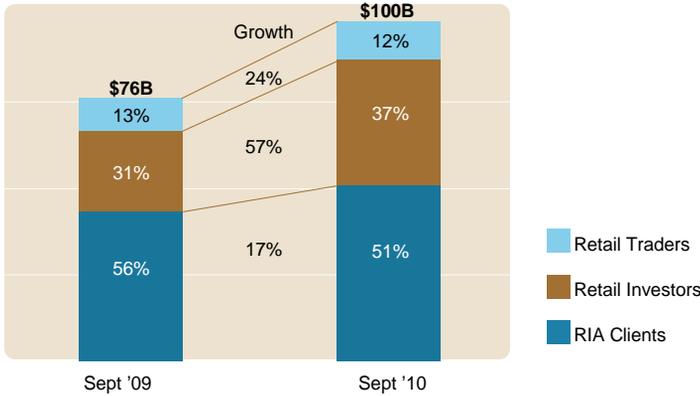
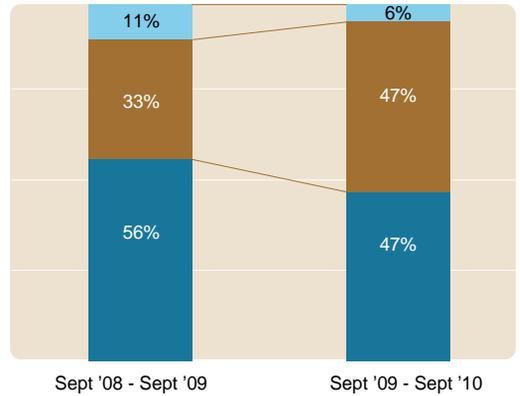


Information and insights contained in this Snapshot are based upon analysis of Exchange-Traded Funds (ETFs), regardless of ETF issuer or distributor, custodied at Charles Schwab & Co., Inc., and include both Schwab individual investor clients and clients working with an independent RIA who uses Schwab RIA Client services. Please see reverse for explanation of terms and conditions of use.

**ETF Assets at Schwab: \$100B  
(30% 12-Month Growth)**



**12-Month ETF Flows at Schwab  
(% Segment Share)**



**ETF Trends at Schwab:**

- ETF **assets** custodied at Schwab have grown to \$100 billion, up 30% over the past year and 14% in the past quarter. Retail Investor ETF assets have grown 57% and now account for 37% of the total ETF assets at Schwab.
- 12-month **combined Retail flows** outpaced RIA Client flows; flows are 53% for all Retail and 47% for RIA Clients.
- While only 9% of total ETF assets, the **top 5 ETFs** in terms of Q3 2010 flows account for over 25% of all ETF flows for the quarter.

**ETF Ownership Among Schwab Clients\***

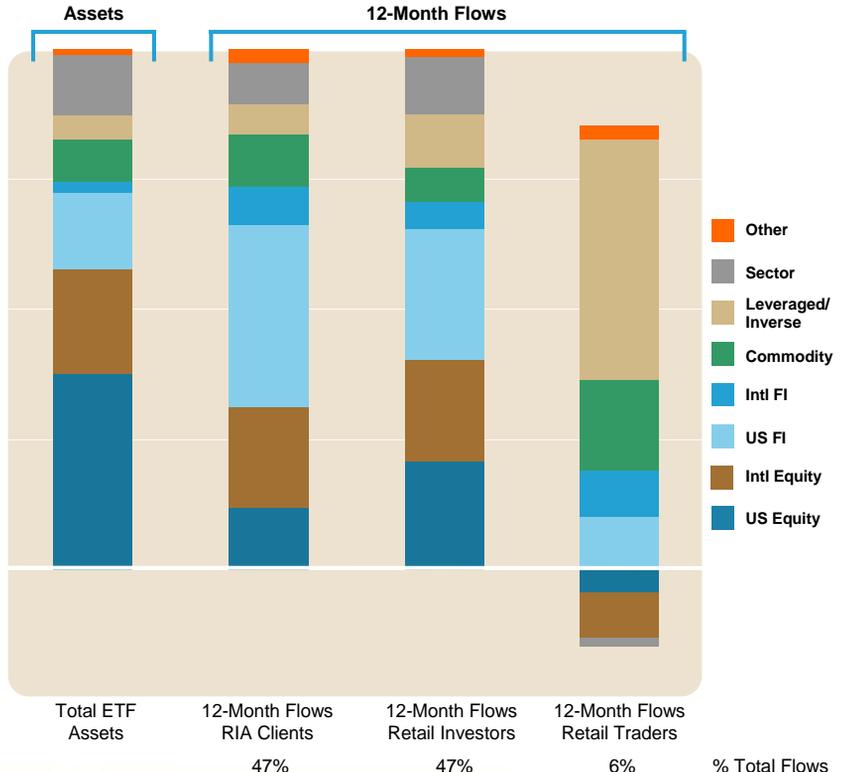
	% That Own ETFs
Retail Traders	44% Households
Retail Investors	15% Households
RIA Clients	37% Households
RIAs	81% RIAs

\* Overlap can exist (Households with accounts in more than one client segment).

**Client Segment Flows:**

- US Fixed Income has seen the largest 12-month flows (29% of total ETF flows), driven by **RIA Clients** who account for 56% of total US FI ETF flows.
- Along with US FI, US and International Equity ETFs have been popular with **Retail Investors**; they account for 66% US Equity and 53% of International Equity ETF flows.
- Retail Traders** are the only client group to demonstrate 12-month net negative flows, in Sector, International, and US Equity ETFs. Leveraged/Inverse ETFs account for 66% of Retail Trader flows, followed by Commodity ETFs with 25%.
- In **Q3 2010**, flows dramatically increased into International Equity ETFs (38% of total ETF flows), particularly from RIA Clients.
- RIA Client and Retail Trader flows declined in Q2 2010 but rebounded in Q3, indicating these client segments could be more reactive to the market. Retail Investor flows on the other hand, have been more consistent, suggesting more of a buy and hold approach.

**Assets and Flows by Client Segment (% Segment Share)**



**For questions, contact:**

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**Notes:**

- "ETF Ownership Among Schwab Clients" for RIAs is sourced from the Schwab Independent Advisor Outlook Study, January 2010.
- All other data and information is from Charles Schwab & Co. and as of September 30, 2010.

**Definitions:**

- "Schwab" means Charles Schwab & Co., Inc., an SEC-registered broker-dealer and investment advisor.
- Schwab Retail Clients hold brokerage accounts at Schwab and work with Schwab directly either trading on their own or with some help and guidance from Schwab. This includes brokerage assets from retirement accounts (like 401(k)) that come with the ability to open and trade retirement account balances through a Schwab brokerage account.
- RIA stands for "Registered Investment Advisor"
- RIA Clients: Schwab Advisor Services™, supports Independent RIAs whose clients open accounts at Schwab and use Schwab for custodial, operational, and trading support. In this Snapshot, "RIA Clients" pertains to the end clients served by RIAs unless specifically noted otherwise.
- Retail Traders: Schwab Retail Clients defined as clients who trade at least 36 times a year (including ETFs and stocks) and have \$150,000 or more in investable assets with Schwab.
- Retail Investors: All Schwab Retail Clients except Retail Traders plus Schwab Corporate and Retirement Services™ end clients (which includes corporate brokerage accounts and employee retirement and stock option plans). These have been grouped with Retail Investors for simplicity.
- Households: Contains at least one open account. An "open" account is an account that has received a statement in the past eight months and does not have a Closed restriction code.
- ETF Ownership: If any account in the household has at least one ETF at the end of the month including Schwab ETFs™ and third-party ETFs.

**Before purchasing an ETF, investors should consider carefully information contained in the prospectus, including investment objectives, risks, charges and expenses. You can request a prospectus by calling Schwab at 800-435-4000. Please read the prospectus carefully before investing.**

**Some specialized exchange-traded funds can be subject to additional market risks. Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost.**

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