



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 12/31/2019

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Key Schwab Observations for the Fourth Quarter 2019:

Asset Balance Summary

As we finished the final months of 2019, some trends in the U.S. economy hit a fork in the road- manufacturing activity lagged services, corporate profits lagged stock performance-while investor sentiment surged. The S&P 500 was up 8.5% in Q4.

The average account balance for all participants in the Schwab Personal Choice Retirement Account® (PCRA) was up significantly by 19% to \$294,105 from \$246,153 a year ago and up by 6% from \$276,929 from last quarter. Trading volumes were slightly higher than last quarter, at an average of 7.2 trades per account from 6.7 last quarter. Participants made the most trades in their equities holdings, followed by mutual funds and ETFs.

On average, participants held 10.1 positions in their PCRA, very similar to last year and to last quarter. SDBA participants aged 55 and over (part of the Baby Boomer generation) were 38.1% out of all participants, while the Gen X (age 39-54) participants were slightly higher at 42.1% and Millennials (age 27-38) were at 13.3 %.

Investing Behavior and General Investing Characteristics

Asset Allocation

Mutual Funds held the majority of participant assets and were largely unchanged from last year at 37.12%. That included a 18.98% allocation for Mutual Fund OneSource® and a 18.14% allocation for transaction fee and other Mutual Funds. Equities were the second largest holding at 28.95%, with ETFs coming in at 18.54%, Cash & Equivalents at 12.47% and Fixed Income at 2.92%. Overall, participant holdings remained very similar to last quarter.

Mutual Funds

Large Cap Stock Funds had the largest allocation at 30.49%, very similar to last year. They were followed by Taxable Bond Funds at 19.67% and International funds at 15.81%. Overall, the market value allocation was very similar to last year and last quarter.

Equities

The largest equity sector holding was Information Technology at 27.34%, up from 25.56% last quarter. Apple stock holding increased from 9.48% in the last quarter to 11.02%. Apple is part of the Information Technology sector and the largest individual stock holding in PCRA. Apple overall had a very successful quarter and increased by 31.1%. Other equity holdings remained similar to last quarter and to a year ago. Consumer Discretionary was at 14.03% and Health Care was third at 10.67%, followed by the Financials at 10.70% and Communication Services at 10.13%.

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 49.65%, followed by U.S. Fixed Income at 15.23%, International Equity ETFs at 14.71%, and Sector ETFs at 10.45%.

Asset Flows

The largest asset net flow class was ETFs, followed by Fixed Income and Mutual Funds (Transaction Fee).

PAST PERFORMANCE CANNOT GUARANTEE FUTURE RESULTS.

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Key Schwab Observations for the Fourth Quarter 2019 (continued):

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

As expected, the older generation ended the quarter with the largest balance \$420,874, which was up from \$394,064 last quarter. They were followed by Gen X at \$229,713 and finally Millennials at \$74,309. All balances were significantly up 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: Schwab US Broad Market ETF, SPDR, 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 the same percentage of mobile trades at 23%, and Baby Boomers came in at 16%. Millennials once again had the highest percentage in cash out of the three generations at 16.03%, very similar to last quarter. The cash holdings for Gen X and Baby Boomers decreased to 12.97% and 11.75% from 13.95% and 12.31% respectively.

Investing Behavior: Roth vs non-Roth Accounts

The Roth PCRA account holder balance was much lower than the non-Roth PCRA: \$72,678 vs \$298,786. Gen X once again had the most Roth Accounts as a percentage of accounts in their respective generations-48.6%. Those with Roth accounts also had lower trade volumes: 4.7 vs. 7.3.

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 Glenview Offshore equity at the top followed by Apple and Amazon.

Investing Behavior: Advised vs. non-Advised Accounts

Gen X had the the most PCRA advised accounts at 44.5%, and Baby Boomers were not far behind at 41.8%, while only 10.4% of the Millennials chose to use an advisor. The average participant balance for advised accounts was up to \$466,805 from \$449,972 last quarter, while non-advised accounts were also up from last quarter at \$250,099 from \$234,087. Those with advised accounts also had more average trades-10.2 total vs. 6.5 for non-advised accounts. Overall, the trading volume remained very similar 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 7.36% of their equity assets with Apple, while non-advised participants had 12.03%. Advised participants also had a lower percentage in cash, very similar to last quarter: 3.94% vs. 16.52% 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 3.9% 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 19.5% mutual fund asset allocation. Non-advised participants had Schwab S&P 500 Index as the top mutual fund holding and 17.3% of the mutual fund asset allocation went to the Vanguard fund family, followed by Schwab.

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All Participants, Quarter Ending 12/31/2019

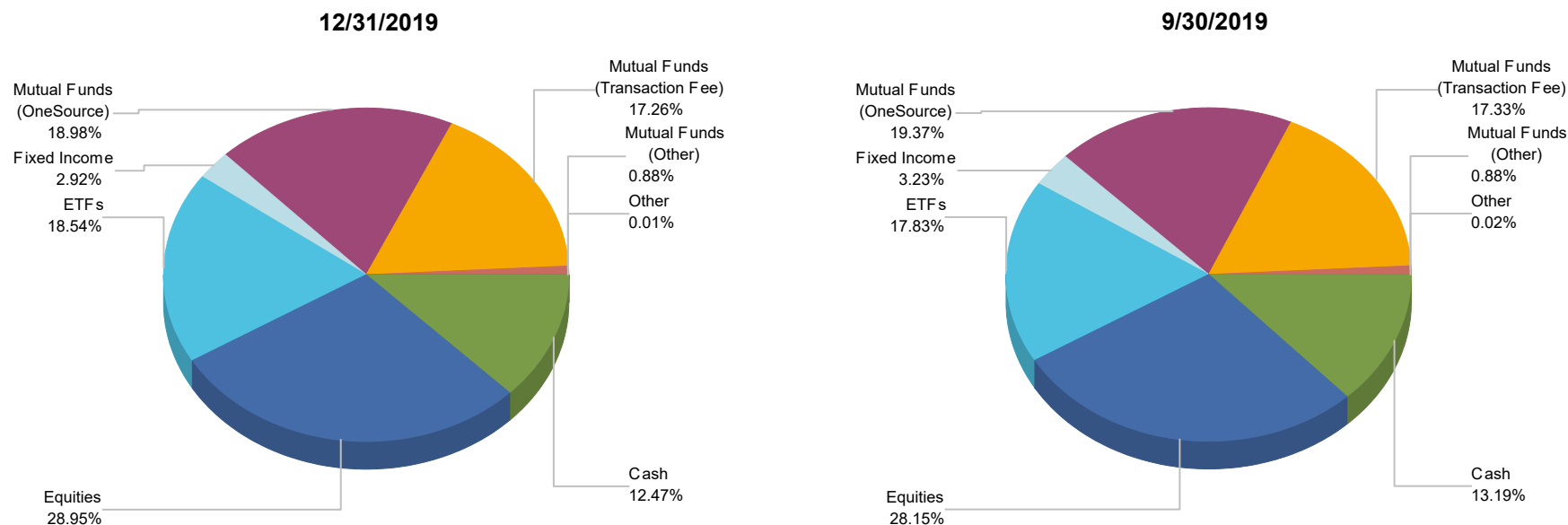
PCRA Profile Information				Average Positions/Trades Per Account		
Account Balances and Types		Participant Demographics			Positions	Trades
Average PCRA Balance	\$294,105	Male Participants	76.2%	Total	10.1	7.2
Advised Participants	20.3%	Female Participants	23.8%	Equities	4.5	3.3
Average Advised Balance	\$466,805	Average Age	51	ETFs	1.7	1.5
Self-Directed Participants	79.7%	Millennial* (Age 27-38)	13.3%	Fixed Income	0.2	0.1
Average Self-Directed Balance	\$250,099	Gen X** (Age 39-54)	42.1%	Mutual Funds	2.6	2.2
Traditional Accounts	97.9%	Baby Boomer*** (Age 55-72)	38.1%	Other	0.0	0.2
Roth Accounts	2.1%	Birth years: *1981-1992, **1965-1980, ***1947-1964		Cash Investments	1.0	n/a
Top 10 Equity Holdings		%EQ Assets		Top 10 ETF Holdings		%EQ Assets
APPLE INC		11.02%		VANGUARD TOTAL STOCK MARKET ETF		4.19%
AMAZON.COM INC		5.49%		SPDR S&P 500 ETF		4.18%
MICROSOFT CORP		2.64%		SCHWAB US BROAD MARKET ETF		3.44%
BERKSHIRE HATHAWAY CLASS		2.38%		INVESCO QQQ TRUST		3.12%
FACEBOOK INC CLASS		1.64%		SCHWAB US LARGE CAP ETF		2.70%
ALPHABET INC. CLASS		1.22%		VANGUARD S&P 500 ETF		2.64%
TESLA INC		1.21%		ISHARES CORE S&P 500 ETF		2.39%
VISA INC CLASS		1.20%		SCHWAB INTERNATIONAL EQUITY ETF		1.85%
NVIDIA CORP		1.13%		SPDR GOLD SHARES ETF		1.44%
ALIBABA GROUP HOLDING FSPONSORED ADR		1.10%		SCHWAB US AGGREGATE BONDETF		1.39%
Top 10 Mutual Fund Holdings**		% MF Assets		Top 10 Fund Families		% MF Assets
SCHWAB S&P 500 INDEX FD		4.43%		VANGUARD		13.12%
SCHWAB TOTAL STOCK MKT INDEX		2.43%		SCHWAB		11.88%
VANGUARD 500 INDEX FD ADMIRAL SHRS		1.43%		DFA		8.86%
VANGUARD TOTAL STOCK MKT INDEX FD ADMIR		1.32%		T ROWE PRICE		3.80%
PIMCO INCM INST CL		0.99%		PIMCO FUNDS		3.54%
DFA US CORE EQTY 2 PORT INSTL		0.92%		FIDELITY		2.63%
SCHWAB INTL INDEX FUND		0.82%		AMERICAN FUNDS		2.51%
DOUBLELINE TOTAL RETURN BD FD CL I		0.79%		DODGE & COX		1.81%
DFA INTL CORE EQTY PORT INSTL		0.75%		DOUBLELINE FUNDS		1.74%
SCHWAB US AGGREGATE BOND INDEX FD		0.72%		JANUS		1.71%

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

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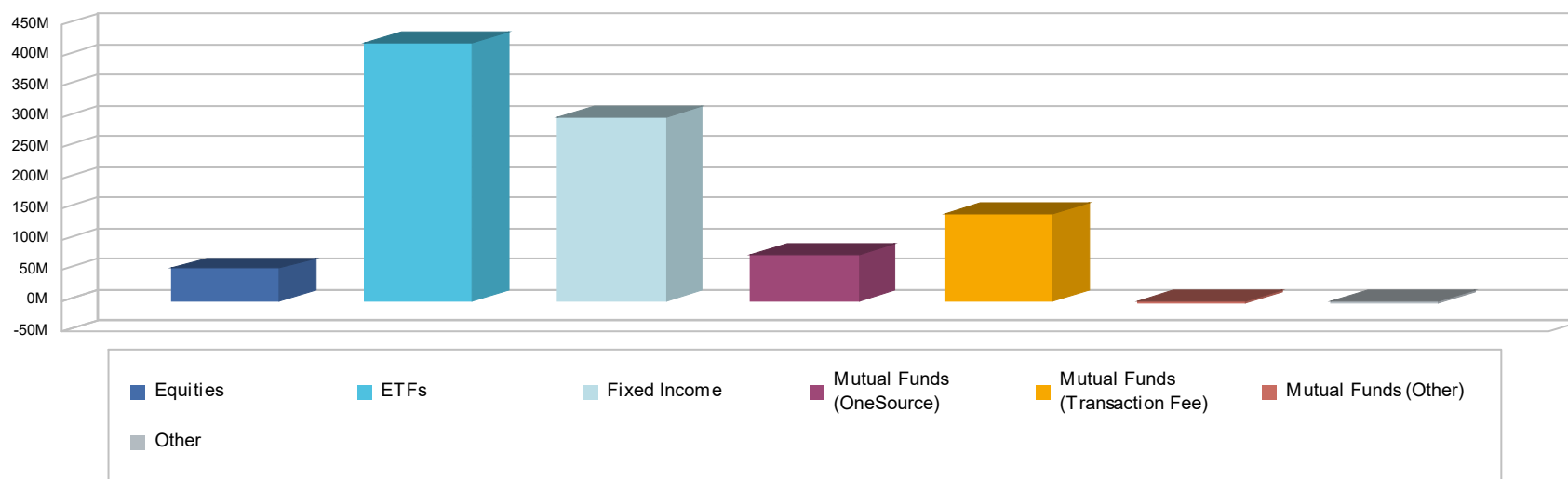
All Participants, Quarter Ending 12/31/2019

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 12/31/2019)

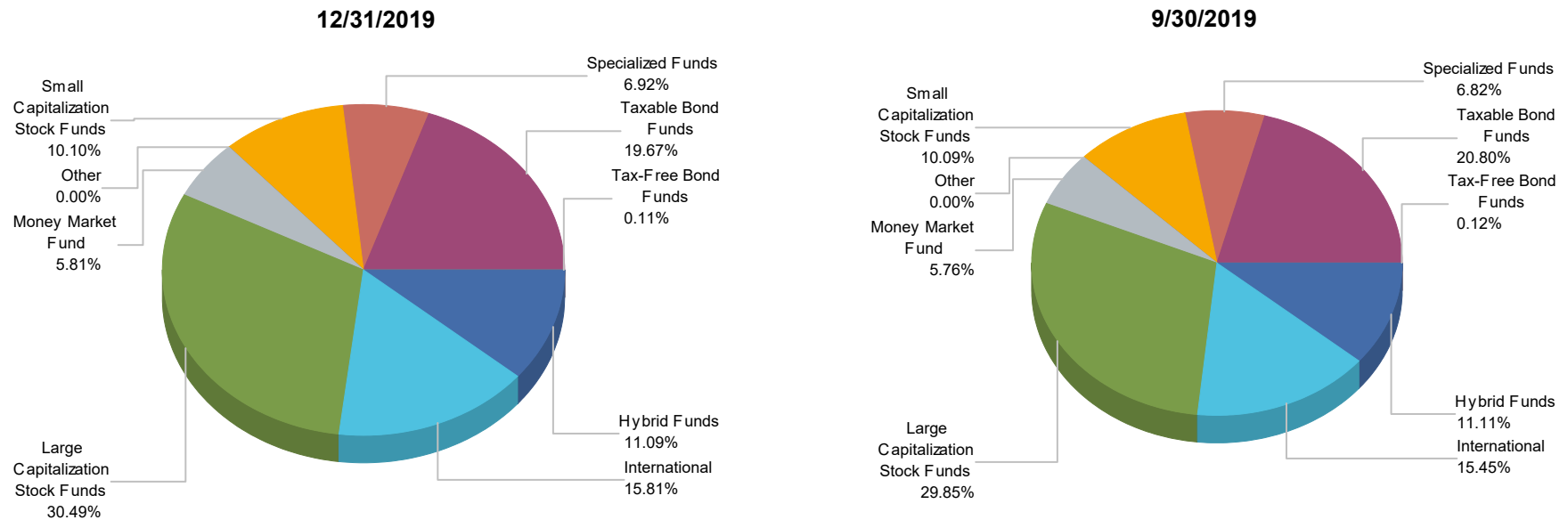


Net Flow is the net of all cash inflows and outflows in and out of financial assets; the performance of an asset or fund is not taken into account, only share redemptions, or outflows, and share purchases, or inflows.

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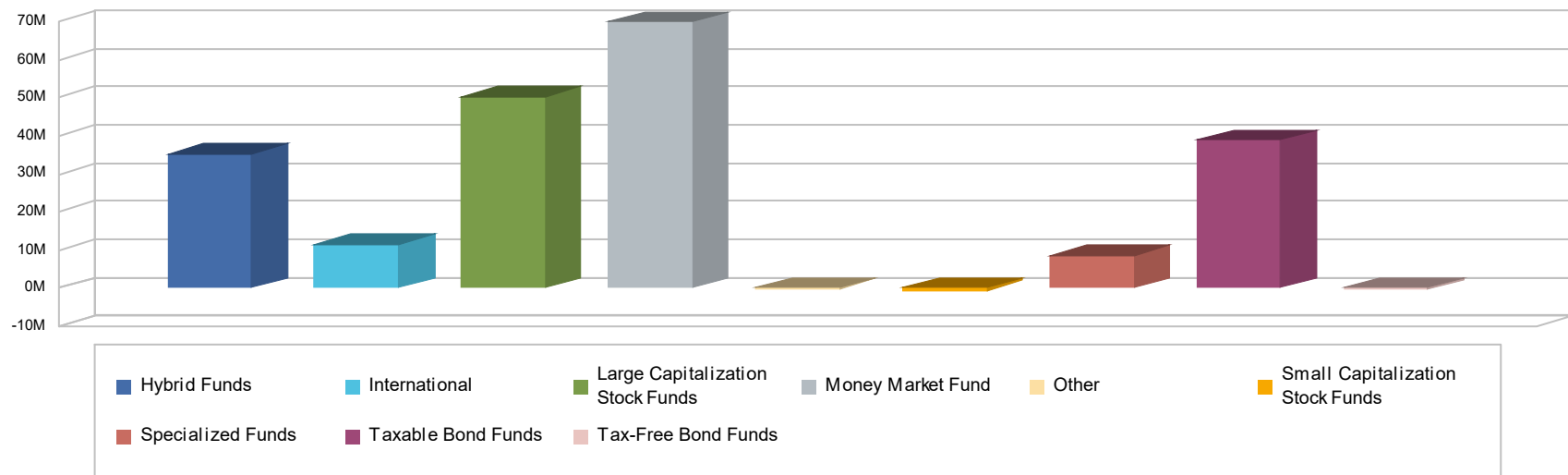
All Participants, Quarter Ending 12/31/2019

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 12/31/2019)

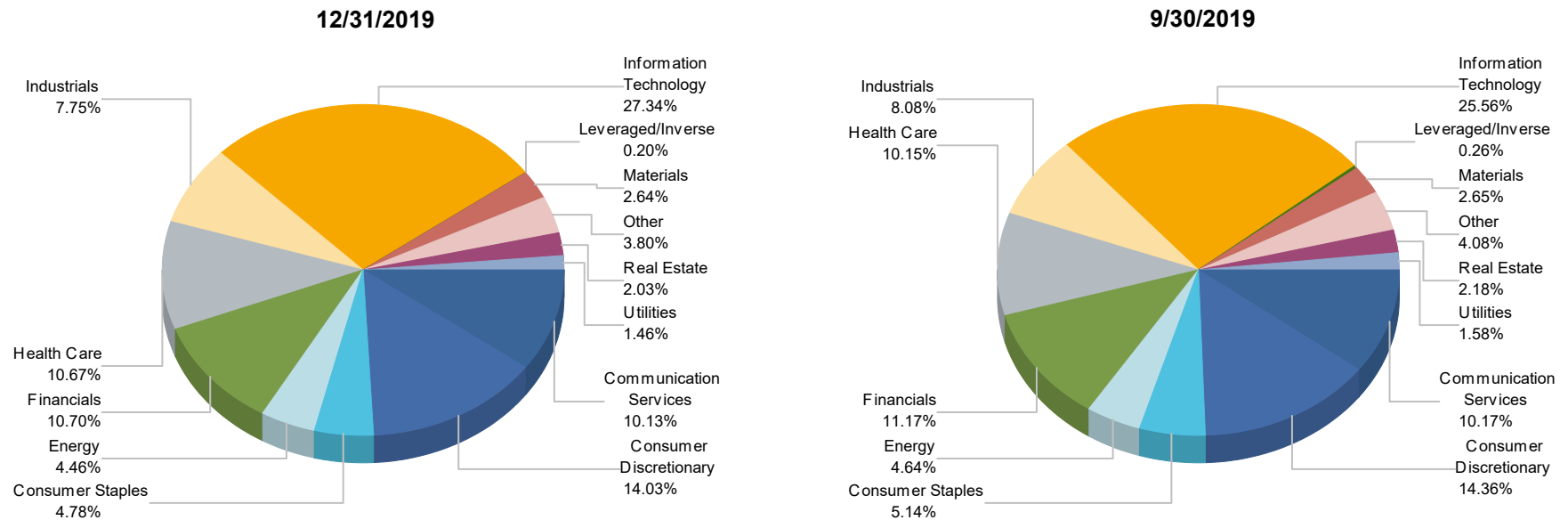


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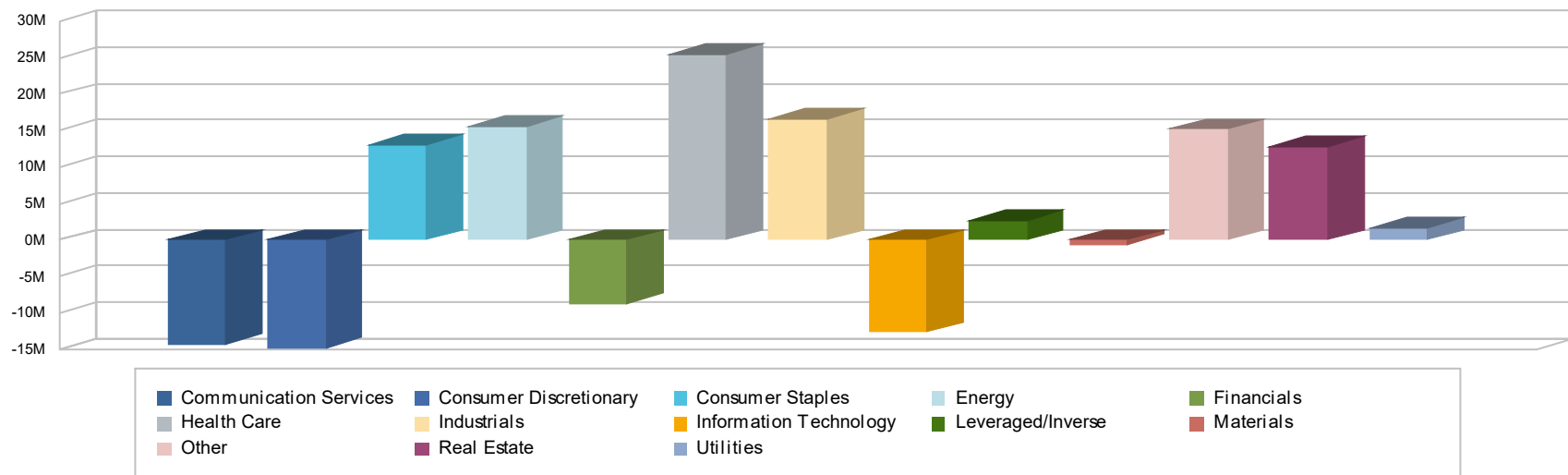
All Participants, Quarter Ending 12/31/2019

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 12/31/2019)

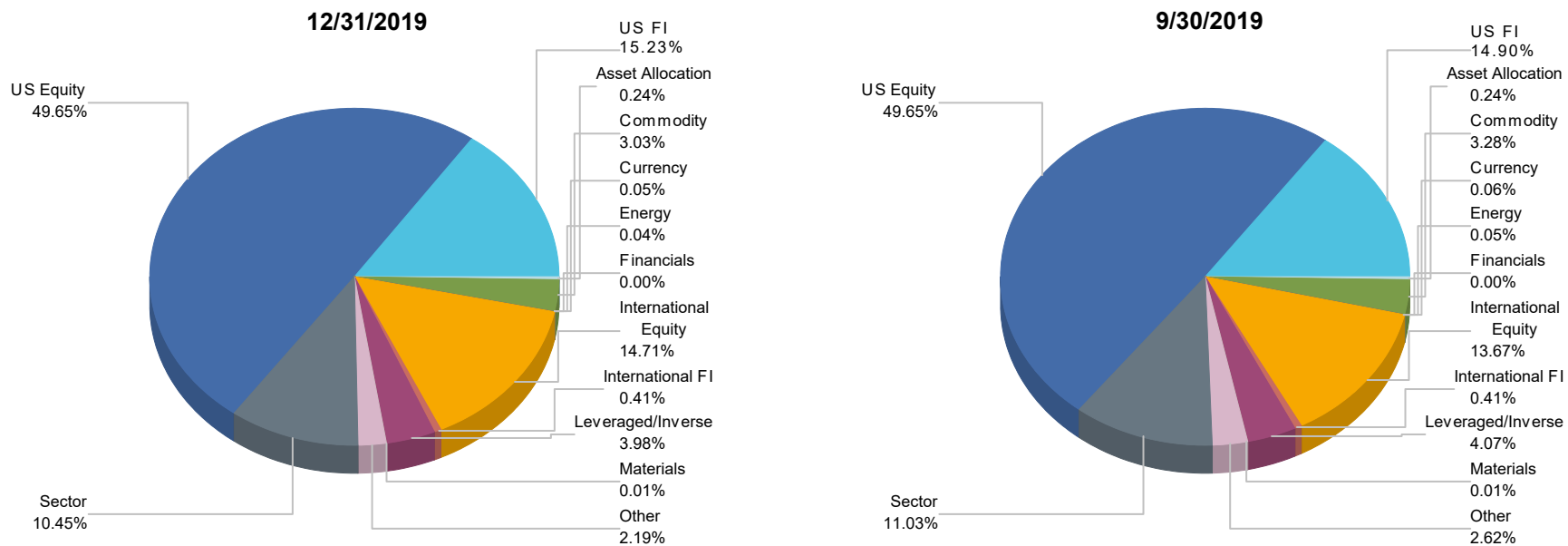


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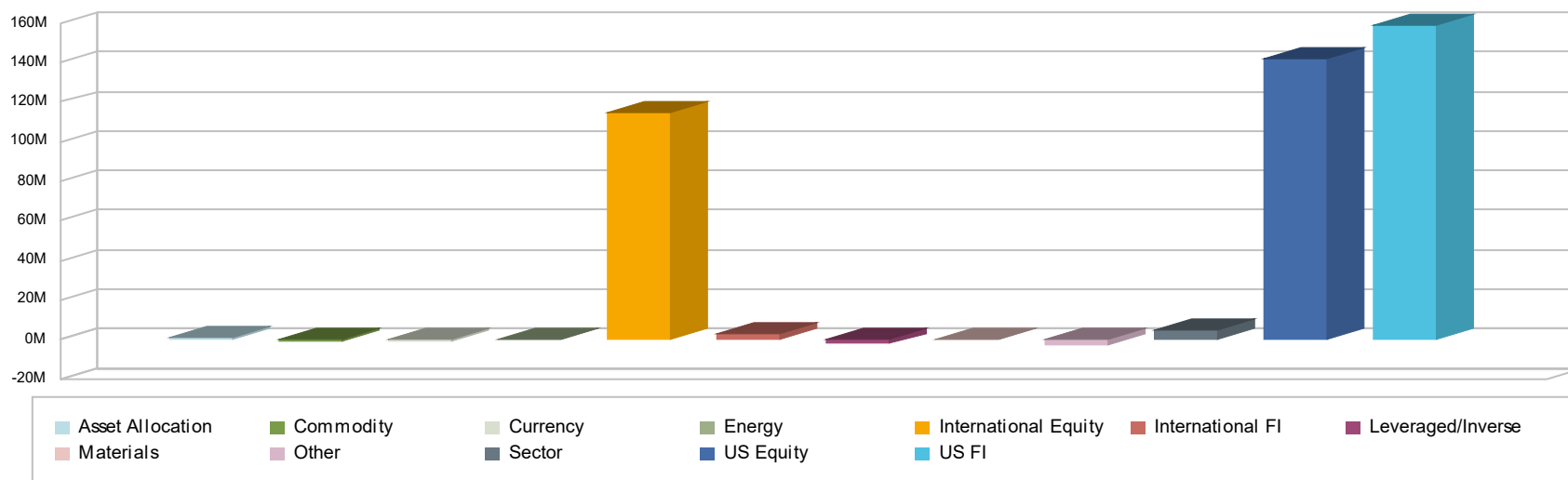
All Participants, Quarter Ending 12/31/2019

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 12/31/2019)

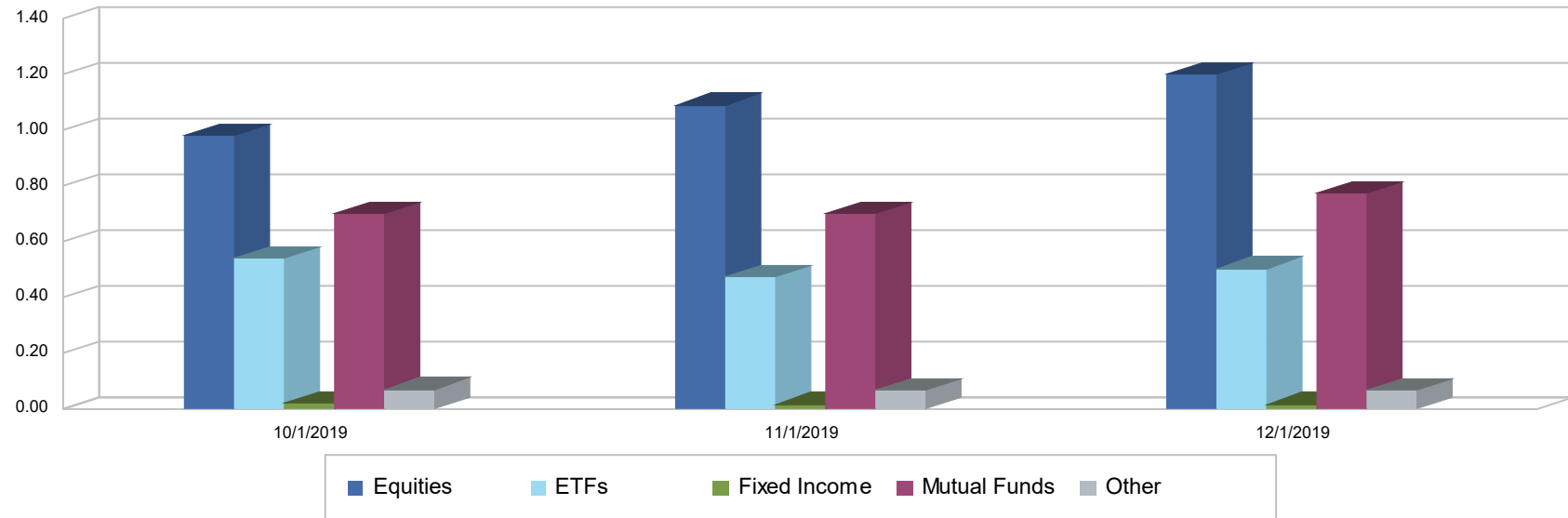


Net Flow is the net of all cash inflows and outflows in and out of financial assets; the performance of an asset or fund is not taken into account, only share redemptions, or outflows, and share purchases, or inflows.

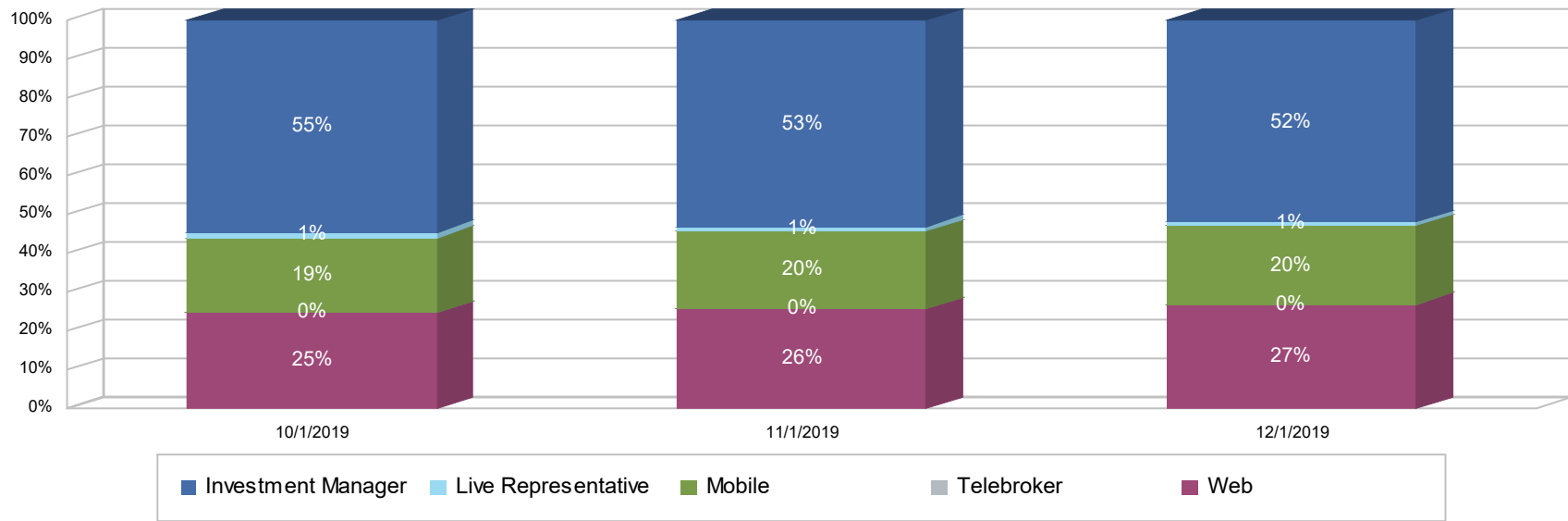
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All Participants, Quarter Ending 12/31/2019

Average Monthly Trades Per Account (3-Month Period Ending 12/31/2019)



Trading Channel Mix (Month over Month)



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All Participants, Quarter Ending 12/31/2019

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.