

*charles* SCHWAB

**A Winning Relationship:  
You, Your Advisor and Schwab Advisor Services™**



**When the expertise of your advisor  
is combined with custody at Schwab,  
we share a common objective:  
to protect and grow your assets**

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With the variety of investment alternatives available today, choosing to work with an independent investment advisor can provide the financial expertise, portfolio guidance and personalized relationship that many affluent investors seek.

Selecting the right brokerage firm is an equally important decision. When you and your advisor place assets at Schwab, you've chosen a custodian with experience in catering to the unique needs of independent advisors and their affluent clients. We focus on developing innovative products and services specifically designed to support the financial planning and portfolio management services advisors provide to affluent investors.

Furthermore, we understand that you and your advisor need to feel confident in Schwab as the custodian of your assets. Therefore, Schwab is committed to meeting our industry's rigorous regulations and upholding our own stringent business standards to position our company for long-term financial health and stability.

When the expertise of your advisor is combined with custody at Schwab, we share a common objective: to protect and grow your assets.

## Working together for you

**When you and your advisor choose Schwab as a custodian, your advisor has access to comprehensive services from one of the most experienced firms in the business.**

- Schwab was a pioneer in the business of exclusively serving independent, fee-based investment advisors and their clients.
  - More than 6,000 advisors currently look to Schwab as the institution of choice for their affluent clients.
  - More than 1,800 employees are dedicated to providing responsive custody, trading and operational support that can help your investment advisor deliver timely, quality service to you.
  - More than 1.8 million client accounts are custodied at Schwab, representing over \$560 billion in assets managed by investment advisors.
- With this depth of experience and resources, we are able to provide a wide range of products and services to help you and your advisor work toward your financial goals.

A close-up portrait of a man with a warm, friendly smile. He is wearing a dark suit jacket, a light-colored dress shirt, and a patterned tie. The background is a soft, out-of-focus brown. The text is positioned on the left side of the image.

**We begin each day  
with one goal: to help  
your investment advisor  
serve you better**

# Full range of investment strategies and trading services

Your advisor can leverage Schwab's depth of investment products and experienced traders, and can access investment alternatives throughout the financial community to make appropriate choices for your unique investment situation.

Because we focus on service, not sales, the trades your advisor places on your behalf are handled by an institutional trading team whose priorities are to represent your best interests and deliver quality execution.

## Equities

Schwab equity specialists have access to all major national and regional exchanges. If your advisor trades listed or over-the-counter stocks, large orders or thinly traded issues, Schwab specialists are available to help with the order, striving to obtain the best price.

## Fixed income

If your advisor recommends government, corporate or municipal bonds, a Schwab fixed income specialist works to locate the most favorable combination of rates and maturities.

## Mutual funds

If your portfolio includes mutual funds, your advisor can work with Schwab's mutual fund trading desk, eliminating the need to contact each fund family separately.

## Schwab's Mutual Fund Marketplace® offers:<sup>1</sup>

- One-stop access to nearly 13,000 mutual funds.
- More than 500 well-known fund families.
- More than 3,500 funds available exclusively to investment advisors.
- Institutional Share Classes with lower operating expenses than retail equivalents.

## Flexibility and convenience

To help you take advantage of resources throughout the investment community, your investment advisor can place trades with other brokerage firms through Schwab's Prime Brokerage and Trade Away services. With these trading and investment advantages, you can experience the convenience of a single custodian, Schwab, rather than establishing multiple accounts at a number of brokerage firms.

<sup>1</sup> Investors should carefully consider 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. Statistics as of 09/30/2009.

## Wealth management services

If you are seeking additional investment solutions to address your complex financial situation, your advisor can help by selecting from our array of wealth management services.

- Managed account services, helping you and your advisor to leverage the expertise of institutional-caliber money managers who specialize in particular investment styles.
- Tax-advantaged college savings and charitable giving plans.
- Custody services and assistance with purchases of alternative investments.
- Tax-deferred earning opportunities through variable annuities.<sup>2</sup>
- Individualized hedging strategies for concentrated equity holdings.
- Restricted stock transfer and filing services.



### A complete portfolio picture

To help you quickly and easily review your portfolio's progress, we consolidate your account transactions into a periodic statement that shows both an overall summary and line-by-line detail at the transaction level.

<sup>2</sup> A variable annuity's value will fluctuate depending on the underlying investment. An investor's units, when redeemed, may be worth more or less than the original amount invested. Variable annuities are registered securities that are sold by prospectus only and available by contacting your investment advisor. The prospectus contains details on subaccounts, contract features, fees, expenses and other pertinent information. Please read the prospectus carefully before investing. Withdrawals of taxable amounts will be subject to income tax and if taken prior to age 59 1/2, a 10% penalty may apply.

# Safeguards designed to protect your assets

Schwab believes that asset security measures, those required by our industry's regulators and the additional levels we elect to offer, can provide the protection investors seek when choosing a custodian.

## **Compliance with governmental mandates**

As a registered broker/dealer, Schwab is subject to the rules and regulations of the Securities and Exchange Commission, the Financial Industry Regulatory Authority, the Municipal Securities Rulemaking Board and all other exchanges of which Schwab is a member. These regulatory entities have established financial responsibility rules designed to help safeguard client assets.

## **Accurate company financial reports**

SEC Rule 17a-5 requires all registered broker/dealers to routinely file periodic reports—regulatory and surveillance information providing accurate detail of their current financial and operational condition. Schwab files these reports both monthly and quarterly for full disclosure of the state of our company.

## **Charles Schwab & Co., Inc., SIPC® coverage**

- Protection for securities and cash by the Securities Investor Protection Corporation (SIPC): Accounts of Charles Schwab & Co., Inc. (including those held by clients of

investment advisors with Schwab Advisor Services), are insured by SIPC for securities and cash in the event of broker-dealer failure.

- SIPC provides up to \$500,000 of protection for accounts that clients of advisors hold in each separate capacity (e.g., joint tenant or sole owner), with a limit of \$100,000 for claims of uninvested cash balances.

More information about SIPC coverage is available at [www.sipc.org](http://www.sipc.org).

## **Additional insurance coverage**

Additional brokerage insurance is provided to Charles Schwab & Co., Inc., accounts through underwriters at Lloyd's of London. Schwab's coverage with Lloyd's provides protection of securities and cash up to an aggregate of \$600 million, and is limited to a combined return to any customer from a Trustee, SIPC and Lloyd's of \$150 million, including cash of up to \$1 million. This additional protection becomes available in the event that SIPC limits are exhausted.

**Note:** SIPC and excess SIPC protection do not cover fluctuations in the market value of securities, and are not extended to accounts held by banks or broker-dealers maintained from their own account.

## Schwab's internal standards



We understand that investors want to feel confident that their assets have been placed with a company that is financially healthy.

To that end, we set aggressive business standards designed to position our company for long-term health and stability.

### **Strict business practices**

We strive to remain our investors' strongest financial resource through business practices that place an emphasis on:

- Prudent expense management—We keep a close eye on operational expenses to prudently manage our company. In a difficult market environment, we adjust expenses where necessary on a quarter-by-quarter basis.
- Diversified revenue mix—By increasing our reliance on fee-related services and balance-related incomes, rather than trading commissions, we strive to increase the stability of our revenues during fluctuating market conditions.

### **Schwab's commitment to privacy**

Our most important asset is our relationship with you and your advisor. Recognizing that, Schwab has a privacy policy that applies to consumers who are current or former Schwab brokerage clients. Our privacy policy assures that your personal information is never sold and is only shared with third parties in the very limited circumstances allowed or required by law.

Details of our approach to privacy and how personal information is collected and used are explained in the Schwab Privacy Policy.

# Technology and service support for your advisor

Our industry-leading technology and service have been designed to help your advisor cater to your investing needs.

## Industry-leading technology

Our sophisticated technology helps your advisor stay connected to quotes, commentary, account and position data, and trading capabilities, helping them quickly access your portfolio and make informed decisions.

## Dedicated support teams

Our network of service teams are dedicated to supporting every aspect of the investment management services your advisor provides to you.

Trading and operations experts, technology consultants and account managers provide trading assistance, account management and strategic information to keep your advisor up-to-date on how to maximize Schwab's services for your benefit.


## We're here to serve you

Whether you prefer to do business in person, on the phone or online, Schwab provides resources to support you and your investment advisor. Ask your advisor about other services and benefits available to you as a client of Schwab. Together with your advisor, we are committed to your financial success.



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 Printed on 30% post-consumer recycled paper. Schwab is committed to making responsible choices for our environment.

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TWI (1209-11859) MKT 10401-25 (12/09)