

News Release

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SCHWAB FUND FOR CHARITABLE GIVING LAUNCHES CHARITABLE ASSET MANAGEMENT

First leading national donor-advised fund offers personalized management of charitable assets by independent Investment Advisors

SAN FRANCISCO, August 20, 2003 – The Schwab Fund for Charitable Giving™ today announced the launch of Charitable Asset Management, the first leading national donor-advised fund to give independent investment advisors investment discretion over a donor's charitable assets¹.

Charitable Asset Management is available exclusively to advisors working with Schwab Institutional® or U.S. Trust. It allows an advisor to actively manage charitable assets of \$500,000 or more that a client has irrevocably contributed to an account with the Schwab Fund for Charitable Giving.

Charitable Asset Management represents a unique service offering, as no other leading national donor-advised fund permits such personalized management of a client's donated assets.

"Philanthropists have faced three very challenging years in the stock market, and they are looking to advisors for help in protecting and maximizing their charitable dollars," said Kim Wright-Violich, president of the Schwab Fund for Charitable Giving. "Charitable Asset Management gives advisors the services they need to manage philanthropic dollars. It combines much of the investment flexibility of a private foundation with the ease, efficiency, reduced expenses and favorable tax treatment of a donor-advised fund."

A sustained legacy of giving

Despite the geopolitical and economic uncertainty of the past few years, Americans have continued to give generously to causes. More than \$241 billion was given to charity in 2002, about 1% more than 2001. Of that total, individuals gave about 76%, or \$184 billion. An estimated 20% of the wealthiest US households give 70% of the charitable gifts. (Source: Giving USA, The Annual Report on Philanthropy for the Year 2002)

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Donor-advised funds are increasingly becoming the vehicle of choice for many philanthropists. As one of the fastest growing charitable vehicles, donor advised funds now have more than \$13 billion in total assets. For individuals who want to plan their giving, donor advised funds offer a number of potential tax and planning benefits. They provide immediate tax benefits² because donations to a donor advised fund are usually fully deductible in the tax year when they are made. And because individuals can donate appreciated securities directly to a donor advised fund and realize their full value as a charitable deduction, without incurring any capital gains tax liability.

“Charitable Asset Management will be a great service to help advisors help their clients,” said Wright-Violich. “We’ve found that people are grateful to have someone help them move away from impulse giving or charity based on last-minute tax preparations. Many people want a more strategic approach that is incorporated into their longer-term tax and financial planning.”

In addition, services like Charitable Asset Management can provide additional benefits for advisors and clients. “There is a significant sense of trust and understanding that evolves out of discussing the values and life experiences that drive a person’s philanthropic choices,” said Wright-Violich. “It’s an invaluable part of solidifying a relationship and understanding how to serve clients best going forward.”

About The Schwab Fund for Charitable Giving

The Schwab Fund for Charitable Giving is an independent, nonprofit organization established in 1999 to offer donor-advised funds and other philanthropic services. The Fund has received \$380 million in contributions and has helped donors distribute more than \$166 million out to charities. A leading national donor advised fund, the Fund is ranked the 104th largest nonprofit in the US and the seventh largest charity in California. The Fund has distributed about 41,500 grants to more than 14,000 charitable organizations. For more information about the Fund and the Charitable Gift Account, please visit www.schwabcharitable.org.

The Schwab Fund for Charitable Giving, an independent non-profit organization, has entered into service agreements with certain affiliates of The Charles Schwab Corporation (Charles Schwab & Co., Inc. and Charles Schwab Investment Management, Inc.) (0803-11771)

About Schwab Institutional

Schwab Institutional is a leading provider of custodial, operational and trading support for independent fee-based investment advisory firms. The investment professionals it serves represent about 30% of Schwab's total customer assets and about 15% of Schwab's total customer accounts as of June 30, 2003. Schwab Institutional is a division of Charles Schwab & Co., Inc. ("Schwab"), Member SIPC/NYSE. Schwab is a subsidiary of The Charles Schwab Corporation.

About The Charles Schwab Corporation

The Charles Schwab Corporation (NYSE:SCH), through Charles Schwab & Co., Inc. (member SIPC/NYSE), U.S. Trust Corporation, CyberTrader, Inc. (member SIPC/NASD) and its other operating subsidiaries, is one of the nation’s largest financial services firms serving investors through offices, regional client telephone service centers and automated telephonic and online channels. The Charles Schwab, U.S. Trust and CyberTrader Web sites can be reached at www.schwab.com, www.ustrust.com and www.cybertrader.com, respectively.

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¹ Charitable Asset Management is a feature that allows an independent investment advisory firm, recommended by the donor and approved by the Schwab Fund for Charitable Giving, to actively manage the assets in a Charitable Gift Account investment portfolio in accordance with general investment guidelines adopted by the Fund.

² A donor's ability to claim itemized deductions is subject to a variety of limitations depending on the donor's tax situation. Charitable deductions in particular are subject to adjusted gross income limitations. Consult your tax advisor for more info.