

## Asset Protection with Schwab

**At Schwab Institutional®, one of our highest priorities is helping investment advisors serve their clients. We recognize that one of the biggest concerns advisors have is the security of their clients' assets and financial data. We share this concern and take the need to protect assets and information that advisors entrust to us very seriously.**

### **SCHWAB INSTITUTIONAL: AN EXPERIENCED CUSTODIAN**

How can you feel confident that clients' assets are protected? Start by making sure that the assets are placed with an experienced and financially strong custodian such as Schwab.

- Schwab Institutional pioneered the RIA custodial business over 20 years ago.
- Both Schwab Institutional, as a division of Charles Schwab & Co., Inc. ("Schwab"), and Schwab have a consistent financial track record.
- We closely manage our expenses with appropriate adjustments to spending plans.

### **Learn More about Schwab's Financial Results**

*We invite you to review The Charles Schwab Corporation quarterly and annual financial results at [www.aboutschwab.com](http://www.aboutschwab.com)*

### **SCHWAB'S ASSET SECURITY MEASURES**

#### **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 Institutional), 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 clients 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—in addition to SIPC protection—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.

#### **Information about Additional Brokerage Insurance**

Some custodians do not offer any additional brokerage insurance beyond SIPC protection. Others offer additional protection by self-insuring through a surety consortium of broker-dealers called Customer Asset Protection Company or CAPCO. At Schwab, we believe our clients deserve to be protected by a well-respected name in the insurance industry.

### Charles Schwab Bank FDIC Deposit Insurance

- Protection for deposits by the Federal Deposit Insurance Corporation (FDIC): Accounts of Charles Schwab Bank are insured in aggregate based upon account ownership type by the FDIC up to the insurance limit in the event of bank failure.
- The basic FDIC insurance amount is \$100,000 per depositor. Certain self-directed retirement accounts such as Individual Retirement Accounts (IRA's) are insured up to \$250,000.
- The FDIC also insures living trust accounts and, if certain conditions are met, these accounts are insured up to \$100,000 per owner for each qualifying beneficiary. (Assessing the coverage for a living trust account is complex. For additional information, contact the FDIC at 1-877-275-3342.)
- Cash balances within a Charles Schwab & Co., Inc., brokerage account that have been swept to Charles Schwab Bank as part of the Bank Sweep feature are insured by the FDIC up to the limits outlined above, when aggregated with all other deposits held in the same capacity at Schwab Bank.

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**Note: Brokerage Products: Not FDIC Insured • No Bank Guarantee • May Lose Value**

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Charles Schwab & Co., Inc., and Charles Schwab Bank are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation. Schwab Institutional is a division of Charles Schwab & Co., Inc. Investment products offered by Charles Schwab & Co., Inc., member SIPC, are not insured by the FDIC, are not deposits or obligations of Charles Schwab Bank and are subject to investment risk, including the possible loss of principal invested. Deposit and lending products and services are offered by Charles Schwab Bank, Member FDIC and an Equal Housing Lender.

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### Schwab's Information Security Measures

#### Privacy Policy

Schwab is committed to protecting client privacy and safeguarding information. We do not sell clients' personal information under any circumstances. While Charles Schwab & Co., Inc., may share client information with third parties, including affiliates and joint marketing partners, Schwab Institutional has an internal privacy policy that ensures that clients' personal information is never shared with third parties except for servicing accounts or in very limited circumstances as required by law.

#### Business Continuity Plan in Cases of Emergency

In order to provide for continued client service in the event of power outages, natural disasters or other unexpected events, Schwab's Business Continuity Program was created according to requirements of the U.S. Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA). Plan components are reviewed and updated to account for changes in areas such as personnel, business processes and technology, as well as for strategy updates. While no contingency plan can eliminate all risk of service interruption, we continually assess and update our plans in our pursuit to mitigate all reasonable risk.

#### Data Security Assistance

Schwab Institutional can provide assistance focused on sound data security practices.

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## Additional Information

Complete financial results and more information about Schwab's business and financial condition can be viewed any time at [www.aboutschwab.com](http://www.aboutschwab.com).