



SCHWAB CHARITABLE™

News Release

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SCHWAB CHARITABLE™ LAUNCHES ADVISOR-MANAGED CHARITABLE TRUST SERVICES

Leading national donor-advised fund adds charitable remainder trust offering to expand selection of strategic philanthropic options for donors and advisors

SAN FRANCISCO, Oct. 24, 2006 — Schwab Charitable™, which operates one of the country's largest and fastest growing donor-advised funds, today announced the launch of Charitable Trust Services, establishing a suite of services that gives donors a new way to support charities and gives independent investment advisors a simple way to expand their wealth management offering to encompass income-producing charitable vehicles

Charitable Trust Services allows independent investment advisors who custody with Schwab Institutional to professionally manage the investments their clients have donated to a charitable remainder trust. Schwab Charitable has designed its Charitable Trust Services to be as easy and simple to use as possible — similar, in that regard, to the donor-advised fund it developed years ago. This unique service makes Schwab Charitable one of the only providers of professionally-trusted charitable trusts to offer investment management participation by independent advisors.

Charitable Trust Services is paired with the Schwab Charitable Fund™, a leading national donor-advised fund, under the newly-named Schwab Charitable, making it easier for individual donors to strategically and conveniently set up philanthropic accounts that provide significant income, capital gains and estate tax benefits.

“The addition of Charitable Trust Services solidifies Schwab Charitable's position as the innovative leader in the charitable arena,” said Kim Wright-Violich, president of Schwab Charitable. “By offering a variety of philanthropic services, Schwab Charitable will provide solutions for each donor's unique circumstances and help donors better leverage the tax benefits associated with their giving. Individuals do not usually rely on their advisors for suggestions about what causes to support but they do expect to receive guidance on the best way to give. In all its endeavors, Schwab Charitable strives to focus on solutions that make it easy for donors — by removing barriers to giving and by providing ways for them to leverage independent advisors' investment and financial planning expertise so that they can give more.”

Advantages of Charitable Trust Services

Charitable Trust Services are simple, flexible and tax-smart solutions for individuals seeking life-long investment income for themselves or other beneficiaries, while reducing income, capitals gains and estate taxes and leaving a charitable legacy for future generations:

- The trust can generate a lifetime income stream for one or more beneficiaries.
- The donor receives an immediate income tax deduction for the calculated charitable remainder value of the contribution and avoids capital gains taxes on highly-appreciated donated assets. Donations to a remainder trust are also removed from the individual's taxable estate.
- Schwab Charitable takes responsibility as the trustee for all custodial, administrative and tax-reporting requirements.
- By donating the charitable remainder to an account with Schwab Charitable's donor-advised fund, individuals can enjoy flexibility in charitable recipient nominations or give future generations of their family a convenient way to support charitable causes they value.

In addition to its advantages for donors, Schwab Charitable provides resources to investment advisors to help them manage various aspects of trust services, including trust experts who are available to help draft appropriate trust documents, develop income projections and planning scenarios and assist in identifying potential clients who may be interested in the service. Charitable Trust Services allows investment advisors to become the solution of choice for individuals with increasingly complex lives and financial goals.

"Schwab Charitable's trust services offers unmatched flexibility and convenience," added Wright-Violich. "Very few charitable organizations are able to serve as trustee and allow for independent investment management of a trust's assets. These comprehensive capabilities make Schwab Charitable a leading choice for the establishment of charitable remainder trusts."

How Schwab Charitable's Trust Services Work

To take advantage of Schwab Charitable's trust services, individuals establish the trust and name Schwab Charitable Trust Services as the trustee. The donor identifies both the income and charitable beneficiaries, and recommends an investment adviser for the trust's assets. The individual makes an irrevocable minimum donation of \$250,000 in the form of cash, publicly-traded securities, closely-held stock, real estate or other "non-cash" assets. These assets are then either re-titled or liquidated by Schwab Charitable and invested and managed by the individual's nominated investment advisor.

A remainder trust can be established either for the life of the donor or for a maximum fixed term of 20 years, over which time Schwab Charitable will distribute income to the income beneficiaries of the trust. At the trust's termination, Schwab Charitable will distribute the remainder to the donor's Charitable Gift Account with the Schwab Charitable Fund where successor donor-advisors, named by the donor, will advise these funds like any other donor-advised fund account and have the ability to recommend an investment advisor, via the Fund's popular Charitable Asset Management feature, to manage the donated assets. As an alternative, the donor may opt to provide Schwab Charitable with up-front recommendations as to the charities that should receive trust assets from their Charitable Gift Account. Either approach provides more flexibility than has historically been available with charitable trusts.

New Name — "Schwab Charitable" — Reflects Expanded Services

In light of the addition of Charitable Trust Services, the organization previously known as the Schwab Fund for Charitable Giving now uses the name Schwab Charitable. Schwab Charitable's donor-advised fund, the Schwab Charitable Fund, is already one of the largest and most popular donor-advised funds in the country. Established in 1999, the Fund boasts more than \$1.6 billion in donations to date, with more than 125,000 grants made for more than \$600 million in donations to public charities throughout the country. It was the first leading national donor-advised fund to offer independent investment advisors the ability to manage donated assets. Charitable Trust Services extends that capability to charitable trusts.

About Schwab Charitable

For more information about Schwab Charitable and Charitable Trust Services, visit www.schwabcharitable.org. Schwab Charitable is the name used for the combined programs and services of the Schwab Charitable Fund and Schwab Charitable Trust Services. Schwab Charitable Fund

is the operating name of the Schwab Fund for Charitable Giving, an independent nonprofit organization. Schwab Charitable Trust Services is a limited liability company owned by the Schwab Charitable Fund that provides charitable trust management services. Charitable Asset Management is available only through investment advisors working with Schwab Institutional or U.S. Trust and requires a \$250,000 account minimum. While donors may recommend an advisor, the Fund must approve the recommendation. Advisors must meet certain eligibility requirements and adhere to Fund investment guidelines. The Fund has entered into service agreements with certain affiliates of The Charles Schwab Corporation including Charles Schwab & Co., Inc. (member SIPC, <http://www.sipc.org>) and Charles Schwab Investment Management, Inc. (1006-5347)

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