

# Cash Features Program

## General Terms and Conditions

The automatic investment of your free credit balance, including the frequency and the amount of each sweep, is governed by the terms and conditions set forth in the Cash Features Disclosure Statement and in the Account Agreement applicable to your account. The material in this document is intended for informational purposes only. If there is any conflict between the descriptions in this document and the terms of your Account Agreement, your Account Agreement will control.

<b>How the Cash Features Program Works</b>	Schwab's Cash Features Program is the service (described in the Cash Features Disclosure Statement) that we provide to automatically invest, or "sweep," the Free Credit Balance in your account into a liquid investment to earn interest. The program permits you to earn income while you decide how those funds should be invested longer term.
<b>Available Cash Feature</b>	<p>The available cash features currently consist of:</p> <ul style="list-style-type: none"> <li>• Interest payments by Schwab on the Free Credit Balance in your eligible account (the "Schwab One® Interest feature");</li> <li>• Interest-bearing Deposit Accounts at our affiliated bank, Schwab Bank (the "Bank Sweep feature," which consists of the "Schwab Bank Sweep feature" and the "Schwab Bank Sweep for Benefit Plans feature"); and</li> <li>• For some accounts, one or more affiliated money market mutual funds (the "Money Fund Sweep feature").</li> </ul>
<b>Eligibility</b>	Eligibility for each cash feature is based on the registered ownership and the type of account. Not all account registrations and account types will be eligible for all cash features. Some account registrations and account types will be eligible for only one cash feature. Please see your Account Application and the Cash Features Disclosure Statement for more complete eligibility details.
<b>Duty to Monitor Eligibility for Cash Features</b>	It is your responsibility to monitor your eligibility for the cash features and determine the best cash feature available to you. Schwab is not responsible for contacting you if you are, or later become, eligible for other higher-yielding cash features.
<b>Interest Rates and Yields</b>	<p>The interest rates and yields for the different cash features vary over time. Current interest rates and yields can be obtained by contacting your independent investment advisor or your Financial Consultant, or by calling us at 1-800-435-4000. If you already have an account, you can visit our website at <a href="http://www.schwab.com/cash">www.schwab.com/cash</a>. If your account is an Advisor Services account, please contact your advisor, visit <a href="http://www.schwab.com/SA_cash">www.schwab.com/SA_cash</a>, or call Schwab Alliance at 1-800-515-2157.</p> <ul style="list-style-type: none"> <li>• The interest rate on the Schwab One Interest feature is set by Schwab. We may seek to pay as low a rate as possible consistent with our views of competitive necessities. With certain exceptions, the rate will be tiered based upon the overall Household Balance of your account(s).</li> <li>• The interest rate on the Schwab Bank Sweep feature is set by Schwab Bank, which may seek to pay as low a rate as possible consistent with its views of competitive necessities. With certain exceptions, the rate will be tiered based upon account type and the overall household value of your account(s) with Schwab and Schwab Bank.</li> <li>• The interest rate on the Schwab Bank Sweep for Benefit Plans feature is set by Schwab Bank, which intends to pay interest consistent with reasonable rate provisions of applicable legal and regulatory authority. Interest rates do not vary by tiers and do not vary based on householding of assets.</li> </ul>

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<b>Interest Rates and Yields</b> (Continued)	<ul style="list-style-type: none"> <li>▪ Money market mutual funds offered through the Money Fund Sweep feature seek to achieve the highest yield (less fees and expenses) consistent with prudence and their investment objectives.</li> </ul> <p>Cash features are not intended to be long-term investments. If you desire to maintain cash balances for other than a short-term period and/or are seeking the highest yields currently available in the market, please contact your Schwab representative or visit <a href="http://www.schwab.com/cash">www.schwab.com/cash</a> for investment options that may be available outside of the Cash Features Program to help maximize your return potential consistent with your investment objectives and risk tolerance. If your account is an Advisor Services account, please contact your advisor, visit <a href="http://www.schwab.com/SA_cash">www.schwab.com/SA_cash</a>, or call Schwab Alliance at 1-800-515-2157.</p>
<b>Benefits to Schwab</b>	<p>We may charge fees and receive certain benefits under the different cash features. A portion of these fees and benefits may be shared with your investment professional. Because of these fees and benefits, we have a financial incentive to select the particular cash features included in the Cash Features Program.</p>
<b>Differing Risks and Account Protection</b>	<p>The different cash features are subject to different risks and account protection:</p> <ul style="list-style-type: none"> <li>▪ The Schwab One® Interest feature is not subject to market risk and value loss but is subject to the risk of Schwab's failure. In the unlikely event that Schwab fails, cash is eligible for SIPC coverage up to a limit of \$250,000 (including principal and interest) per client in each insurable capacity (e.g., individual or joint). Free Credit Balances held at Schwab are not insured or guaranteed by the FDIC.</li> <li>▪ The Bank Sweep feature, which includes the Schwab Bank Sweep feature and the Schwab Bank Sweep for Benefit Plans feature, is not subject to market risk and value loss but is subject to the risk of Schwab Bank's failure. In the unlikely event that Schwab Bank fails, deposits at Schwab Bank are eligible for FDIC insurance protection up to a limit of \$250,000 (including principal and interest) per depositor in each insurable capacity (e.g., individual, joint, and plan participant). This limit includes any other deposits you may have at Schwab Bank outside of the Bank Sweep feature. <b>You are responsible for monitoring your bank balances in the Bank Sweep feature and the balances in any of your other bank accounts at Schwab Bank to determine if these, in total, exceed FDIC insurance limits. Monies held in the Bank Sweep feature are not covered by SIPC.</b></li> <li>▪ Money market mutual funds in the Money Fund Sweep feature invest in high-quality, short-term securities and seek to maintain a stable value, but are subject to market risks and potential value loss. They are not bank accounts and are not subject to FDIC insurance protection. They are instead covered by SIPC, which protects against the custodial risk (and not a decline in market value) when a brokerage firm fails by replacing missing securities and cash up to a limit of \$500,000, of which \$250,000 may be cash. Shares held through the Money Fund Sweep feature are not considered cash, but are treated as securities for SIPC coverage.</li> </ul>

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