



*charles*  
SCHWAB

Advisor Services

# A winning relationship

**You, your investment  
advisor, and Schwab**

*Own your tomorrow.*

Your investment advisor's expertise and Schwab's custody services come together to help protect your assets and support your goals.

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## Build the team that's right for you

Selecting an investment advisor is a significant decision. Choosing the right brokerage firm to custody your assets is equally important.

Many investors today are choosing to work with an independent Registered Investment Advisor (RIA) for the objective financial expertise, portfolio guidance, and personal relationship that independent investment advisors can provide.

You and your investment advisor can feel confident in Schwab as the custodian of your assets. We're committed not only to meeting our industry's rigorous regulatory requirements but also to upholding our own stringent business standards, which are designed to help safeguard your assets and ensure our firm's financial health and stability.

# Experience and expertise— on your side

When your investment advisor chooses Schwab as a custodian, they are choosing an experienced leader to join your team. We provide data-driven insights into what investment advisors need to best serve their clients.

**3M+**  
accounts

Schwab Advisor Services™ is the trusted custodian for investment advisors' managed accounts, representing \$1.6 trillion in assets.<sup>1</sup>

**7,500+**  
investment  
advisors served<sup>2</sup>

Thousands of investment advisors look to Schwab as the institution of choice for their clients.

**30+**  
years' experience

Schwab pioneered the business of serving independent investment advisors and their clients.

“We’ve supported independent Registered Investment Advisors since 1987, providing them with a variety of services to help them serve investors just like you.”

—**Chuck Schwab**  
Chairman and Founder



# A broad range of investment solutions and trading services

Schwab provides insights, research, and access to a wide range of investment products.

Your investment advisor can leverage these tools to develop recommendations that suit your unique investment needs. And our team is there to help. Every trade your investment advisor places on your behalf is handled by a team that's there to support you.

## Equities

Schwab equity specialists have access to all major national and regional exchanges. They are available to help with the order of listed or over-the-counter stocks, large orders, and thinly traded issues, and they will strive to obtain the best price.

## Fixed income

By working with Schwab, your investment advisor has access to over 80,000 individual securities from more than 200 dealers and hundreds of bond funds.<sup>3</sup> This enables your investment advisor to select products to meet your capital preservation and income goals in a single place. If government, corporate, or municipal instruments are appropriate, a Schwab Fixed Income Specialist will work to locate the most favorable combination of rates and maturities available.

## Mutual funds

If your investment strategy includes mutual funds, your investment advisor has access to our industry-leading Mutual Fund MarketPlace®, featuring a full range of mutual fund managers from nearly every asset class. Your investment advisor can choose from over 15,000 mutual funds from more than 650 fund families—including more than 5,500 with no loads and no transaction fees through Schwab Mutual Fund OneSource®.<sup>4</sup>

We give your investment advisor access to research and experts' top fund picks to narrow down choices and find the right funds for you.

## Exchange-traded funds

Schwab provides your investment advisor with the insights, resources, access, and support needed to invest in exchange-traded funds (ETFs) and other exchange-traded products on behalf of their clients. Your advisor can navigate options using the Schwab ETF Select List®, a quarterly list that identifies the lowest-cost affiliated and third-party ETFs in 74 asset categories.

## Flexibility and convenience

Your investment advisor has access to Schwab's Trade-Away Services. With these services, your investment advisor can place trades with other firms throughout the financial industry without the need to establish multiple accounts. And because Schwab continues to be your sole custodian, you receive a single statement for each account. You get the convenience of a consolidated view of your accounts as well as consolidated cost-basis reporting at tax time.

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**Investors in mutual funds and ETFs should consider carefully information contained in the prospectus or, if available, the summary prospectus, including investment objectives, risks, charges, and expenses. You can request a prospectus by calling Schwab at 800-435-4000. Please read the prospectus carefully before investing.**

# Service and technology built to work for you

We put our clients at the center of what we do—they're why we come to work every day.

Schwab offers a range of resources to support you and your investment advisor, whether you prefer to do business in person, on the phone, or through your mobile device or computer. We design our innovative technology and service capabilities to provide a faster, more fluid experience for you and your investment advisor. Our responsive support and on-the-go access put your account information at your fingertips and make everyday transactions more convenient.

## Industry-leading technology

Our powerful technology platform and versatile mobile apps help you and your investment advisor stay connected and share important information. View your account, deposit checks, and approve documents and move money requests—on the go. Our intuitive website makes managing your money easy. We have created guided digital processes to minimize errors, reduce paper, and free up your time.

Meanwhile, Schwab is diligent in maintaining the highest security standards to protect your assets and data.

## Specialized teams

Our coordinated team of professionals ensures your investment advisor has an expert in their corner no matter what questions arise.

Our specialized teams and technology engineers provide trading assistance, account management, and strategic information to keep your investment advisor up-to-date on how to optimize Schwab's services for your benefit.

# Sophisticated wealth management solutions

Your investment advisor can access a wide array of wealth management products and services to address your complex financial needs.

Our products and services include:

- Managed accounts, which leverage the expertise of high-caliber asset managers who specialize in particular asset classes and provide opportunities to manage taxes via tax-loss harvesting
- Tax-advantaged college savings and charitable-giving plans
- Custody services and access to a wide range of alternative investments
- Schwab Annuity Concierge Services, a team that helps with annuity enrollment and provides ongoing annuity support at no additional charge
- Individualized hedging strategies for concentrated equity holdings
- Restricted stock transfer and filing services

## A complete portfolio picture

When you and your investment advisor work with Schwab, you can count on excellent visibility into your investments. You'll have access to custom, detailed reports as well as online and mobile account information, to help you quickly and easily review your portfolio's progress.



# Safeguards designed to help protect your assets

We take our role as custodian seriously. We take appropriate actions to help give our clients peace of mind about the security of their accounts.

When you work with an investment advisor who chooses Schwab, you can be assured that we follow stringent internal practices and business standards designed to keep client assets safe.

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

The securities and cash held in accounts of Charles Schwab & Co., Inc., including those held by clients of investment advisors with Schwab Advisor Services™, are insured by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, such as bankruptcy, in which assets are missing. SIPC provides up to \$500,000 of protection for accounts that clients of investment advisors hold in each separate capacity (e.g., joint tenant or sole owner), with a limit of \$250,000 for claims of uninvested cash balances.<sup>5</sup>

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

## **Additional insurance coverage**

Underwriters at Lloyd's of London provide additional brokerage insurance to Charles Schwab & Co., Inc. accounts. This "excess SIPC" protection of securities and cash is provided by SIPC and Lloyd's<sup>6</sup> up to an aggregate of \$600 million—limited to a combined return of \$150 million, including up to \$1,150,000 in cash—to any client. The excess SIPC protection becomes available in the event that SIPC limits are exceeded.

## **Compliance with government mandates**

As a registered broker-dealer, Schwab is subject to the rules and regulations of the Securities and Exchange Commission (SEC), 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. These include regulatory and surveillance information providing accurate details of their current financial and operational conditions. Schwab files these reports both monthly and quarterly, delivering full disclosure of the state of our company.

# Strength and scale for long-term financial health

It is important to know your assets are being held by a financially healthy company. The Charles Schwab Corporation is financially strong, and we are committed to the continued health of our businesses.

Our capital structure and liquidity are sound; our investment portfolio is diversified; and our internal controls and business standards are designed to safeguard the assets of all Schwab account holders. We maintain a disciplined focus on risk management and operate the firm conservatively to minimize investment risks. We know that our success ultimately depends on how well we serve our investment advisors and their clients.

We strive to remain a strong financial resource through business practices that emphasize:

- **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 quarterly.
- **Diversified revenue mix.** By increasing our reliance on fee-related services and balance-related incomes, rather than on trading commissions, we strive to stabilize our revenues during fluctuating market conditions.

Schwab and your investment advisor are committed to helping you own your financial future.



# Strict privacy and security standards

Comprehensive measures help protect your privacy and security—today and in the future.

## Schwab's commitment to privacy

Recognizing that our most important asset is our relationship with you and your investment advisor, Schwab has a privacy policy that applies to consumers who are current or former account holders at Schwab. It ensures that your personal information is never sold and is shared only 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](#).

## Schwab's Security Guarantee

We want you and your investment advisor to have the highest level of confidence that Schwab protects your personal and financial information. That is why we offer the Schwab Security Guarantee, which says that Schwab will cover 100% of any losses in any of your Schwab accounts due to unauthorized activity. Please read the full guarantee and its terms at [schwaballiance.com](http://schwaballiance.com).



## We're here to serve you

For more than 30 years, Charles Schwab has helped investment advisors deliver an exceptional experience to their clients.

Consult your investment advisor about all our services and solutions available to help meet your investing needs.

## For clients of independent investment advisors

1. Charles Schwab & Co., Inc., January 2019.

2. Ibid.

3. Secondary market data for number of quotes and securities derived from averaging data snapshots from four distinct times in a single trading day. All noted data points as of July 2019. Data here does not reflect bond inventory offered online at Schwab Advisor Center®.

4. Statistics as of September 2019.

Charles Schwab & Co., Inc., member SIPC, receives remuneration from fund companies participating in the Mutual Fund OneSource® service for recordkeeping and shareholder services and other administrative services. Schwab also may receive remuneration from transaction fee fund companies for certain administrative services.

Trades in no-load funds available through Mutual Fund 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'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. Funds are also subject to management fees and expenses.

Investment returns will fluctuate and are subject to 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).

Fixed income securities are subject to increased loss of principal during periods of rising interest rates. Fixed income investments are subject to various other risks, including changes in credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, tax ramifications, and other factors.

5. 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 accounts.

6. Ibid.

Alternative investments, including funds that invest in alternative investments, are risky and may not be suitable for all investors. Alternative investments often employ leveraging and other speculative practices that increase an investor's risk of loss to include complete loss of investment, often charge high fees, and can be highly illiquid and volatile. Alternative investments may lack diversification, involve complex tax structures, and have delays in reporting important tax information. Registered and unregistered alternative investments are not subject to the same regulatory requirements as mutual funds.

Schwab does not provide investment advisors, or their clients, advice or make recommendations about potential investments in any funds on the Schwab Alternative Investment OneSource platform, Schwab Alternative Investment Access platform, funds that may be held in custody. It is each investment advisor's responsibility to determine the suitability of such an investment for their clients. Alternative investments are risky, and an advisor's clients may lose their entire investment in a fund.

When accepting an alternative investment, Schwab has neither endorsed nor approved the investment, and Schwab's acceptance of the investment into custody indicates solely that the investment meets the criteria of Schwab's existing systems and procedures, and that the acceptance in no way can be construed to be either an endorsement or evaluation of merit of any kind or an acknowledgment that the investment complies with any sanction, legal authority, or regulatory statute.

Schwab Mobile Deposit service is subject to certain eligibility requirements, limitations, and other conditions. Enrollment is not guaranteed, and standard hold policies apply. Requires a wireless signal or mobile connection. Mobile carrier data charges may apply.

Diversification strategies do not ensure a profit and do not protect against losses in declining markets.

Schwab Advisor Services™ serves independent investment advisors and includes the custody, trading, and support services of Schwab. Independent investment advisors are not owned by, affiliated with, or supervised by Schwab.

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*Own your tomorrow.*