



All Investors

Charles Schwab & Co., Inc. (“Schwab”) is committed to providing best execution for your trades.

What this means for you

In arranging for the execution of equities and listed options orders, Schwab seeks out industry-leading execution services and access to the best-performing markets. Schwab routes equity and options orders for execution to UBS Securities LLC (“UBS”) and other broker-dealers, who may act as market maker or manage execution of the orders in other market venues. Schwab also routes orders directly to major exchanges and alternative trading systems, including ECNs (electronic trading networks). Schwab considers a number of factors in evaluating execution quality among markets and firms, including execution price and opportunities for price improvement, market depth and order size, the trading characteristics of the security, speed and accuracy of executions, the availability of efficient and reliable order handling systems, liquidity and automatic execution guarantees, and service levels and the cost of executing orders at a particular market or firm. Price improvement occurs when an order is executed at a price more favorable than the displayed national best bid or offer. Schwab regularly monitors the execution quality provided through various markets and firms to ensure orders are routed to market venues that have provided high-quality executions over time.

Schwab may receive remuneration, such as liquidity or order flow rebates, from a market or firm to which orders are routed. In addition, part of the consideration received by The Charles Schwab Corporation for the sale of its capital markets business to UBS in 2004 related to an order routing agreement with UBS, which has been extended. Quarterly information regarding the markets to which we route orders and the remuneration received is available on our website

at www.schwab.com or in written form upon request. Information regarding the specific routing destination and execution time of your orders for up to a six-month period is also available upon request.

Schwab may execute fixed income orders for customers as agent or as principal for our own account. In the bond market, there is no centralized exchange or quotation service for most fixed income products. Prices generally reflect activity by market participants or dealers linked to various trading systems. A small number of corporate bonds are listed on national exchanges. Although Schwab seeks access to major trading systems, exchanges, and dealer markets in an effort to obtain competitive pricing, at any given time it is possible that securities could be available through other trading systems, exchanges, or dealers at superior or inferior prices compared to those available at Schwab. All prices are subject to change without prior notice.

For more information

Quarterly information regarding the routing of orders by Schwab in listed equities, OTC equities, and listed options is available on our website at www.schwab.com. For clients of independent investment advisors, please call your advisor directly, or call Schwab Alliance at 1-800-515-2157. Clients of Charles Schwab, Hong Kong, Ltd., please call +852-2101-0500.



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