020

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Key Schwab Observations for the First Quarter 2020:

Asset Balance Summary

The stock market reached an all-time high in mid-February, but the 11-year bull market came to a quick end soon after as stocks tumbled into bear market territory. Major stock indexes fell about 35% from their peak, and small company stocks and international equities fell even more. Bonds also came under pressure amid a rush to cash across the markets, though defensive investments such as cash, treasuries and gold helped to moderate portfolio declines.

The average account balance for all participants in the Schwab Personal Choice Retirement Account® (PCRA) was down by 5.58% to \$252,675 from \$267,609 a year ago, and significantly down by 14.09% from \$294,105 last quarter. Trading volumes were significantly higher than last quarter, at an average of 13.4 trades per account from 7.2 last quarter. Participants made the most trades in their equities holdings, followed by ETFs and mutual funds.

On average, participants held 10.1 positions in their PCRA, very similar to last year and to last quarter. SDBA participants aged 56 and over (part of the Baby Boomer generation) were 37.2% out of all participants, while the Gen X (age 40-55) participants were slightly higher at 42.6% and Millennials (age 28-39) were at 13.9%.

Investing Behavior and General Investing Characteristics

Asset Allocation

Mutual Funds held the majority of participant assets at 34.12% and were down from last year at 37.31%. That included a 17.39% allocation for Mutual Fund OneSource® and a 16.73% allocation for transaction fee and other Mutual Funds. Equities were the second largest holding at 26.83%, with ETFs coming in at 17.43%, Cash & Equivalents at 18.52% and Fixed Income at 3.08%. Overall, participant holdings remained similar to last quarter, with the exception of an increase in Cash from 12.47% last quarter to 18.52%.

Mutual Funds

Large Cap Stock Funds had the largest allocation at 29.81%, very similar to last year. They were followed by Taxable Bond Funds at 21.85% and International funds at 14.39%. Overall, the market value allocation was similar to last year and last quarter.

Equities

The largest equity sector holding was Information Technology at 28.75%, up from 27.34% last quarter. Apple stock holding remained very similar, from 11.02% in the last quarter to 10.91%. Apple is part of the Information Technology sector and the largest individual stock holding in PCRA. Apple overall had a very disappointing quarter and decreased by 13.40%. Other equity holdings remained similar to last quarter and to a year ago. Consumer Discretionary was at 15.37% and Health Care was third at 11.25%, followed by the Communication Services at 10.20% and Financials at 9.21%.

Exchange-Traded Funds(ETFs)

U.S. Equity ETFs, comprised of Large Caps, Mid Caps and Small Caps, continued to be the top ETF holding in PCRA accounts and was very similar to last year and last quarter at 47.99%, followed by U.S. Fixed Income at 18.35%, International Equity ETFs at 12.63%, and Sector ETFs at 9.99%.

Asset Flows

The largest asset net flow class was Fixed Income, followed by ETFs and Equities.

PAST PERFORMANCE CANNOT GUARANTEE FUTURE RESULTS.

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Key Schwab Observations for the First Quarter 2020 (continued):

Investing Behavior Across Generations: Millennials, Gen X and Baby Boomers

As expected, the older generation ended the quarter with the largest balance \$367,425, which was down from \$420,874 last quarter. They were followed by Gen X at \$199,071 and finally Millennials at \$65,207. All balances were significantly down from last quarter.

All three generations had very similar equity holdings, with Apple, Amazon, Berkshire Hathaway, Microsoft and Facebook coming in at the top.

As for the top ETF holdings, they were very similar across generations: SPDR S&P 500 ETF, Schwab US Broad Market ETF, S&P 500 ETF, Vanguard and Schwab International Equity were at the top for all.

The Schwab S&P 500 Index fund was the top Mutual Fund holding, followed by the Schwab Total Stock Market Index fund.

Millennials and Gen X again had similar percentage of mobile trades at 28%, and Baby Boomers came in at 19%. Millennials once again had the highest percentage in cash out of the three generations at 21%, up 5% from last quarter. The cash holdings for Gen X and Baby Boomers increased to 19% and 18% from 13% and 11.75% respectively.

Investing Behavior: Roth vs non-Roth Accounts

The Roth PCRA account holder balance was much lower than the non-Roth PCRA: \$61,538 vs \$256,989. Gen X once again had the most Roth Accounts as a percentage of accounts in their respective generations-48.2%. Those with Roth accounts also had lower trade volumes: 7.5 vs. 13.4.

While non-Roth account holders' equity holdings were the standard holdings across all accounts such as Apple, Amazon and Berkshire Hathaway, the Roth PCRA accounts continued to hold Apple followed by Glenview Offshore and Amazon equities at the top.

Investing Behavior: Advised vs. non-Advised Accounts

Gen X had the the most PCRA advised accounts at 45.2%, and Baby Boomers was not far behind at 41%, while only 10.7% of the Millennials chose to use an advisor. The average participant balance for advised accounts was down to \$395,618 from \$466,805 last quarter, while non-advised accounts were also down from last quarter at \$216,729 from \$250,099. Those with advised accounts also had more average trades-16.5 total vs. 12.7 for non-advised accounts. Overall, the trading volume significantly increased compared to last quarter and to last year.

Those participants who used advisors, displayed a more diversified asset allocation mix and had a lower concentration of assets in particular securities, with Apple being the top one for everyone; advised participants only had 8.14% of their equity assets with Apple, while non-advised participants had 11.63%. Advised participants also had a lower percentage in cash, very similar to last quarter: 9.14% vs.22.83% for non-advised, showing a balanced amount among all the advised investments.

As for ETF holdings, advised participants again had more balance among all the holdings, not having more than 3.84% of any one ETF, with Vanguard being the top one. Advisors preferred DFA US Core Equity Institutional fund as a top fund holding and DFA as a top fund family, with a 18.72% mutual fund asset allocation. Non-advised participants had Schwab S&P 500 Index as the top mutual fund holding and 17.52% of the mutual fund asset allocation went to the Vanguard fund family, followed by Schwab.

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All Participants, Quarter Ending 3/31/2020

PCRA Profile Information				Average Positions/Trades Per Account		
Account Balances and Types		Participant Demographics			Positions	Trades
Average PCRA Balance	\$252,675	Male Participants	76.3%	Total	10.1	13.4
Advised Participants	20.1%	Female Participants	23.7%	Equities	4.7	6.9
Average Advised Balance	\$395,618	Average Age	51	ETFs	1.7	3.3
Self-Directed Participants	79.9%	Millennial* (Age 28-39)	13.9%	Fixed Income	0.2	0.1
Average Self-Directed Balance	\$216,729	Gen X** (Age 40-55)	42.6%	Mutual Funds	2.4	2.9
Traditional Accounts	97.8%	Baby Boomer*** (Age 56-73)	37.2%	Other	0.0	0.3
Roth Accounts	2.2%	<i>Birth years: *1981-1992, **1965-1980, ***1947-1964</i>		Cash Investments	1.0	n/a

Top 10 Equity Holdings		%EQ Assets	Top 10 ETF Holdings		%EQ Assets
APPLE INC		10.91%	SPDR S&P 500 ETF		4.96%
AMAZON.COM INC		6.54%	VANGUARD TOTAL STOCK MARKET ETF		3.97%
MICROSOFT CORP		3.57%	INVESCO QQQ TRUST		3.39%
BERKSHIRE HATHAWAY CLASS		2.48%	SCHWAB US BROAD MARKET ETF		3.37%
TESLA INC		2.07%	VANGUARD S&P 500 ETF		2.95%
FACEBOOK INC CLASS		1.64%	ISHARES CORE S&P 500 ETF		2.50%
NVIDIA CORP		1.41%	SCHWAB US LARGE CAP ETF		2.20%
ALPHABET INC. CLASS		1.33%	SPDR GOLD SHARES ETF		1.90%
VISA INC CLASS		1.24%	SCHWAB INTERNATIONAL EQUITY ETF		1.69%
NETFLIX INC		1.21%	SCHWAB US LARGE CAP GROWTH ETF		1.55%

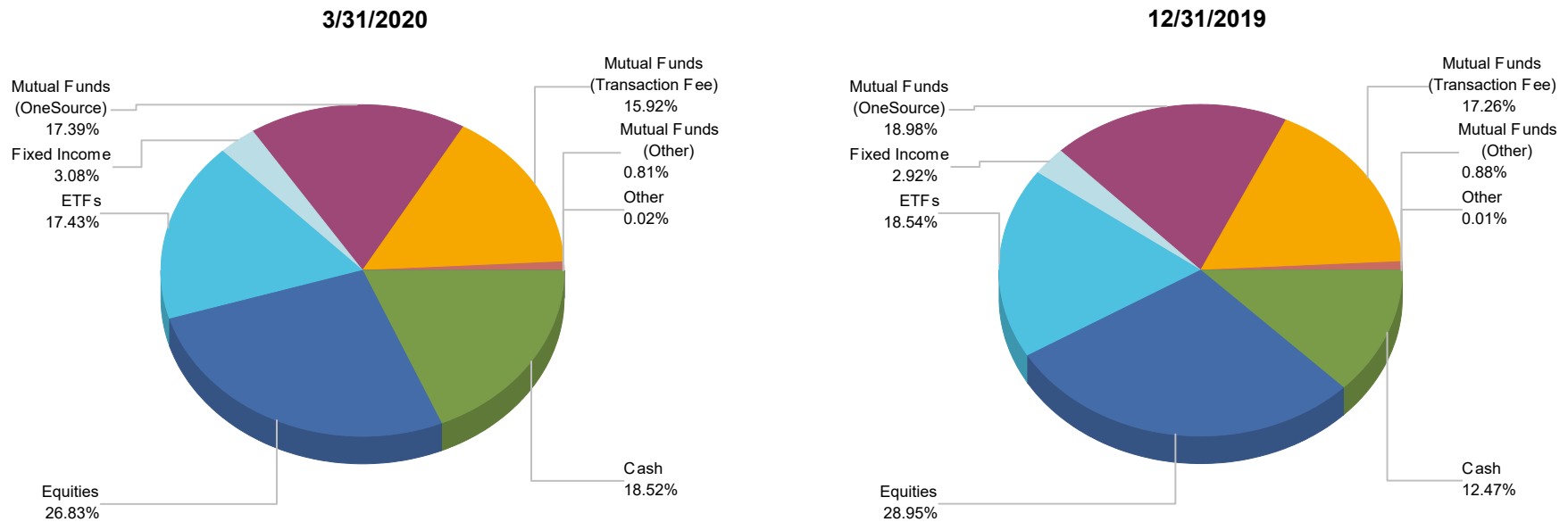
Top 10 Mutual Fund Holdings**		% MF Assets	Top 10 Fund Families		% MF Assets
SCHWAB S&P 500 INDEX FD		4.65%	VANGUARD		13.54%
SCHWAB TOTAL STOCK MKT INDEX		2.51%	SCHWAB		11.95%
VANGUARD 500 INDEX FD ADMIRAL SHRS		1.40%	DFA		8.40%
VANGUARD TOTAL STOCK MKT INDEX FD ADMIR		1.21%	T ROWE PRICE		3.87%
PIMCO INCM INST CL		1.00%	PIMCO FUNDS		3.65%
SCHWAB US AGGREGATE BOND INDEX FD		0.95%	FIDELITY		2.61%
DOUBLELINE TOTAL RETURN BD FD CL I		0.92%	AMERICAN FUNDS		2.54%
DFA US CORE EQTY 2 PORT INSTL		0.84%	DODGE & COX		1.79%
SCHWAB INTL INDEX FUND		0.83%	DOUBLELINE FUNDS		1.71%
VANGUARD TOTAL BOND MKT INDEX ADMIRA		0.82%	JANUS		1.60%

**Top 10 Mutual Funds does not include Money Market Funds.

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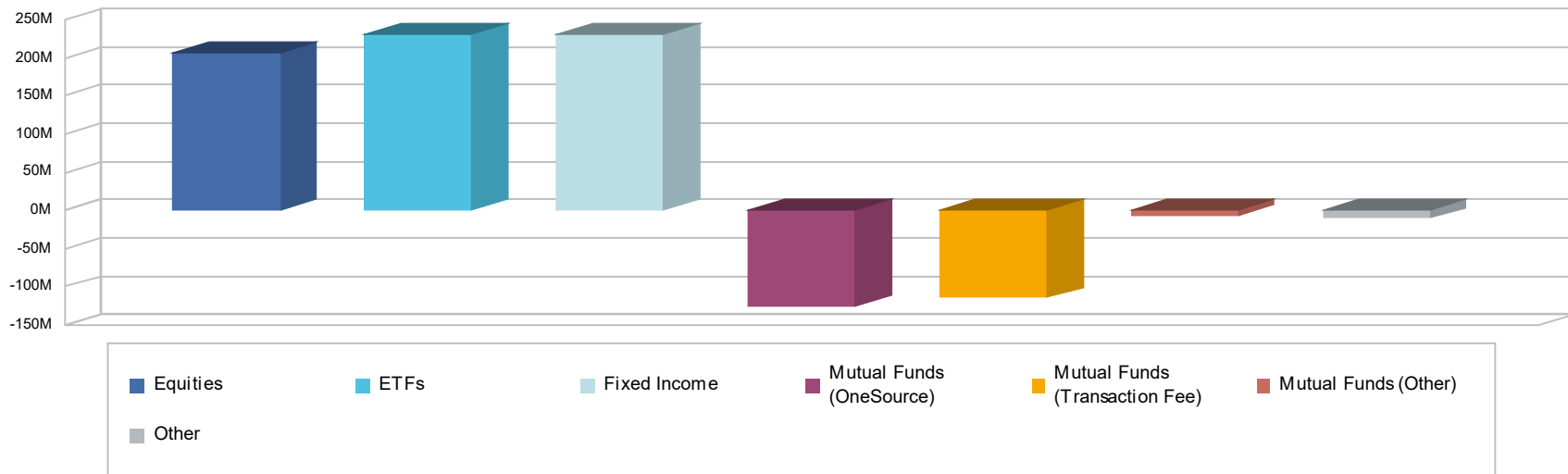
All Participants, Quarter Ending 3/31/2020

Market Value Allocation - All Assets (Quarter over Quarter)



The above charts illustrate the percent of PCRA participant assets in each noted asset class as percentage of total PCRA assets. Percentages are calculated as of quarter-end. Money Market Funds are classified under Mutual Funds.

Net Flow - All Non-Cash Assets (3-Month Period Ending 3/31/2020)

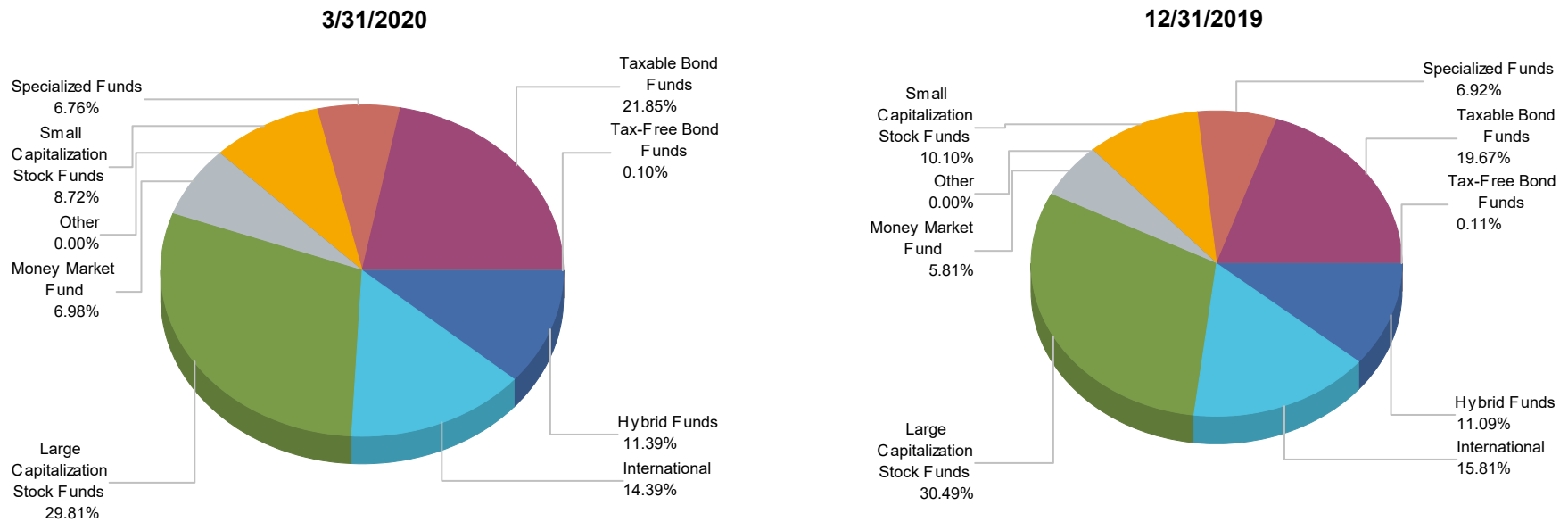


Net Flow is the net of all cash inflows and outflows in and out of financial assets; the performance of an asset or fund is not taken into account, only share redemptions, or outflows, and share purchases, or inflows.

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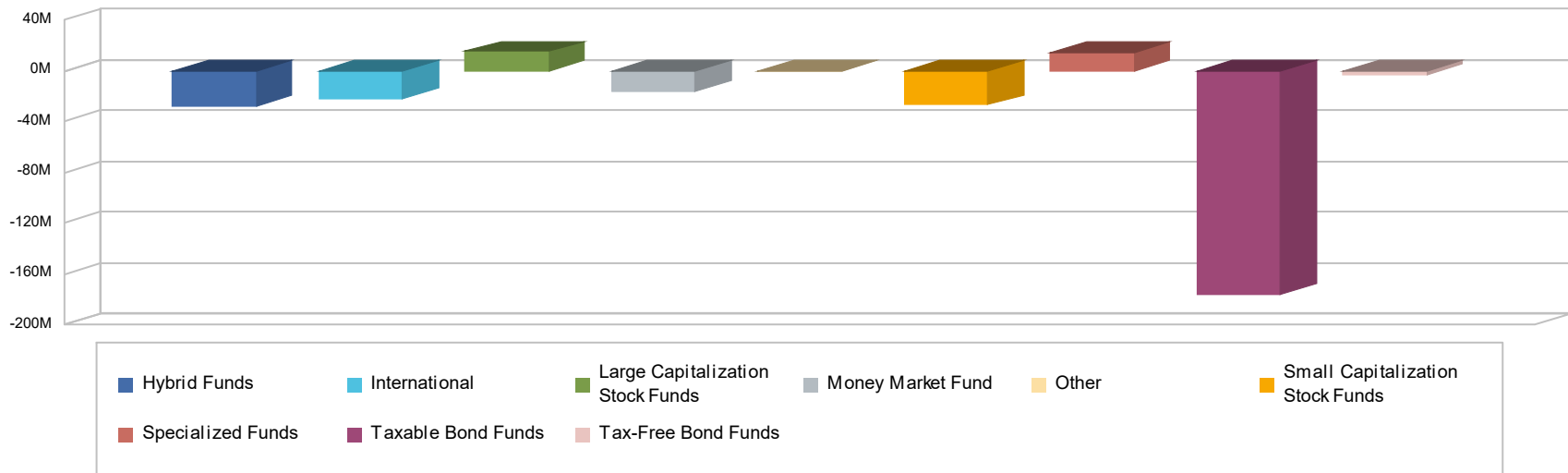
All Participants, Quarter Ending 3/31/2020

Market Value Allocation - Mutual Funds (Quarter over Quarter)



The above charts illustrate the percent of PCRA participant assets in each noted asset class as percentage of total PCRA assets. Percentages are calculated as of quarter-end. Money Market Funds are classified under Mutual Funds.

Net Flow by Sector - Mutual Funds (3-Month Period Ending 3/31/2020)

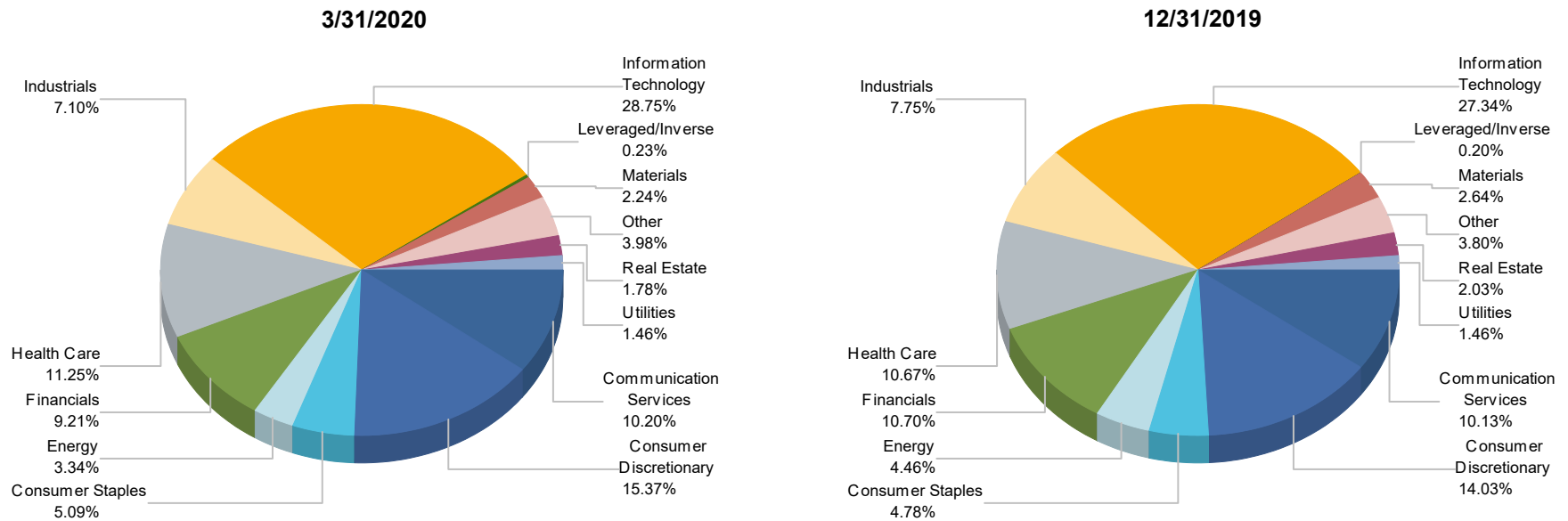


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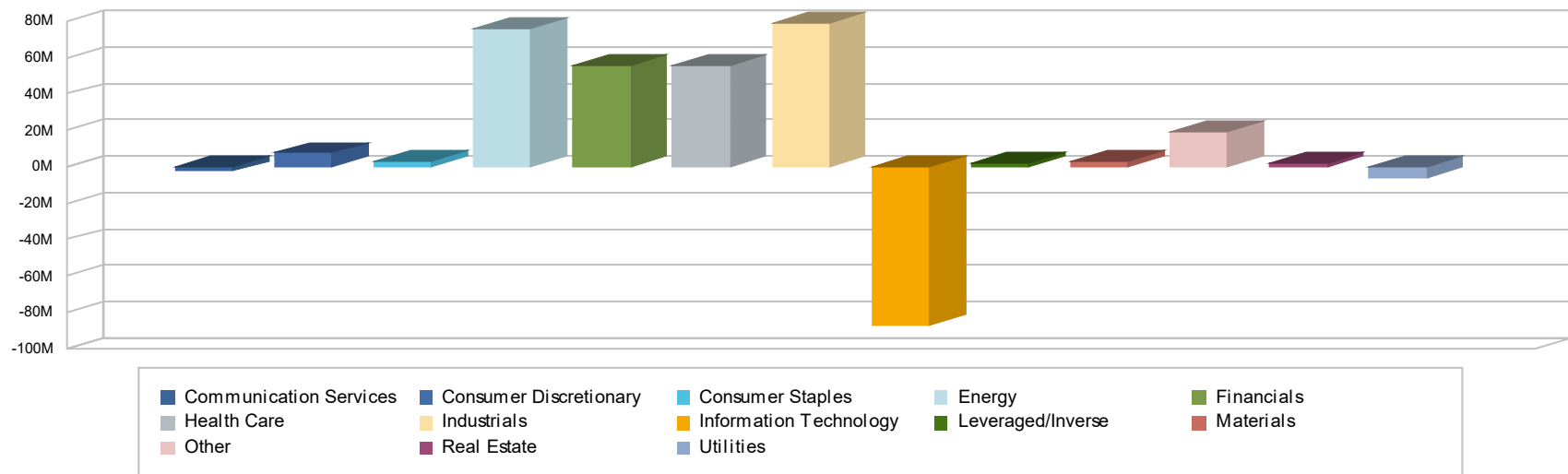
All Participants, Quarter Ending 3/31/2020

Market Value Allocation - Equities (Quarter over Quarter)



The above charts illustrate the percent of PCRA participant assets in each noted asset class as percentage of total PCRA assets. Percentages are calculated as of quarter-end. Money Market Funds are classified under Mutual Funds.

Net Flow by Sector - Equities (3-Month Period Ending 3/31/2020)

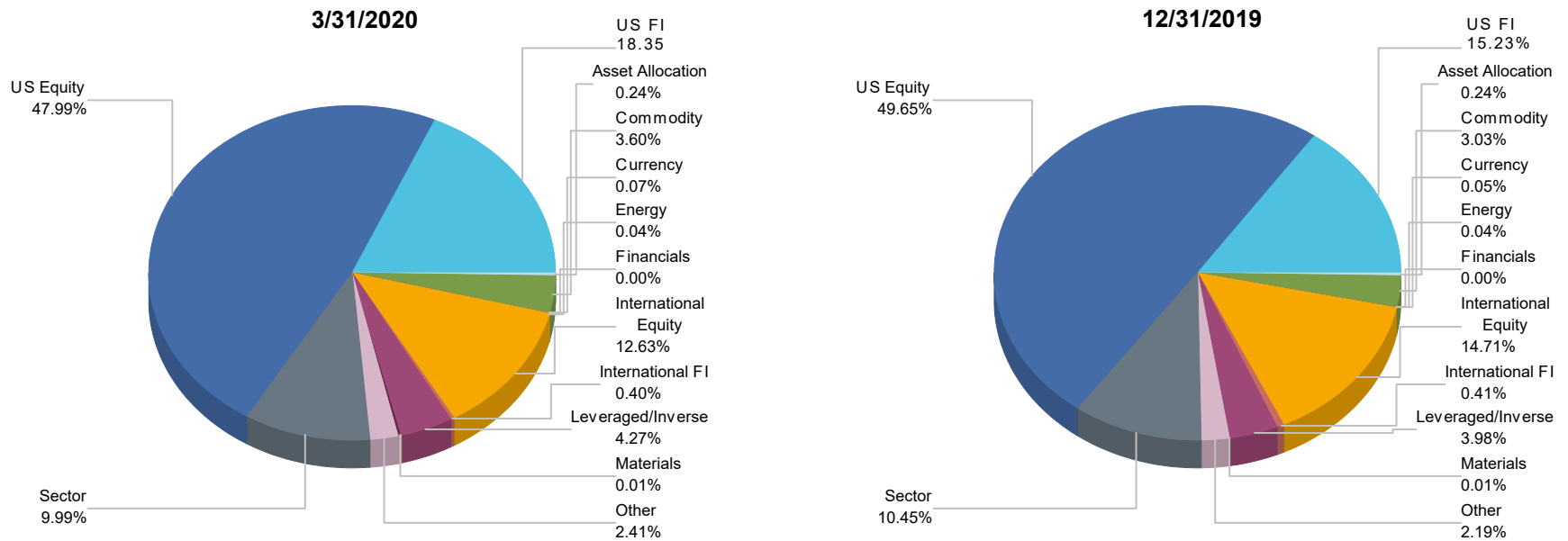


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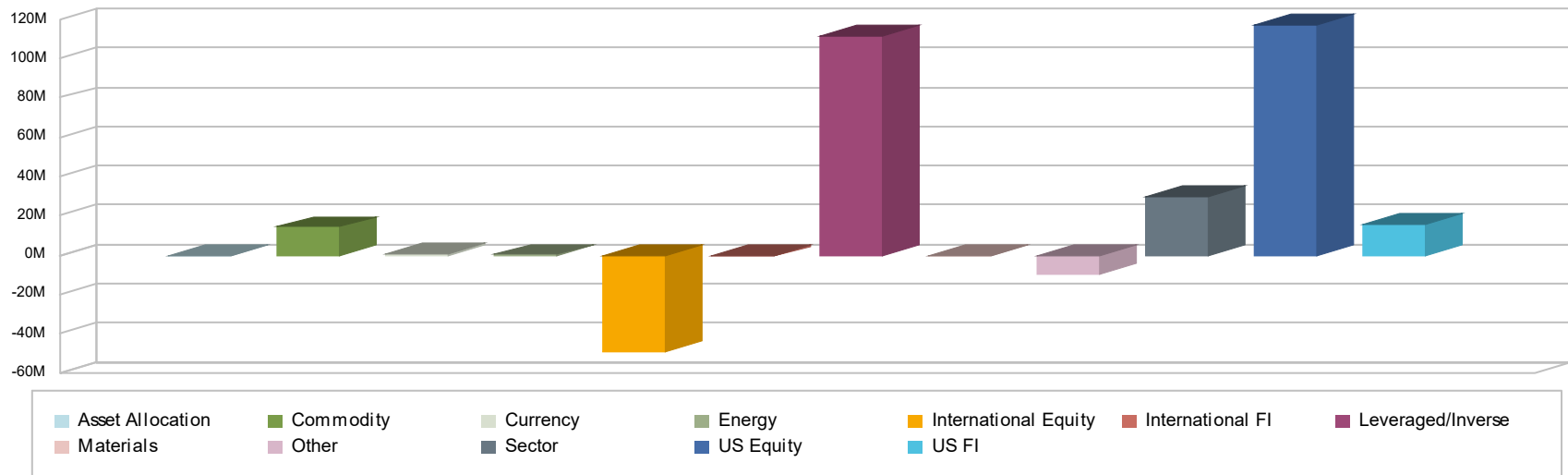
All Participants, Quarter Ending 3/31/2020

Market Value Allocation - ETF (Quarter over Quarter)



The above charts illustrate the percent of PCRA participant assets in each noted asset class as percentage of total PCRA assets. Percentages are calculated as of quarter-end. Money Market Funds are classified under Mutual Funds.

Net Flow by Sector - ETF (3-Month Period Ending 3/31/2020)

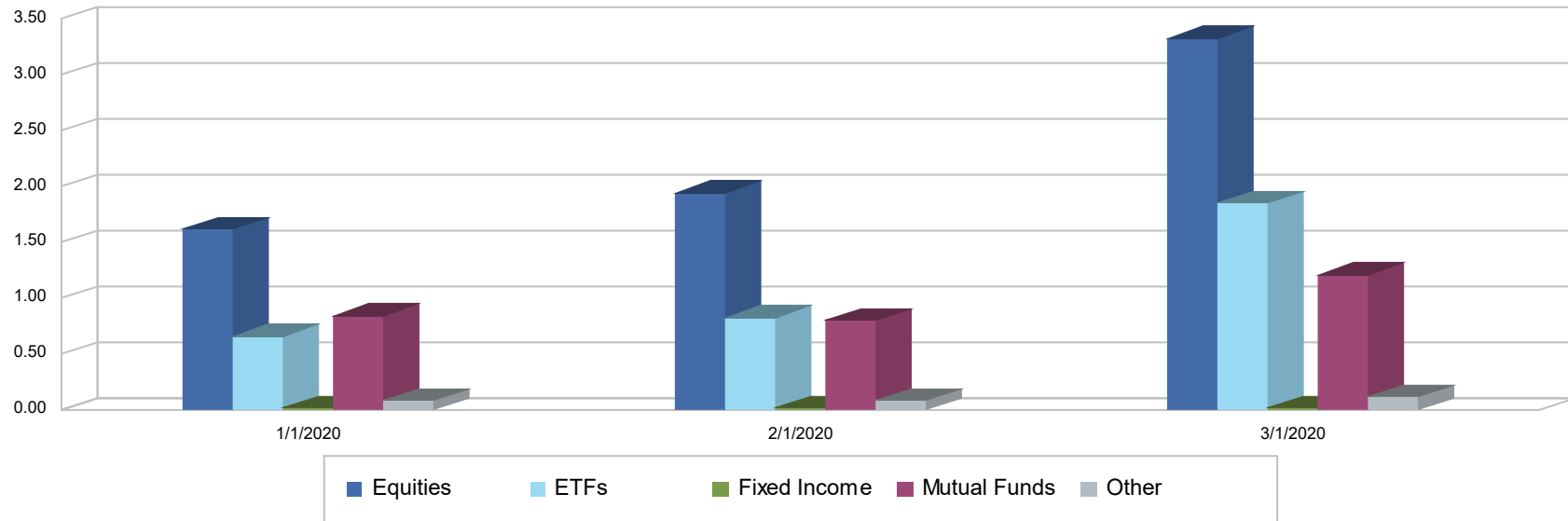


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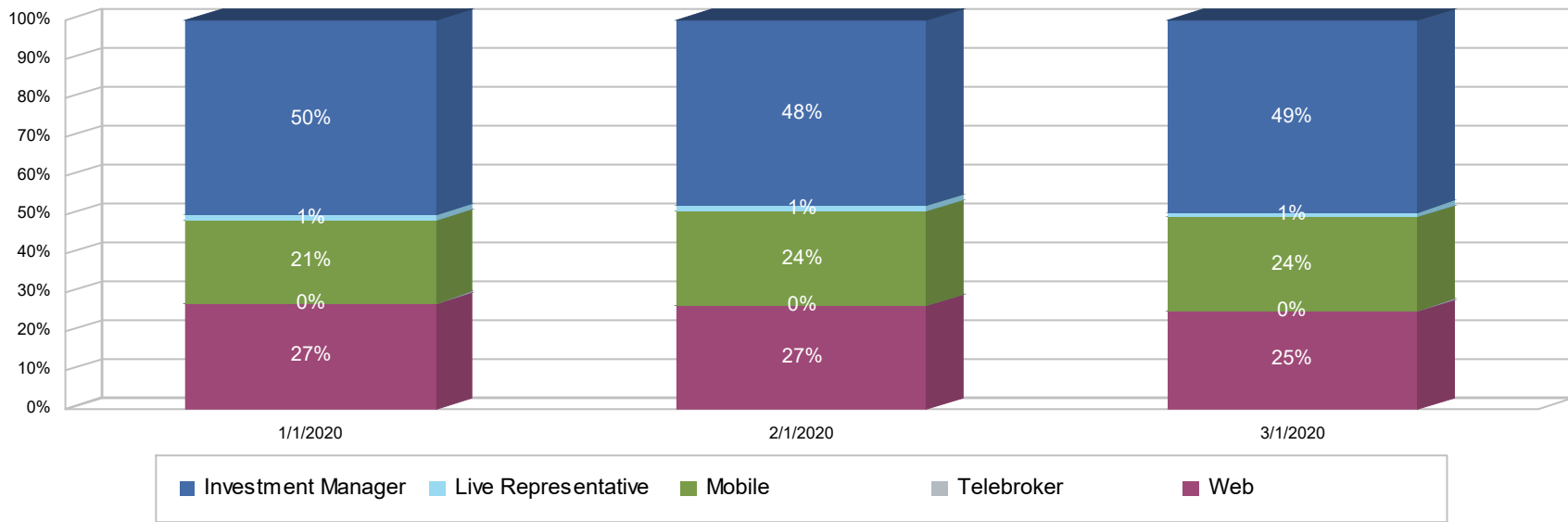
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All Participants, Quarter Ending 3/31/2020

Average Monthly Trades Per Account (3-Month Period Ending 3/31/2020)



Trading Channel Mix (Month over Month)



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All Participants, Quarter Ending 03/31/2020

Important Information

Investors in mutual funds and ETFs 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.

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.

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.

Figures are based on all PCRA participants with a minimum balance of \$5,000 and a maximum balance of \$10,000,000 in their PCRA account. All data is for informational purposes only. Schwab does not guarantee the accuracy, timeliness or completeness of the information.

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.

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Diversification and asset allocation in a portfolio cannot assure a profit or protect against a loss in any given market environment.