

Schwab Personal Retirement Planning™

Now all defined contribution plans serviced by Schwab can include objective advice provided by an independent investment adviser, plus ready access to Schwab Advice Services Representatives— at no additional cost.¹

It's the right thing to do

At Schwab, we believe that every participant has the right to objective, personalized advice without costly fees. That's why, through the advice services of GuidedChoice™,² an independent investment advisory firm, we've taken an important step by offering advice services at no additional cost.

Benefits for participants

- **Advice based on sound investing principles**—GuidedChoice advice uses Modern Portfolio Theory, widely accepted as the standard for asset allocation.
- **Fund-specific advice**—Participants get the kind of help they want and need to decide how to invest their retirement assets.
- **Savings recommendations**—Participants are advised on how much they need to save—both inside and outside their plan—to help them reach their retirement savings goals.
- **Annual rebalancing**—Automatic rebalancing of the portfolio each year means participants can easily stay on track with the advice.
- **Unlimited access**—Participants can access advice any time a life event occurs, or when they feel a need to re-evaluate their financial situation.
- **No extra charge for advice**—Advice is included in every plan so there are no additional fees to negate its potential financial benefit to participants.
- **Choice of delivery**—Advice can be accessed through our Advice Services Representatives or online.

Benefits for your plan

- **Increased contributions**—For the average defined contributions plan, saving rates increased 35–123% when GuidedChoice advice was offered.³
- **Increased participation**—On average, overall participation increased by 10–50% when GuidedChoice advice was offered to participants.⁴
- **Advice specific to your plan**—Plan set-up rules (such as employee contribution limits, employer match, company stock availability and investment choices) are reflected in GuidedChoice advice.

Features of participant advice



Nobel Prize, Economics

Objectivity—Advice is provided by an independent third-party adviser, GuidedChoice, and made available through Schwab.

- The GuidedChoice software engine used to generate participant advice was developed by Harry Markowitz, Ph.D., co-founder of the company and winner of the Nobel Prize for his work in developing Modern Portfolio Theory.⁵
- Advice is based on a sophisticated investment decision approach that is widely applied as the foundation for asset allocation principles for institutional investors.
- Recommendations take into consideration the individual's total retirement portfolio, including spousal assets and nontraditional retirement investments such as real estate.
- Hundreds of investing scenarios are evaluated to generate advice recommendations.

Fund-specific, plan-specific recommendations—Participant advice services are available to every plan for which Schwab provides recordkeeping.

- Investment recommendations are given only on funds contained in the plan's core fund lineup.
- Considers Roth 401(k), if available, and Traditional 401(k).
- The GuidedChoice advice tool incorporates plan rules so that the advice is consistent with the company's plan.

Experienced advice representatives—Schwab Advice Services Representatives⁶ explain and help participants access and implement GuidedChoice advice.

- At a minimum, all representatives possess Series 7, 63 and 66 licenses.

Multi-channel access—Advice will be delivered online, by phone or in person using robust automated analytical software developed by GuidedChoice.

- **By phone**—Schwab Advice Services Representatives are available 8 a.m. to 9 p.m. ET in our advice services call centers. Phone consultations can be scheduled by calling 1-877-285-4929.
- **Online**—An easy-to-use GuidedChoice tool is accessible through the individual's account on schwabplan.com.
- **In person**—One-on-one appointments may be available in some cases.

Five easy steps to better retirement investing

At the heart of our advice service is the GuidedSavings™ tool developed by GuidedChoice. Used by both participants and Schwab Advice Services Representatives alike, the tool helps ensure that advice is consistent regardless of how it is accessed.

1	<p>Participant logs on or calls Schwab:</p> <ul style="list-style-type: none"> • On schwabplan.com, the GuidedSavings tool is accessible day and night • By phone, Schwab Advice Services Representatives use the tool to access advice, then discuss the advice with the participant
2	<p>Tool projects likely retirement income based on:</p> <ul style="list-style-type: none"> • Pre-loaded plan balance, fund allocations and savings rate • Additional retirement assets, including a spouse's plan • Nontraditional retirement investments, such as real estate, collectibles and investment partnerships
3	<p>A recommendation is generated after analyzing hundreds of scenarios:</p> <ul style="list-style-type: none"> • Recommends specific savings rate • Suggests a fund allocation and specific investment recommendations from the list of plan funds • Shows likelihood of achieving retirement goals
4	<p>Participant explores alternatives:</p> <ul style="list-style-type: none"> • Participant can see impact of different savings rates, retirement ages, withdrawals, outside assets, changing variables, etc.
5	<p>Advice is implemented immediately:</p> <ul style="list-style-type: none"> • Online, participant simply clicks "OK" to accept savings rate and fund allocation • By phone, participant authorizes Schwab Advice Services Representative to implement the advice • Account is then automatically rebalanced on an annual basis, unless the participant opts out

Schwab difference

- **Exceptional service**—With Schwab, you have the support of a powerful financial ally with a solid track record for placing client needs first.
- **Comprehensive solutions**—In addition to a full complement of benefit plans, we provide access to the essential education and personalized advice that can help to motivate and empower participants.
- **Dedicated support**—We serve you through dedicated teams and by developing advanced technology and products that support efficient management and delivery of benefits to your plan and plan participants.
- **Integrity**—We are known for our dedication to ethical practice and the safeguarding of investor interests.

Next steps

- Ask your Schwab representative for materials on how to activate advice services for your plan.
- Request samples of materials that can be used to communicate this valuable benefit to your employees.

Contact us

For more information, contact your Schwab representative, call **1-877-456-0777** or visit us at **scrs.schwab.com**.

¹“At no extra or additional cost” means that there is no cost for service outside the standard fees paid to SRPS and CS&Co. for recordkeeping and related services, including trustee and custodial fees paid to the Charles Schwab Trust Company, a division of Charles Schwab Bank.

²Schwab Personal Retirement Planning investment advice is formulated and provided by GuidedChoice Asset Management, Inc. (GuidedChoice). GuidedChoice is not affiliated with, nor is it an employee or agent of, Charles Schwab & Co., Inc. (CS&Co.) or Schwab Retirement Plan Services, Inc. (SRPS). The GuidedChoice service is available to participants enrolled in plans that use the recordkeeping and related services of SRPS. Availability subject to regulatory requirements. Plan sponsors must elect to make the GuidedChoice service available. Participant access to the GuidedChoice service is facilitated through SRPS’s affiliate, CS&Co. Neither CS&Co. nor SRPS supervises, makes recommendations with respect to, or takes responsibility for monitoring the advice provided to participants by GuidedChoice.

³On average, contribution rates rose 35–123% from when there was no defined benefit plan offered. A 30–40% savings rate increase occurred when advice was offered in plans where the sponsor also maintains a defined benefit plan. Source: GuidedChoice as of 12/31/2007.

⁴Based on current participation rates. Source: GuidedChoice as of 12/31/2007.

⁵GuidedChoice Nobel Prize-winning investment methodologies are designed and developed by Harry M. Markowitz, Ph.D., Nobel laureate for Modern Portfolio Theory. www.guidedchoice.com.

⁶Schwab Advice Services Representatives are employees of Charles Schwab & Co., Inc. (CS&Co.) and not of GuidedChoice. CS&Co., its Advice Services Representatives and SRPS do not supervise or make recommendations with respect to, or take responsibility for, monitoring the advice.

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