



SCHWAB FUND *for* CHARITABLE GIVING®

News Release

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DONOR CONTRIBUTIONS TO THE SCHWAB FUND FOR CHARITABLE GIVING MORE THAN DOUBLE AS ECONOMIC RECOVERY CONTINUES

Improving economy and stock market recovery encourage more people to set aside assets for charitable giving

SAN FRANCISCO, December 18 2003—The Schwab Fund for Charitable Giving™ today announced that contributions to its Charitable Gift Accounts during the latter part of 2003 (July 1-November 30) increased 115% compared to the same period in 2002. The Schwab Fund for Charitable Giving is now the 9th largest charity in the state of California.¹

“People are contributing more this year because of the improving economy, the stock market recovery and the needs in our communities,” said Kim Wright-Violich, president of the Schwab Fund for Charitable Giving. “It’s also gratifying to see that our donors are responding this year to the needs of our communities by requesting significantly more grants from their Charitable Gift Accounts than they did in 2002.”

Donors can open a Charitable Gift Account with the Schwab Fund for Charitable Giving with an initial tax-deductible² contribution of cash or securities valued at \$10,000 or more. Assets are invested for tax-free potential growth and donors can recommend grants from the account at any time, to any U.S. public charity. Donors who contribute appreciated securities may be able to deduct their full value as a charitable donation and avoid capital gains tax,² a benefit that has fueled some of the recent increase in donor contributions. “Especially because of the recent recovery in some financial services and technology stocks, we’ve seen an increase in donations of appreciated securities,” says Wright-Violich.

There is no upper limit to what may be contributed to a Charitable Gift Account. There is no annual distribution requirement, excise tax liability or public filings of contributions and grants, all of which apply to private foundations. For high-end donors, the Schwab Fund for Charitable Giving’s administrative fees are among the lowest in the industry.

Accounts with assets of \$500,000 or more can be professionally managed by an independent advisor and invested in a wide range of investment vehicles, including individual stocks, bonds and other securities. No other leading national donor-advised fund permits such flexibility and personalized management of a client’s donated assets. Charitable Asset Management is available exclusively to donors and advisors working with Schwab Institutional (R) or U.S. Trust advisors.³

(more)

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. As of November 30, 2003, the Fund has received \$425 million in contributions and has helped donors distribute more than \$188 million to charities. The Fund has distributed more than 40,000 grants to more than 18,000 charitable organizations. For more information about the Fund and the Charitable Gift Account, please visit www.schwabcharitable.org.

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. (1203-3998)

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¹Chronicle of Philanthropy, based on 2002 fundraising data.

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

³Charitable 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 and fee guidelines adopted by the Fund. Charitable Asset Management is available only for Charitable Gift Accounts with assets of \$500,000 or more.
