



SCHWAB FUND *for* CHARITABLE GIVING®

News Release

Contact

Morrison Shafroth
Charles Schwab & Co. Inc.
Phone: 415-636-5408
mo.shafroth@schwab.com

SCHWAB FUND FOR CHARITABLE GIVING REPORTS RECORD CONTRIBUTIONS FOR 2003

Economic recovery and groundbreaking new Charitable Asset Management feature lead the Schwab Fund for Charitable Giving to its best year ever

SAN FRANCISCO, March 4, 2004— The Schwab Fund for Charitable Giving™ today announced that contributions to its Charitable Gift Accounts during 2003 totaled more than \$131 million, topping its previous record of \$116 million in 2001.

Kim Wright-Violich, president of the Schwab Fund for Charitable Giving, said the record results were due to a strong economy and Charitable Asset Management -- a new philanthropic option available through independent investment advisors working with Schwab Institutional® or U.S. Trust.

“While the strong stock market had much to do with the all-time high contributions in 2003, Charitable Asset Management was also a key driver of our success. We are optimistic that the same trend will continue in 2004 as more advisors look for ways to manage market-gains and enhance client services.”

Donors can open a Charitable Gift Account with the Schwab Fund for Charitable Giving with an initial tax-deductible¹ 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.¹

“Especially because of the stock market recovery in 2003, many donors took advantage of the Fund as a way to easily contribute appreciated securities,” says Wright-Violich.

Launched in September 2003, Charitable Asset Management allows donors with accounts of \$500,000 or more to recommend an advisor to manage account assets, which can be invested in a wide range of investment vehicles, including individual stocks, bonds and other securities. Charitable Asset Management is available exclusively to donors and independent advisors working with Schwab Institutional® or U.S. Trust advisors.²

No other leading national donor-advised fund offers the benefits of Charitable Asset Management, and the response has been overwhelming.

Charitable Asset Management has opened significant doors for advisors and their clients. A case in point: As part of a complex portfolio balancing and diversification plan, a San Francisco advisor recommended that a client set up an \$800,000 Charitable Gift Account with Charitable Asset Management, funded through a transfer of assets from an existing donor-advised fund and a significant contribution of low-basis stock.

(more)

“The benefits of this kind of strategy are subtle but significant,” said Wright-Violich. “By contributing to the Fund, the advisor was able to easily liquidate a high concentration of low-basis stock and avoid capital gains tax for the donor. Then the advisor was able to diversify the charitable account holdings in a way that is consistent both with the client’s plans for future giving and the Fund’s investment guidelines.”³

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.

“The management capability available through Charitable Asset Management means that advisors can recommend that clients set aside assets for charitable giving in a tax-advantaged way and help meet other diversification goals at the same time, without creating a feeling for the clients that they have made some big change,” said Wright-Violich. “There’s a seamlessness to it, for the client and the advisor, that is just very appealing.”

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 December 31, 2003, the Fund has received \$412 million in contributions and has distributed more than \$187 million to charities. The Fund has distributed more than 52,000 grants to more than 18,000 charitable organizations. For more information about the Fund and the Charitable Gift Account, please visit www.schwabcharitable.org.

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.)

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 16% of Schwab's total customer accounts as of December 31, 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. (0204-8424)

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¹ A 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.

² Charitable Asset Management is a feature that allows an independent investment advisor, 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.

³ The experience depicted may not be representative of other experiences.
