

# Notice of Investment Returns & Fee Comparison

## 150551-01 Southwest Airlines Pilots Retirement Savings Plan

Your employer-sponsored retirement savings plan allows eligible employees to invest for their retirement. These plans can be valuable in helping participants reach their retirement savings goals. This notice includes information to help you compare your retirement plan's investment options. It was designed to meet the participant fee disclosure regulations of the United States Department of Labor (DOL).

Please note that the information provided here is for your reference and no further action is required.

For more investment information including investment objectives or goals, principal strategies, risks, portfolio turnover rate, returns and expenses, please visit the Participant website listed above. This website also includes educational information and tools designed to help you with making investment decisions.

Additional investment reports, including a prospectus for each investment option and paper copies of the information available on the website, can be obtained at no cost by contacting Empower Retirement at:

Empower Retirement  
P. O. Box 173764  
Denver, CO 80217-3764  
Participant Call Center: (877) 215-4015  
Email: [participant\\_services@empower-retirement.com](mailto:participant_services@empower-retirement.com)

SECTION	Document Summary
1	<b>Investment Rate of Return Information</b> - Shows investment return information for your Plan's investment options. It shows past performance and comparisons to the performance of a comparable benchmark over 1, 5 and 10 year periods or since inception if the investment option's inception date is less than 10 years.
2	<b>Investment-Related Fees, Expense Information, and Transfer Restrictions</b> - Shows fees and expenses associated with the investments in your Plan. This section also shows any investment restrictions.
3	<b>Plan-Related Information</b> - Shows your Plan related information and the General Administrative Services Expenses and Participant Elected Services Expenses tables. The General Administrative Services Expenses table shows non-investment expenses that pay for operating your Plan. The Participant Elected Services Expenses table shows expenses for optional services available through your Plan that may be charged to your individual account for the services you use.

Your Plan offers a Self-Directed Brokerage Account (SDBA) through Charles Schwab. The SDBA allows you to select from securities and investments that have not been chosen by and are not monitored by your employer and/or the Plan Sponsor. What investments you may actually invest in depends on the specifics of your Plan design. These investment options are not offered through your retirement plan recordkeeper. You may invest through the SDBA by logging in to your Plan's web site and completing the SDBA enrollment process online.

The SDBA is for knowledgeable investors who acknowledge and understand the risks associated with many of the investments contained in the SDBA. By utilizing the account, you acknowledge that none of the available options in the SDBA have been selected for use in the Plan, reviewed for suitability or will be monitored by your employer, Plan Sponsor, SDBA provider, or retirement plan recordkeeper. You are solely responsible for determining the suitability and for the selection and ongoing monitoring of the investments that are available and utilized in the SDBA.

If you decide to use the SDBA, there may be an annual maintenance fee for using the SDBA as reflected in the Participant Elected Services Expenses table in this document. There may be additional expenses and fees associated with using Charles Schwab, such as commissions and sales loads. More information regarding these fees is located in the SDBA pricing summary at the back of this notice. Before investing, investors should carefully consider a fund's investment objectives, risks, charges and expenses. Fund prospectuses contain this and other important information and may be obtained by calling the SDBA provider at 1-888-393-7272 or through the SDBA's website at [www.schwab.com](http://www.schwab.com). Investors should read prospectuses carefully before investing.

Transfers into and out of Charles Schwab will be subject to minimum transfer restrictions. If your transfer request does not meet the minimum amount, your transfer will not be completed. You must initially transfer a minimum of \$1,000. Subsequent transfers must be at least \$1,000. You are also required to maintain a minimum balance of the greater of \$2,500 or 5% in your core account. If your core account is below the minimum balance, any percentage of your future contribution investment elections allocated to the SDBA will be allocated pro-rata across your other investment elections (or to the Plan's default fund if 100% of your investment elections are allocated to the brokerage account) until the minimum balance is reached.

More detailed information about the SDBA is available on the Participant website.

## 1 – Investment Rate of Return Information

### Variable Rate of Return Investments Table

This table looks at the rates of return from investments that increase and decrease in value. The table shows how these investments have performed over time. You can compare each investment option to a benchmark for the same time periods. Past performance does not guarantee how the investment option will perform in the future. Your investment in these options could lose money. In addition to the web addresses listed in the table, more information about the investments in your Plan including an investment option's principal risks is available on the Participant website listed in the title.

<b>Variable Return Investments</b>								
Investment Option	Average Annual Total Return as of 08/31/2015				Benchmark** as of 08/31/2015			
	1yr.	5yr.	10yr.	Since Inception	1yr.	5yr.	10yr.	Since Inception
<b>International Funds</b>								
<b>American Funds EuroPacific Gr R6<sup>1,2</sup></b>	-4.37%	7.38%	6.04%	10.02%	-10.08%	5.99%	5.28%	9.52%
www.americanfunds.com	Morningstar Gbl Mkts ex-US GR USD							
<b>DFA Emerging Markets Value I<sup>1,2</sup></b>	-27.00%	-3.40%	5.69%	9.62%	-21.30%	0.10%	6.91%	*
www.dimensionalfunds.com	Morningstar Emerging Mkts GR USD							
<b>DFA International Small Cap Value I<sup>1,2</sup></b>	-5.83%	10.59%	6.17%	7.54%	-10.08%	5.99%	5.28%	*
www.dimensionalfunds.com	Morningstar Gbl Mkts ex-US GR USD							
<b>Specialty</b>								
<b>DFA Global Real Estate Securities I<sup>1,2</sup></b>	-3.08%	10.90%	N/A	4.36%	-4.64%	7.32%	N/A	0.46%
www.dimensionalfunds.com	Morningstar Real Estate Sector Index PR							
<b>PIMCO Commodity Real Ret Strat Instl<sup>2</sup></b>	-31.03%	-5.83%	-3.57%	3.53%	-32.47%	-4.21%	-3.25%	3.03%
investments.pimco.com	Morningstar Long-Only Commodity ER							
<b>Small Cap Funds</b>								
<b>Schwab Fdmntl US Sm Co Idx<sup>2</sup></b>	-1.90%	15.69%	N/A	7.55%	-1.27%	16.03%	N/A	6.99%
www.schwab.com	Morningstar Small Cap TR USD							
<b>Vanguard Small Cap Growth Index Instl<sup>1,2</sup></b>	0.17%	17.24%	8.96%	8.87%	3.00%	17.23%	8.19%	*
www.vanguard.com	Morningstar Small Growth TR USD							
<b>Large Cap Funds</b>								
<b>BlackRock Fundamental US Large Company</b>	-2.70%	N/A	N/A	2.70%	0.53%	N/A	N/A	6.05%
www.blackrockdocuments.com	Morningstar Large Cap TR USD							
<b>Vanguard Institutional Index Instl Pl<sup>1,2</sup></b>	0.48%	15.87%	7.18%	6.34%	0.53%	15.84%	7.13%	*
www.vanguard.com	Morningstar Large Cap TR USD							
<b>Balanced</b>								
<b>BlackRock Global Allocation Instl<sup>2</sup></b>	-3.05%	6.73%	6.61%	10.18%	0.32%	15.84%	7.35%	*
www.blackrock.com	Wilshire 5000 Total Market TR USD							
<b>PIMCO All Asset All Authority Instl<sup>2</sup></b>	-14.52%	0.81%	3.80%	5.17%	0.32%	15.84%	7.35%	8.05%
investments.pimco.com	Wilshire 5000 Total Market TR USD							
<b>Waddell &amp; Reed Asset Strategy Y<sup>1,2</sup></b>	-12.23%	6.29%	8.99%	9.36%	0.32%	15.84%	7.35%	*
www.waddell.com	Wilshire 5000 Total Market TR USD							

Investment Option	Average Annual Total Return as of 08/31/2015				Benchmark** as of 08/31/2015			
	1yr.	5yr.	10yr.	Since Inception	1yr.	5yr.	10yr.	Since Inception
<b>Bond</b>								
Loomis Sayles Core Plus Bond Y <sup>2</sup>	-3.19%	4.75%	6.20%	6.81%	1.94%	3.12%	4.65%	*
					Morningstar Core Bond MCBI TR			
www.funds.natixis.com								
PIMCO Emerging Local Bond Instl <sup>2</sup>	-22.23%	-2.39%	N/A	2.75%	-2.10%	4.92%	N/A	6.14%
					Morningstar EM Composite Bond			
investments.pimco.com								
Vanguard Inflation-Protected Secs I <sup>1,2</sup>	-2.71%	2.74%	3.96%	4.29%	-2.70%	2.87%	4.11%	4.46%
					Morningstar TIPS TR			
www.vanguard.com								
<b>Stable Value</b>								
Wells Fargo Stable Value W <sup>1</sup>	1.48%	*	*	1.73%	0.02%	0.05%	1.23%	*
					Morningstar Cash TR			
www.pru.co.uk								
<b>Money Market</b>								
Federated Prime Cash Obligs Instl <sup>2</sup>	0.05%	0.10%	1.56%	2.96%	0.02%	0.06%	1.30%	*
					USTREAS Treasury Bill Auction Average 3			
www.federatedinvestors.com								

Please note that if an investment option has not been in existence for 10 years, a "Since Start/Inception Date" return will be displayed. If the investment option has been in existence for 10 years or more, a "10-Year" return will be displayed. Returns shown for the corresponding benchmark are for the same time period as the investment option.

1 Additional information on this Investment Option can be found in Section 2.

2 Mutual Fund Option. The start date is that of the fund's original share class. Performance returns for mutual fund options in your Plan offering a different share class with a more current start date have been adjusted to reflect the fees and charges associated with the actual share class.

\* Performance returns not available at time of production.

N/A - Performance returns are not applicable, or not available at time of production.

\*\* A benchmark index is not actively managed. It does not have a defined investment objective and does not incur fees or expenses. You cannot invest directly in a benchmark index.

## 2 – Investment-Related Fees, Expense Information, and Transfer Restrictions

### Investment-Related Fees, Expense Information and Transfer Restrictions

This table looks at fees, expenses and transfer restrictions associated with the investments in your Plan. Fees and expenses are only two of many things to consider when deciding to invest. You may also want to think about whether an investment in a particular investment option, along with your other investments, will help you reach your financial goals.

Fees, Expenses and Restrictions as of 09/22/2015				
Investment Option	Gross/Net Total Annual Operating Expenses As a %~	Gross Per \$1000	Transfer Rule	Shareholder Type Fees <sup>^</sup>
<b>International Funds</b>				
American Funds EuroPacific Gr R6 <sup>^^</sup>	0.49%/0.49%	\$4.90 per \$1,000	1,2,3,4	
DFA Emerging Markets Value I <sup>^^</sup>	0.65%/0.55%	\$6.50 per \$1,000	1,3,4	
DFA International Small Cap Value I <sup>^^</sup>	0.68%/0.68%	\$6.80 per \$1,000	1,3,4	

Investment Option	Gross/Net Total Annual Operating Expenses As a %~	Gross Per \$1000	Transfer Rule	Shareholder Type Fees^
<b>Specialty</b>				
DFA Global Real Estate Securities I <sup>^</sup>	0.45%/0.24%	\$4.50 per \$1,000	1,3,4	
PIMCO Commodity Real Ret Strat Instl	0.94%/0.74%	\$9.40 per \$1,000		
<b>Small Cap Funds</b>				
Schwab Fdmtl US Sm Co Idx	0.44%/0.35%	\$4.40 per \$1,000		
Vanguard Small Cap Growth Index Instl <sup>^</sup>	0.08%/0.08%	\$.80 per \$1,000	1,3,4	
<b>Large Cap Funds</b>				
BlackRock Fundamental US Large Company	0.11%/0.11%	\$1.10 per \$1,000		
Vanguard Institutional Index Instl Pl <sup>^</sup>	0.02%/0.02%	\$.20 per \$1,000	1,3,4	
<b>Balanced</b>				
BlackRock Global Allocation Instl	0.87%/0.87%	\$8.70 per \$1,000		
PIMCO All Asset All Authority Inst	1.87%/1.25%	\$18.70 per \$1,000		
Waddell & Reed Asset Strategy Y <sup>^</sup>	0.82%/0.82%	\$8.20 per \$1,000	1,3,4	
<b>Bond</b>				
Loomis Sayles Core Plus Bond Y	0.54%/0.54%	\$5.40 per \$1,000		
PIMCO Emerging Local Bond Instl	0.90%/0.90%	\$9.00 per \$1,000		
Vanguard Inflation-Protected Secs I <sup>^</sup>	0.07%/0.07%	\$.70 per \$1,000	1,3,4	
<b>Stable Value</b>				
Wells Fargo Stable Value W <sup>^</sup>	0.45%/0.45%	\$4.50 per \$1,000	3,5	
<b>Money Market</b>				
Federated Prime Cash Oblig Instl	0.29%/0.20%	\$2.90 per \$1,000		

Rule #1 - Fund company restriction: A transfer into this fund will not be permitted if a prior transfer was made out of this fund in the last 30 days.

Rule #2 - Fund company restriction: A transfer of \$5000 or more into this fund will not be permitted if a prior transfer of \$5000 or more was made out of this fund in the last 30 days.

Rule #3 - Transfers between these funds are prohibited.

Rule #4 - Transfers into a competing fund might be restricted due to Equity Wash restriction for 30 days after the last transfer out of this fund. Please contact your plan sponsor if you have any questions.

Rule #5 - Transfers into a competing fund might be restricted due to Equity Wash restriction for 90 days after the last transfer out of this fund. Please contact your plan sponsor if you have any questions.

~ Gross Total Annual Operating Expenses are the gross fees potentially charged by the investment option and are displayed above in accordance with fee disclosure regulations. The Net Total Annual Operating Expenses, displayed above as supplementary information, are the actual amounts charged by the investment option and may be different from the Gross. These net fees reduce the return of the investment option. Part of these fees may be shared with the plan's service providers to help pay for plan administration and/or recordkeeping fees. Please see the Participant website for more information.

Please note that any Asset Allocation Models listed above are not separate investment options and that Gross/Net Total Annual Operating Expenses are not separately calculated for the Models. The annual expense information provided for any Asset Allocation Model in table 2 above is for informational purposes only and is determined by adding together the weighted percentage of the Total Annual Operating Expenses (Gross and Net) of each of the Plan's investment options utilized in the Asset Allocation Models. For information on the investment options and allocation strategies of each Asset Allocation Model, if applicable, please visit the plan's website or contact the Participant Call Center.

^Shareholder/Shareholder-Type Fees are fees paid directly from your investment in this option (e.g., sales loads, sales charges, deferred sales charges, redemption fees, exchange fees, account fees, purchase fees, transfer or withdrawal fees).

^^This fund may be one of the underlying funds of your plan's asset allocation models. Any transfer restrictions or shareholder type fees listed in this section would also apply when this fund is part of the asset allocation models.

### **3 – Plan-Related Information**

This section provides general Plan information, including a description of non-investment management fees and expenses that may be charged to your account. This section also includes information on General Administrative Services Expenses and Participant-Elected Services Expenses. Blank fields in the table below can be assumed to be not applicable or zero. If there is no General Administrative Services Expenses table displayed there are no General Administrative Services fees paid by you for your Plan.

#### **General Information**

**Non-Investment Management Fees and Expenses:** Includes recordkeeping, accounting, legal or other administrative fees that may be charged to your account. The dollar amount actually charged to your account during the previous quarter for such administrative or individual expenses will be reported to you on your quarterly statement. If you have additional questions related to fees on your account, please contact the Participant Call Center at the number listed on the first page of this document.

**Investment Instructions:** Your Plan lets you direct the investment of your account in the investment options listed in Section 1. You may make changes to your investment options via the Participant website or by calling the Participant Call Center during normal business hours at the number listed on the first page of this document.

**Limitations on Investments:** Limits on making changes to your investment choices may be imposed by the Plan Sponsor or by a manager of an investment option. Any limits or restrictions made by a fund manager are described in the prospectus for the fund. They include restrictions intended to prevent "market timing" (i.e., rapid trading in and out of a fund). In addition to the limits and restrictions described in the prospectus, the Plan Sponsor may have other restrictions on making changes to your investment choices. These restrictions are included in the table in Section 2. For more information on investment restrictions in your plan, contact the Participant Call Center at the number listed on the first page of this document.

**Voting, Tender, and Similar Rights:** The appropriate Plan fiduciaries, or an individual or an institution designated by the Plan fiduciaries, will exercise any voting or other rights associated with ownership of the Designated Investment Alternatives offered in your Plan.

#### **General Administrative Services Expenses Table**

This table shows non-investment expenses that pay for operating your Plan. These expenses are described below. Fees and expenses for general plan administrative services (for example, recordkeeping services and custodial services) may be charged to your Plan. These fees and expenses may be charged to your individual account if not paid by your Plan Sponsor and/or included in investment-related fees and expenses. How the expenses are charged to participant accounts will depend on the nature of the expense. For example, some fees may be charged as a fixed dollar amount per participant or as an amount spread across the account balances based on individual account balances.

<b>General Administrative Services Expenses as of 09/22/2015</b>				
Fee Type	Annual Amount	Quarterly Amount	Frequency	Description
Participant Account Maintenance	\$34.48	\$8.62	Quarterly	This fee is for costs associated with the plan such as plan underwriting, contribution processing, transaction processing, company enrollment meetings, and retirement plan education.

#### **Participant Elected Services Expenses Table**

This table shows expenses for optional services available through your plan. Certain fees may be charged to your individual account for optional services you use.

**Participant Elected Services Expenses  
as of 09/22/2015**

<b>Service</b>	<b>Fee Amount</b>	<b>Frequency</b>	<b>Description</b>
Participant Loan (Origination)	\$50.00	Per Distribution	This fee is associated with originating a loan through your company's retirement plan.
WIRE Special Handling Charge	\$7.00	Per Distribution	Wire Charge
ACH Special Handling Charge	\$5.00	Per Distribution	ACH Charge
EXPRESS Special Handling Charge	\$25.00	Per Distribution	Express Delivery Charge

Your Plan may charge fees related to certain approval (e.g., Domestic Relations Orders, hardship withdrawals, etc.) or other (e.g. advisory) services. Please see your Plan Sponsor for further information regarding these potential fees.

Your Plan may also charge general administration fees related to the delivery of plan communications. In such event, a fee may be deducted from your individual plan account on a per communication basis or on a quarterly or annual basis. The cost per communication is generally between \$2 to \$3.

Fees and expenses do add up over time and can substantially reduce the growth of your retirement savings. Fees and expenses are only two of several factors to consider when you make investment decisions.

You can visit the Department of Labor's website for an example showing the long-term effects of fees and expenses at [http://www.dol.gov/ebsa/publications/401k\\_employee.html](http://www.dol.gov/ebsa/publications/401k_employee.html).

# Schwab Personal Choice Retirement Account® (PCRA)

## Pricing Summary

Effective:  
November 13, 2015

Schwab provides a broad range of value-added services, some of which have associated fees. This document provides you with a summary of your plan-specific commissions and transaction fees for trade orders placed in your Schwab PCRA. This pricing summary supersedes any prior pricing summaries, pricing guides, and notices that you may have received. Schwab reserves the right to change or waive fees at our discretion.

## Commissions and Transaction Fees<sup>1</sup>

### Equities

#### Stocks and Third-Party Exchange-Traded Funds (ETFs) per Executed Trade\*

Trading Channel	Commissions
Electronic <sup>2</sup>	\$6.95
Broker-Assisted	Electronic transaction fee, plus \$25

#### ETFs (including Schwab ETFs™) participating in Schwab ETF OneSource™ per Executed Trade<sup>3</sup>

Trading Channel	Commissions
Electronic	\$0
Broker-Assisted	Electronic transaction fee, plus \$25

\*These fees also apply to trades of Canadian stocks, American Depositary Receipts, and stocks of foreign-incorporated companies that are listed on U.S. or Canadian exchanges or whose trades clear and settle in the U.S. or Canada.

### Mutual Funds<sup>4</sup>

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 services charges (except Schwab Funds®).

#### No-Transaction-Fee Funds (includes funds available through the Mutual Fund OneSource® service)<sup>5</sup>

Trading Channel	Transaction Fee
Electronic	\$0
Broker-Assisted	\$25 service charge per trade may apply

#### Transaction-Fee Funds<sup>5</sup>

Trading Channel	Transaction Fee
Electronic	\$15 per buy, \$15 per sell
Broker-Assisted	Electronic fee, plus \$25 service charge per trade

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

**Investors should consider carefully information contained in the prospectus, including investment objectives, risks, trading policies, charges, and expenses. You can request a prospectus by calling Schwab's dedicated PCRA Call Center at 1-888-393-PCRA (7272). You may also request a prospectus online at [www.schwab.com/prospectus](http://www.schwab.com/prospectus). Please read the prospectus carefully before investing.**



*Own your tomorrow.*

## Options<sup>6</sup>

### Options per Executed Trade

Trading Channel	Commissions
Electronic	\$6.95, plus \$0.75 per contract
Broker-Assisted	Electronic commission, plus \$25

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

### Pricing for Combined Equity and Option Orders

Equity plus option leg orders (includes Buy/Writes, Sell/Writes, and Unwinds): \$0.75 per contract for the option leg, plus \$8.95 commission for the equity leg. (There is no base commission for the option leg.)

## Equities - Foreign Stock

Foreign Stock Transactions* Trades Placed on the U.S. Over-The-Counter Market		Foreign Stock Transactions Trades Placed Directly on a Foreign Exchange	
Trading Channel Fee	Transaction	Trading Channel	Transaction Fee
Electronic	\$6.95, plus a \$50 foreign transaction fee <sup>7</sup>	Electronic	Not available
Broker-Assisted	\$81.95; electronic commission of \$6.95, plus \$25 for broker assistance, plus a \$50 foreign transaction fee	Broker-Assisted	The greater of \$100 or 0.75% of principal, with no maximum

\*These fees also apply to trades of foreign ordinary shares placed directly on a foreign exchange or on the U.S. over-the-counter market.

## Fixed Income Investments<sup>8</sup>

Schwab may act as principal on certain fixed income transactions. When Schwab acts as agent, a commission will be charged on the transaction. When Schwab acts as principal, the mark-up is included in the bond price.

Product Type	Electronic Commission or Mark-up	Broker-Assisted Commission or Mark-up
New issues, including Certificates of Deposit	\$0 (a selling concession is included in the original offering price)	
Treasury Bills, Notes, Bonds <sup>9</sup> , and TIPS (Secondary and Auction)	\$0	
Secondary transactions for Corporate Bonds, Municipal Bonds, Government Agencies, Zero-Coupon Treasuries (including STRIPS), and Certificates of Deposit	\$1 per bond (\$10 minimum \$250 maximum)	Electronic commission, plus \$25 per trade
Preferred REITS	Stock commissions and minimums apply for secondary transactions.	
Commercial Paper, Foreign Bonds, Asset-Backed Securities, Mortgage-Backed Securities and Unit Investment Trusts	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 the Schwab PCRA Call Center for information.

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



## Exchange Process Fee

This is a fee Schwab charges to offset fees imposed on us by national securities and self-regulatory organizations or by U.S. option exchanges.

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.

U.S. option exchanges charge Schwab and other broker-dealers per-contract fees for purchase and sales of exchange-listed options. The exchanges may charge these fees even on transactions executed on other exchanges, which can result in multiple fees being imposed on Schwab for a single transaction. Schwab offsets these fees by charging you a single Exchange Process Fee for each covered transaction.

Any Exchange Process Fee that appears on your trade confirmation for a sale of an exchange-listed option will combine the offset for the fees charged both by the U.S. option exchanges and by the national securities and self-regulatory organizations.

Schwab's Exchange Process Fee will rise or fall periodically depending upon the rate set by the SEC or by the U.S. option exchanges, as applicable.

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### Notes:

- This pricing summary applies only to the PCRA accounts held at Charles Schwab & Co., Inc., and established on behalf of retirement plan participants. You can obtain more information about PCRA commissions and transaction fees by calling Schwab's dedicated PCRA Call Center at 1-888-393-PCRA (7272), Monday through Friday, 9:00 am through 7:30 pm (ET). Or, view the current Charles Schwab Pricing Guide for Retirement Plan Accounts on [www.schwab.com](http://www.schwab.com) for a more complete description of all other commissions and transaction fees.
- Your PCRA is a cash-up-front account. For all purchases, we require cleared funds in the account. When you're selling, we require securities on deposit. It is your responsibility to avoid overspending your account. If your account becomes overspent, Schwab reserves the right to liquidate a portion of your account to cover the debit balance. If liquidation is necessary, a broker-assisted fee of \$25 will apply.

<sup>1</sup> 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. Electronic 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.

<sup>2</sup> Trades placed through Schwab's electronic channels, such as Schwab.com, mobile applications, and automated phone services. Certain securities may not be available through all electronic trading channels. Up to 999,999 shares can be placed per trade.

<sup>3</sup> Conditions apply: Trades in ETFs available through Schwab ETF OneSource (including Schwab ETFs™) are available without commissions when placed online through a Schwab account. Service charges apply for trade orders placed through a broker (\$25). An exchange processing fee applies to sell transactions. Certain types of Schwab ETF OneSource transactions are not eligible for the commission waiver, such as short sells and buys to cover (not including Schwab ETFs). Schwab reserves the right to change the ETFs we make available without commissions. All ETFs are subject to management fees and expenses. Please see the Charles Schwab Pricing Guide for Retirement Plan Accounts (the "Pricing Guide") for additional information. As of 02/01/2015, Schwab ETF OneSource had 198 ETFs.

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. Shares are bought and sold at market price, which may be higher or lower than the net asset value (NAV).

Charles Schwab & Co., Inc. receives remuneration from third-party ETF companies participating in Schwab ETF OneSource™ for recordkeeping, shareholder services, and other administrative services, including program development and maintenance.

Schwab ETFs™ are distributed by SEI Investments Distribution Co. (SIDCO). SIDCO is not affiliated with Charles Schwab & Co., Inc. Learn more at [schwab.com/SchwabETFs](http://schwab.com/SchwabETFs).

Third-party Schwab ETF OneSource shares purchased may not be immediately marginable at Schwab.

<sup>4</sup> Charles Schwab & Co., Inc. (Member SIPC) receives remuneration from fund companies for recordkeeping and shareholder services and for other administrative services for shares purchased through Schwab's Mutual Fund OneSource® program. Schwab also may receive remuneration from transaction-fee fund companies for certain administrative services.

Trades in no-load mutual funds available through OneSource (including Schwab Funds®), as well as certain other funds, are available without transaction fees when placed through Schwab's electronic channels such as Schwab.com, mobile applications, or automated phone services. Schwab reserves the right to change the funds we make available without transaction fees and to reinstate fees on any funds. Funds are also subject to management fees and expenses.

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.

<sup>5</sup> 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.

<sup>6</sup> Options carry a high level of risk and are not suitable for all investors. Certain requirements must be met to trade options through Schwab. Please read the Options Disclosure Document titled "Characteristics and Risks of Standardized Options" before considering any option transaction. Call Schwab at 1-888-383-PCRA (7272) to request a current copy. Supporting documentation for any claims or statistical information is available upon request.

<sup>7</sup> Transactions in foreign ordinary shares incur additional custody, clearing, and settlement expenses. A foreign transaction fee is added to trades placed on the U.S. over-the-counter market through the online or automated phone channels. The commission and foreign transaction fee will be combined and appear as one line item, labeled "Commission," on your trade confirmation.

<sup>8</sup> For fixed income trades placed through one of Schwab's electronic channels, discounts may apply.

<sup>9</sup> Schwab reserves the right to act as principal on any Bond transaction. In secondary market principal transactions the price will be subject to our standard mark up in the case of purchases, and a mark down in the case of sales, and also may include a profit or loss to Schwab in the form of bid-ask spread. When trading as principal, Schwab may also be holding the security in its own account prior to selling it to you and, therefore, may make (or lose) money depending on whether the price of the security has risen or fallen while Schwab has held it.

Schwab Personal Choice Retirement Account® (PCRA) is offered through Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer that also provides other brokerage and custody services to its customers.