

charles SCHWAB



July 2009

Charles Schwab Pricing Guide for Individual Investors

Pricing information in this *Guide* supersedes prior versions.

Contents

Introduction.	1
Definitions.	1
Minimum Deposit Requirements.	3
Commissions and Transaction Fees	4
Account Activity Fees.	7
Special Service Fees	8
Endnotes.	9

How to Reach Us:

By Phone:

Schwab by Phone™: To reach an Investment Professional or to use our automated phone services, call **1-800-435-4000**.

TeleBroker®: For access to our automated touch-tone services, call **1-800-2SCHWAB (1-800-272-4922)**.

For services in 中文: **1-800-662-6068**

For services in español: **1-800-786-5174**

International clients: For services in English, 中文 or español, call **1-415-667-8400**.

By Web and Wireless:

www.schwab.com

chinese.schwab.com

www.schwab-global.com

www.schwab.co.uk

Web-enabled phone: Look for Schwab on your phone's web menu.

PDA: Consult www.schwab.com/wireless on your desktop.

Schwab reserves the right to change or waive fees at our discretion, subject to notification in accordance with applicable laws and regulations.

Introduction

Schwab provides a broad range of value-added services, some of which have associated fees. This document provides you with an overview of standard pricing for commission rates, transaction fees, and key account charges and service fees.

Information detailed in this *Guide* also applies to international clients (clients residing, or who later move, outside the U.S., its territories and possessions). Commissions and fees described in this *Guide* are stated in U.S. dollars. Not all products and services are available in all countries, and may be subject to country-specific restrictions. A separate pricing guide applies to clients associated with Charles Schwab, Hong Kong, Ltd.

Certain clients may have a different pricing structure based on assets or activities in their accounts at Schwab.

Definitions

Accounts of Your Household—Accounts that have been linked in accordance with Schwab’s householding guidelines. Schwab makes a reasonable effort to automatically link qualified accounts of persons with the same last name at the same home address, including accounts held at certain Schwab affiliates.

Schwab aggregates the balances and activities of Accounts of Your Household to determine for your brokerage accounts: commission rates, the interest rate that certain cash balances receive, whether those accounts may qualify for certain fee waivers, and whether those accounts may qualify for certain benefits or features (“Household Calculations”).

Schwab may consider other accounts to be in your household upon your request if account holders are in the same family, there is a dependent relationship, or in certain other similar instances at Schwab’s discretion. You are responsible for identifying accounts that should be linked for purposes of determining Accounts of Your Household and Household Calculations. For example, if you or other members of your family who reside at your home address have a different last name (including a spouse, if applicable), you need to contact Schwab to request that we

combine your accounts for purposes of Household Calculations. If an account is added to Accounts of Your Household, any impact on Household Calculations may not take effect until the following quarter.

Householding rules applicable to fiduciary accounts are as follows: IRA, Custodial and certain Trust accounts that meet Schwab's householding guidelines generally will be automatically included in Accounts of Your Household and Household Calculations. If you have an IRA, Custodial or Trust account and you are acting in a fiduciary capacity, it is your responsibility and not Schwab's to consider whether it is appropriate to consider the balances and activities of that account in Household Calculations, which could benefit the fiduciary account and/or other Accounts of Your Household. You must contact Schwab to request that the balances and activities of your fiduciary account not be included in Accounts of Your Household and Household Calculations if you determine that it is not appropriate.

Qualified Retirement Plan (QRP), Keogh, Company Retirement Account (CRA), Pension Trust, Individual 401(k) and 403(b)(7) accounts (collectively, "Retirement Plan Accounts") are not automatically included in Household Calculations. However, for certain services, the account holder of the Retirement Plan Account may elect to include the Retirement Plan Account in Accounts of Your Household and Household Calculations by providing Schwab with written instructions to do so. Please contact Schwab for the required form.

Automated Phone Trades—Trades placed through Schwab by Phone™ and TeleBroker®

Direct Access—A feature that allows trades to be placed directly through an electronic communications network, market maker or exchange.

Household Balance—The total combined value, over a given period of time, of the assets in Accounts of Your Household, including margin balances and other outstanding debit balances like mortgage, Home Equity Line of Credit (HELOC) and credit card balances. In order to determine qualification for any fee waiver, interest rate and/or commission price, Schwab will add up your daily Household Balances

for the applicable time period, then divide this total by the number of days in the period.

Minimum Deposit Requirement—The minimum amount that must be deposited and maintained in an account to avoid account closure. For Schwab One International® Accounts and Schwab One International® Accounts for clients associated with Charles Schwab, U.K., Limited, the amount that must be maintained in an account is \$1,000—lower than the Minimum Deposit Requirement.

Online Trades—Trades placed through Schwab.com, Schwab.co.uk, StreetSmart.com™, StreetSmart Pro®, Velocity®, Schwab Wireless or Schwab software.

Minimum Deposit Requirements

Account Type	Minimum Deposit Requirement
Schwab One® Account and Schwab One® Trust	\$1,000 per account The Minimum Deposit Requirement is waived if you open a linked Schwab Bank High Yield Investor Checking® account, open a Schwab Bank Invest First™ Visa Signature® credit card, or establish an incoming monthly transfer of at least \$100 through direct deposit or Schwab MoneyLink®
Schwab IRA (includes Traditional, Rollover, Roth and Roth Conversion accounts), Education Savings Account and Schwab One® Organization Account	\$1,000 per account The Minimum Deposit Requirement is waived if you establish an incoming monthly transfer of at least \$100 through direct deposit or Schwab MoneyLink®
Schwab One® Estate Account, Inherited IRA, Schwab Account and College Saver Account	\$1,000 per account
Schwab One® Custodial Account and Custodial IRA	\$100 per account
Schwab One International® Account	\$25,000 per account

Account Type	Minimum Deposit Requirement
Schwab One International® Account for clients associated with Charles Schwab, U.K., Limited	\$10,000 per account

Accounts Not Subject to Minimum Deposit Requirement

The Minimum Deposit Requirement does not apply to the following account types: SEP-IRA, SARSEP-IRA, SIMPLE IRA, Qualified Retirement Plan, Keogh, Company Retirement Account, Pension Trust, Individual 401(k) and 403(b)(7) accounts.

Commissions and Transaction Fees¹

Stock Commissions per Executed Trade (includes Exchange-Traded Funds)		
	Less than 120 trades* and less than \$1,000,000 in Household Balance ²	120 or more trades† or \$1,000,000 or more in Household Balance ²
Online³		
Stocks priced at \$1.00 per share or more	\$12.95 for the first 1,000 shares, plus \$0.015 ⁴ for each additional share	\$8.95
Stocks priced under \$1.00 per share	\$12.95	\$8.95
Automated Phone	Online commission plus \$5	Online commission plus \$5
Broker-Assisted	Online commission plus \$25	Online commission plus \$25

*0–29 in current calendar quarter or 0–119 over the prior 12 months⁵

† 30 or more in current calendar quarter or 120 or more over the prior 12 months⁵

Special Stock Transactions

- Direct Access trades for Direct Access–approved clients: \$8.95 per trade for the first 5,000 shares, plus \$0.003 for each additional share.

- Foreign stock transactions (stocks not listed on U.S. or Canadian exchanges): These trades are subject to the greater of the broker-assisted trade schedule or \$100, or 0.5% of principal. No maximum applies. Not applicable to American Depository Receipts.
- Large block transactions (orders of 10,000 or more shares, or orders over \$500,000): May be eligible for special handling and/or pricing—please call us for information.
- Restricted stock transactions: Broker-assisted commission pricing schedule applies for all trades, including those placed online.

Mutual Fund Transaction Fees per Executed Trade

Some funds may also charge sales and/or redemption fees. Please read the prospectuses for details. You can buy shares directly from a fund company or its principal underwriter or distributor without paying Schwab’s transaction or service charges (except Schwab Funds®).

No-Transaction-Fee Funds (includes funds available through the Mutual Fund OneSource® service)	
Online and Automated Phone	No service charge
Broker-Assisted	\$25 service charge per trade
Transaction-Fee Funds ⁶	
Online and Automated Phone	\$49.95 per trade
Broker-Assisted	\$74.95 per trade

Note: For information about offshore funds (funds registered outside the U.S. for purchase by non-U.S. persons only), please call us.

Option Commissions per Executed Trade	
Online	\$8.95, plus \$0.75 per contract
Automated Phone	Online commission plus \$5
Broker-Assisted	Online commission plus \$25

Note: Stock or option trades resulting from an option exercise or assignment will be subject to the corresponding online commission pricing schedule.

Fixed Income Investments

Schwab reserves the right to act as principal on any fixed income transaction, public offering or securities transaction. When Schwab acts as agent, a commission will be charged on the transaction. When Schwab acts as principal, the markup is included in the bond price.

	Online Commission or Markup	Broker-Assisted Commission or Markup
New Issues, including Certificates of Deposit	\$0 (a selling concession may be included in the offering price)	
Treasury Bills, Notes, Bonds and TIPS (Secondary and Auction)	\$0	\$25
Secondary transactions for Corporate Bonds, Municipal Bonds, Government Agencies, Zero-Coupon Treasuries (including STRIPS), Mortgage-Backed Securities and Certificates of Deposit	\$1 per bond (\$10 minimum/\$250 maximum)	Online pricing plus \$25 per trade
Unit Investment Trusts	Not applicable	Sales charge applies. Please see prospectus.
Preferreds or REITs	Stock commissions and minimums apply for secondary transactions.	
Commercial Paper and Foreign Bonds	These are specialty products—please call us for information.	

Note: Large block transactions (orders of more than 250 bonds) may be eligible for special handling and/or pricing—please call us for information.

Note: Our commissions and markups may be slightly less than our published schedule shown above due to rounding.

Account Activity Fees

Fee	Amount
Late settlement	\$25
Mutual fund short-term redemption fee ⁷ : Online and Automated Phone Broker-Assisted	\$49.95 \$49.95, plus \$25 service charge
Order out of certificates (for U.S. and Canadian securities): Physical certificates* Book entry held at transfer agent (Direct Registration System)	\$50 per certificate \$0 per issue
Order out of certificates (for foreign securities): Physical certificates	Variable fee (based on the location of the transfer agent)
Restricted stock re-registration/gifting	\$75 per transfer
Schwab Proprietary Non-Sweep Money Funds, including Schwab Value Advantage Investments® (SVAI): Schwab-initiated redemptions ⁸ Failure to maintain required minimum balance in certain Schwab Proprietary Non-Sweep Money Funds, including SVAI (check prospectus for minimum balance requirements)	\$10 per redemption \$5 per month
Security reorganization: Voluntary* Post-effective*	\$39 \$39
Transfer (out) of assets: Full Partial	\$50 per account \$25 per account
Transfer of title for certificates (re-registering securities held in certificate form)	\$25 per position

*See Special Service Fee Waivers.

Cashiering and Administrative Services Fees

Fee	Amount
Overnight check delivery	\$20
Non-sufficient funds/returned item	\$25
Wire transfer: Outgoing [†] Incoming	\$25 per transfer No fee

[†]See Special Service Fee Waivers.

Custody Fees

Fee	Amount
Alternative investments (includes limited partnerships, private limited partnerships, limited liability companies, promissory notes and private placements)	\$100 custody fee per year per asset \$50 set-up fee per asset
Non-transferable securities ⁹	\$1 per month per position
Physical certificate custody fee	\$50 per year per position
Restricted stock	\$150 per year per position

Special Service Fees

Exchange Process Fee—The Securities and Exchange Commission (SEC) assesses transaction fees on national securities exchanges and self-regulatory organizations based on the aggregate dollar amount of sales of certain securities. The SEC recalculates the amount of this fee periodically—at least once per year but sometimes more often.

National securities exchanges and self-regulatory organizations offset the transaction fees by charging their member broker-dealers such as Schwab, and we, in turn, offset this fee by charging you an Exchange Process Fee for covered sell transactions, which appears on your trade confirmations. **Schwab's Exchange Process Fee will rise or fall periodically depending upon the rate set by the SEC.**

Transaction Fee—This fee includes either fees charged for purchases and sales of certain mutual fund shares or fees charged for purchasing U.S. Treasury

obligations via the auction process. The amount of this fee will appear on your trade confirmation.

American Depository Receipt (ADR) Fee—Banks that custody ADRs are permitted to charge ADR holders a fee. Fees collected from Schwab by the Depository Trust Company for an ADR will be automatically deducted from your Schwab account(s) and shown on your account statement(s) as “ADR Pass-Thru Fee.”

Special Service Fee Waivers

- Security order out and security reorganization fees: Fees are waived with \$500,000 or more in Household Balances, or 36 or more stock or option trades per year in Accounts of Your Household.
- Wire transfer fee: With \$100,000–\$499,999 in Household Balances, you will receive three free online domestic wire transfers per quarter; with \$500,000 or more in Household Balances, or 36 or more stock or option trades per year in Accounts of Your Household, you will receive three free domestic wire transfers per quarter.

Endnotes

- ¹ Excluding mutual funds, commissionable trades that execute over more than one day will be charged a separate commission for each additional day; each separate commission will apply to the portion of the trade executed on the corresponding additional day. Trade orders for which price or quantity are changed by the client and, as a result, execute over multiple trades on the same day are each charged a separate commission.
- ² For this purpose, Schwab looks at your end-of-day Household Balance. If your Household Balance equals or exceeds a relevant threshold on any day in a given calendar quarter, the appropriate commission will begin to apply to all eligible Accounts of Your Household within three business days and will apply for the remainder of the calendar quarter and the next calendar quarter.
- ³ Up to 999,999 shares can be placed per trade.
- ⁴ Half-cent increments are rounded up.
- ⁵ For this purpose, Schwab looks at stock and option trades in Accounts of Your Household. “Prior 12

months” means the last 12 calendar months plus the days to date in the current calendar month. After reaching the trading threshold, the commission discount will generally be applied within three business days to all eligible Accounts of Your Household, and will apply for the remainder of the calendar quarter and the next calendar quarter.

⁶ Standard fees apply on both transactions when placing simultaneous orders to sell one or more transaction-fee fund(s) and purchase additional transaction-fee fund(s) with the proceeds.

⁷ Schwab’s short-term redemption fee will be charged on redemption of funds purchased through Schwab’s Mutual Fund OneSource® service (and certain other funds with no transaction fee) and held for 90 days or less. Schwab reserves the right to exempt some funds from this fee, including certain Schwab Funds®, which may charge a separate redemption fee, and funds that accommodate short-term trading.

⁸ Occurs, at Schwab’s sole discretion, when no other cash assets or margin credit balances are available in a customer’s account to cover transactions such as Schwab One® checks, security purchases, Visa® debit cards, AIP investments and electronic funds transfers.

⁹ A non-transferable security is a security for which there has been no transfer agent for three years or longer.