



How Schwab protects your assets

“At Schwab, we are dedicated to the principles of safety and soundness. They form the heart of our relationship with you.”

A handwritten signature in white ink that reads "Charles R. Schwab".

– Charles R. Schwab
Chairman

Own your tomorrow®

Our financial strength is your financial strength.

The Charles Schwab Corporation is financially strong, and we are committed to our continued financial health. Our capital and liquidity are sound, and we operate the firm conservatively to minimize the kind of investment risks that have troubled many other securities firms. With the majority of our assets in cash and U.S. Treasury-backed and agency-backed securities, we maintain a conservative, high-quality balance sheet. We emphasize a disciplined focus on risk management, and our internal controls and business standards are designed to keep client assets safe. We know that our success ultimately depends on how we serve our clients and their confidence in us.

Your assets are yours.

The SEC's Customer Protection Rule (Rule 15c3-3) safeguards customer assets at brokerage firms by preventing firms from using customer assets to finance their own proprietary businesses. It is a violation of SEC rules for brokerage firms to merge customer assets with their own. At Schwab, clients' fully paid securities are segregated so that they are not available to the firm. Client cash deposits invested at the broker-dealer are maintained in Special Reserve Accounts for the Exclusive Benefit of Our Customers, as required by the SEC's Customer Protection Rule.

Charles Schwab & Co., Inc. is an SIPC-member brokerage firm and also maintains excess SIPC protection. The Securities Investor Protection Corporation (SIPC) was created to protect against the loss of customer assets at brokerage firms. SIPC offers protection of up to \$500,000, including a \$250,000 limit for cash, if a brokerage firm fails, and covers most types of securities, such as stocks, bonds, and mutual funds. SIPC does not protect against losses caused by a decline in market value. For more information about SIPC, visit www.sipc.org.

In addition to SIPC, Charles Schwab & Co., Inc. customers receive an extra level of coverage. Schwab maintains "excess SIPC" insurance protection for securities and cash up to an aggregate claim amount of \$600 million.

This coverage helps ensure customer claims will be covered in the event of a brokerage firm failure and funds covered by SIPC protections are exhausted.

Your assets at Charles Schwab-Affiliated Banks are protected by the FDIC. The Federal Deposit Insurance Corporation (FDIC) is an independent agency that is backed by the full faith and credit of the United States government. Its purpose is to protect depositors' funds placed in banks and savings associations. Since the FDIC was established in 1933, no depositor has lost a penny of FDIC-insured funds. The standard FDIC insurance amount is \$250,000 per depositor, per insured bank, based on ownership category, and includes accounts held singly or jointly. The same amount applies to trust-owned accounts. Go to www.fdic.gov to learn more about FDIC coverage.

What FDIC-insured products are available through Charles Schwab-Affiliated Banks? All deposit accounts held at Schwab Bank are FDIC-insured (up to applicable limits), including Schwab Bank High Yield Investor Checking^{®1} accounts and Schwab Bank High Yield Investor Savings[®] accounts.

Brokerage Products: Not FDIC-Insured ■ No Bank Guarantee ■ May Lose Value

What FDIC-insured products are available through my Schwab brokerage account? Charles Schwab & Co., Inc., acting as a deposit broker, can place deposits at FDIC-insured banks on your behalf. In such cases, the FDIC insurance available from the bank “passes through” to you. FDIC-insured deposits are available through your Schwab brokerage account in two ways:

- **Certificates of deposit.** Schwab’s CD marketplace, Schwab CD OneSource®, enables you to purchase CDs from FDIC-insured banks across the country. CDs you purchase through Schwab are aggregated with other deposits you hold at each issuing institution and are FDIC-insured up to \$250,000 per bank.² Through CD OneSource, you may purchase CDs from multiple banks for added FDIC coverage.

- **Bank Sweep.** If the cash feature for your Schwab brokerage account is Bank Sweep, your cash balances are automatically swept to deposit accounts at Schwab-Affiliated Banks and are FDIC-insured up to \$250,000 per ownership capacity per bank. Keep in mind that deposits you hold at a single Affiliated Bank—whether you open an account directly at the Bank or Schwab brokerage holds the accounts on your behalf—are added together with other deposits you hold at that same Bank in the same ownership capacity in order to determine the total amount of FDIC insurance coverage for your deposits.

If you have questions or need help, please call **1-800-435-4000** to speak with a Schwab Client Service Specialist.

The Schwab Security Guarantee

We want you to have the highest level of confidence when you do business with Schwab, so we offer you this simple guarantee: **Schwab will cover 100% of any losses in any of your Schwab accounts due to unauthorized activity.** Learn more about The Schwab Security Guarantee at schwab.com/guarantee.

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¹The Schwab Bank High Yield Investor Checking® account is available only as a linked account with a Schwab One® brokerage account. The Schwab One brokerage account has no minimum balance requirements, minimum balance charges, minimum trade requirements, and there is no requirement to fund this account, when opened with a linked High Yield Investor Checking account.

²Per ownership category. Certificates of deposit are offered through Charles Schwab & Co., Inc. CDs from Schwab CD OneSource® are issued by FDIC-insured institutions and are subject to change and to system access. Certificates of deposit offer a fixed rate of return and are FDIC-insured up to \$250,000, per depositor per institution, based on account ownership type. Visit www.fdic.gov for details. There may be costs associated with early redemption and possible market value adjustment.

Bank Sweep deposits are held at one or more FDIC-insured banks ("Affiliated Banks") that are affiliated with Charles Schwab & Co., Inc. Funds deposited at Affiliated Banks are insured, in aggregate, up to \$250,000 per Affiliated Bank per depositor, per account ownership category, by the Federal Deposit Insurance Corporation (FDIC). Visit www.fdic.gov for details.

Securities products and services (including unswept or intra-day cash, net credit or debit balances, and money market funds) offered by Charles Schwab & Co., Inc. (Member SIPC) are not deposits or obligations of the Affiliated Banks, are subject to investment risk, are not FDIC-insured, may lose value, and are not Affiliated Bank-guaranteed.

Deposit products and services are offered by Charles Schwab Bank, SSB ("Schwab Bank"); Charles Schwab Premier Bank, SSB ("Schwab Premier Bank"); and Charles Schwab Trust Bank ("Schwab Trust Bank")—collectively the "Affiliated Banks," Members of FDIC. Lending products and services are offered by Charles Schwab Bank, SSB, an Equal Housing Lender. Charles Schwab & Co., Inc. and Affiliated Banks are separate but affiliated companies and wholly owned subsidiaries of The Charles Schwab Corporation.

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CC4099293 (0520-0HBZ) MKT45080-09 (05/20)
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