

A black and white photograph of a woman with short, light-colored hair, wearing a dark shirt with thin white vertical stripes. She is looking slightly off-camera with a gentle smile. The background is blurred, showing other people in a social setting.

A Winning Relationship


You, Your Advisor, and
Schwab Advisor Services™

For Clients of Independent Investment Advisors

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

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

Selecting an investment advisor is a significant decision. 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 RIAs can provide.

Choosing the right brokerage firm to custody your assets is equally important. When you and your advisor place assets at Schwab, you choose a custodian experienced in serving the unique needs of independent advisors and their clients. We offer innovative products and services that support the financial planning and portfolio management services that advisors provide to investors like you.


You and your 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 safeguard your assets and help ensure our firm's financial health and stability.

An Innovative Industry Leader

When you and your advisor choose Schwab as a custodian, you choose to work with an industry leader. We serve more independent registered investment advisors than any other custodian. We also hold more assets under management than any other custodian—all of which give us unique insight into what advisors need to serve their clients best.

We focus on your success by giving your advisor access to comprehensive products and services that can help you meet your financial goals.

- Schwab was a pioneer in the business of serving independent investment advisors and their clients, and has more than 25 years of industry experience.
- More than 7,000 advisors¹ currently look to Schwab as the institution of choice for their clients.
- 2.1 million accounts managed by investment advisors are custodied with Schwab Advisor Services™—representing nearly \$800 billion in assets.¹



“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 Full Range of Investment Solutions and Trading Services

Schwab provides insights, research, and access to a wide range of investment products and expertise. Your advisor can leverage these tools to develop recommendations that suit your unique investment needs. And our team is there to help. Every trade your advisor places on your behalf is handled by a team that puts your best interests first.

Equities

Schwab equity specialists have access to all major national and regional exchanges. Our specialists 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 advisor has access to more than 36,000 bonds from more than 200 dealers.² This enables your 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.

Mutual Funds

If your investment strategy includes mutual funds, your advisor can choose from thousands of mutual funds, many with no loads and no transaction fees, with Schwab Mutual Fund OneSource®, or select from our Mutual Fund Marketplace®, which provides convenient one-stop access to a full range of mutual fund managers from nearly every asset class.³ We also provide your advisor with research and experts' top fund picks to narrow down the choices and find the right funds for you.

Exchange-Traded Funds

Schwab provides your 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. When advisors use Schwab ETF OneSource™, they get commission-free access to more than 100 ETFs—spanning asset classes, geographies, and sectors—from Schwab and other leading industry providers.

Flexibility and Convenience

Your investment advisor has access to Schwab's Trade-Away services. Using these services, your advisor can place trades with other firms throughout the financial industry without the need to establish multiple accounts. Schwab continues to be your sole custodian, so 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.

Investors should carefully consider information contained in the prospectus, including investment objectives, risks, charges, and expenses. You can request a prospectus by calling 1-800-435-4000. Please read the prospectus carefully before investing.

Technology and Service Support for You and Your Advisor

We put our clients at the center of what we do; they are why we come to work every day. Schwab offers a range of resources to support both 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 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 your advisor stay connected to you and share important information. We also provide you with intuitive website and mobile apps that you can use to view account information, remotely deposit checks, and stay connected to your investments—anytime, from almost anywhere.

All of our technology is designed to make it easier for you and your advisor to work with Schwab, while upholding the strict security standards and protections that we put in place to keep your assets safe.

Dedicated Support Teams

Our network of service teams is dedicated to supporting every aspect of the investment management services your advisor provides to you. Schwab Alliance, a dedicated service team for clients of advisors, is only a phone call away.

Trading and operations teams, 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.

Wealth Management Services

Your advisor can access a wide array of wealth management services—ideal if you are seeking additional solutions to address your complex financial needs. These services include:

- Managed account services, which help you and your advisor 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 annuities⁴
- Individualized hedging strategies for concentrated equity holdings
- Restricted stock transfer and filing services



A Complete Portfolio Picture

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

Safeguards Designed to Protect Your Assets

We take our role as custodian seriously. As an industry leader, we go beyond the safety measures required by regulators, offering you additional levels of protection. When you work with an advisor who chooses Schwab, you can be assured that we follow stringent internal practices and business standards designed to keep clients' 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.

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 \$250,000 for claims of uninvested cash balances.⁵

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

Additional Insurance Coverage

Additional brokerage insurance is provided to Charles Schwab & Co., Inc. accounts through underwriters at Lloyd's of London and other London insurers. This "excess SIPC" protection of securities and cash is provided up to an aggregate of \$600 million, limited to a combined return to any client from a trustee, SIPC, Lloyd's, and other London insurers of \$150 million, including up to \$1,150,000 in cash.⁵ This additional 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 (FINRA), 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 regarding their current financial and operational conditions. Schwab files these reports both monthly and quarterly, delivering full disclosure of the state of our company.

Long-Term Financial Health

You need to be confident that your assets have been placed with 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 advisors and their clients.

We strive to remain a strong financial resource through business practices that place 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.



Together with your
advisor, we are
committed to helping
you own your
financial future.

Strict Privacy and Security Standards

We have comprehensive measures in place to 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 advisor, Schwab has a privacy policy that applies to consumers who are current or former account holders at Schwab. Our privacy policy 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 Offers Added Confidence

We want you and your advisor to have the highest level of confidence that personal and financial information is protected when you and your advisor choose Schwab. That is why we offer the Schwab Security Guarantee. We designed this guarantee to address concerns about online data security threats from non-trusted third parties.

A black and white photograph of a man in a white dress shirt and a patterned tie, standing in an office environment. He is smiling and looking towards the camera. In the background, other office workers are visible at their desks. A large blue rectangular box is overlaid on the right side of the image, containing white text.

Schwab's security guarantee and our privacy and security practices are posted on [schwaballiance.com](https://www.schwaballiance.com).



We're Here to Serve You

For more than 25 years, Charles Schwab has helped advisors deliver an exceptional experience to their clients.

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



1. Cerulli Associates company reports and Schwab internal estimates, 2012.

2. Schwab BondSource® as of January 2013.

3. Statistics as of Dec. 31, 2012.

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. For each of these trade orders placed through a broker, a \$25 service charge applies. Schwab reserves the right to change the funds we make available without transaction fees and to reinstate fees on any funds.

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. 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.

4. 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 advisors. 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 59½, a 10 percent penalty may apply.

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 account.

Schwab Mobile Deposit service is subject to certain eligibility requirements, limitations, and other conditions. Enrollment is not guaranteed, and standard hold policies apply.

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

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

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