

Glossary

Effective September 2016

Term	Definition
Account Holder	Individual with Schwab Charitable account privileges; may recommend grants to eligible charities and recommend portfolio asset allocations.
Additional Account User	Individual, in addition to account holders, who is eligible to recommend grants to eligible charities and recommend portfolio asset allocations.
Administrative Fees	Fees that cover the expenses of operating a Schwab Charitable account such as online services, phone support, grant administration, account statements and communications.
Agency Agreement	For Professionally Managed Accounts, an agreement between an investment advisor and the account holders, allowing the investment advisor to convey grants on behalf of account holders and reallocate account assets.
Annual Account Summary	Yearly summary of account transactions including contributions to the account and grant distributions.
Asset Allocation	The division of assets in a portfolio commonly based on tolerance for risk and preferred investment time horizon.
Benchmark	A measure of performance of an investment advisor, Professionally Managed Account or investment pool.
Brokerage Commission	The commission charged to a Schwab Charitable account for the sale of contributed securities.
Cash Equivalents	An asset category that includes short-term, cash-like monetary instruments that can be liquidated quickly, such as money market instruments and Treasury Bills.
Charitable Beneficiary	A charitable organization that is named as beneficiary of a Schwab Charitable account and is recommended to receive assets from the account upon the death of the account holders.
Charitable Legacy Program	Schwab Charitable program for accounts with balances of at least \$100,000 through which account holders specify annual or semi-annual grants to specific charities upon the account holder's death.

Contingent Successor	Successors who succeed the account holder with full privileges upon the death, incapacity, refusal to serve or other disqualification of other successors.
Contribution Receipt	Written acknowledgment sent to account holders, third-party donors, investment advisors or other agents as a record of a charitable contribution made to a Schwab Charitable account.
Contributions	All contributions to a Schwab Charitable account are the property of Schwab Charitable and cannot be recalled by the account holders.
Core Account	Schwab Charitable account requiring an initial contribution of \$5,000. Contributions may be invested in one or more of Schwab Charitable's investment pools.
Direct Global Giving Program	Program through which account holders can recommend grants directly to eligible international charities.
Distribution	Also known as a grant. Amounts granted to eligible charities from a Schwab Charitable account.
Dormant Account	Schwab Charitable accounts with no grant recommendations for at least four and a half years.
Dual Professional Account Manager and Agent	The dual role of an investment advisor who has the ability to convey account holders' grant recommendations, make asset allocation decisions and provide active account management.
Enforceable Pledge	A legally binding contract between a donor and a charity.
Equivalency Determination	Process of determining whether an international or foreign charity is equivalent to a U.S. 501(c)(3) public charity. An Equivalency Determination is valid for two years after the date of the financials provided by the international or foreign charity.
Fair Market Value	The average of the high and the low for the day that the securities were received by Schwab Charitable. In the case of contributions of mutual funds, Fair Market Value is the closing price on the date of receipt.
Grant	Distribution from a Schwab Charitable account to an eligible charity.
Grant Recommendation	A recommendation by an account holder to distribute funds from a Schwab Charitable account to an eligible charity.
Illiquid Securities/Non-Cash Assets	Assets that cannot be readily converted into cash, such as real estate, private equity, privately held stock.
Investment Advisory Agreement	For Professionally Managed Accounts, an agreement between Schwab Charitable and the investment advisor stipulating the terms under which the investment advisor is authorized to act on behalf of Schwab Charitable to manage the assets in the account.

Investment Advisor Fee	Fee charged by an investment advisor for investment management services.
Investment Fees	Fees charged for investment management.
Investment Pools	A series of cash, asset allocation, fixed-income and equity pools available to Schwab Charitable Core account holders.
Master Limited Partnership (MLP)	Limited partnership that is publicly traded on an exchange. MLPs are not taxed at the entity level as regular corporations are; they act as pass-through entities for income tax purpose. They may generate unrelated business income tax in the account.
Minimum Additional Contribution	Minimum amount of \$500 required for additional contributions to Schwab Charitable accounts.
Minimum Grant Requirement	Minimum amount of \$50 required for grant recommendations from Schwab Charitable accounts.
Minimum Initial Contribution	The amount required to open a Schwab Charitable account: \$5,000 for Core Accounts and \$250,000 for Professionally Managed Accounts.
Net Asset Value	Abbreviated NAV. The market value of a single share of a mutual fund.
Philanthropy Fund	Schwab Charitable's unrestricted giving fund, established to make charitable grants and to sponsor account holder and investment advisor education and research.
Publicly Traded Partnership (PTP)	A publicly traded partnership is a partnership interest which is regularly traded on an exchange.
Professional Account Manager	For Professionally Managed Accounts, an investment advisor who provides active management of a customized portfolio and has the ability to charge a fee for investment services. Advisor recommendations must be approved by Schwab Charitable.
Professionally Managed Account	Accounts with a minimum balance of \$250,000 whose assets are managed by an investment advisor.
Realized Capital Gain/Loss	Realized Capital Gain is the amount by which the sale price of an asset exceeds its purchase price. Realized capital loss is the loss on the sale of an investment or asset for less than the purchase price.
Reallocation	Re-distribution of account assets among investment pools.
Restricted Shares	Shares that are subject to trade restrictions and which may not be transferred or sold until certain conditions are met.
Risk/Return Profile	The level of risk an account holder is willing to tolerate in order to meet investment performance goals.
Sales Load	A sales charge on purchases of mutual fund shares.

Scheduled Grants	Grants scheduled to be distributed on a regular basis as set by the account holder.
Schwab Charitable Client Center	Online portal used by account holders to contribute to an account, recommend grants, check account balances and reallocate investments.
Secondary Account Holder	Secondary account holders have full and equal access to the account. They can recommend grants, reallocate assets, and change recommendations of successors and beneficiaries to the account.
Special Account Name	Name of the donor-advised fund account that may be included on a grant award letter (e.g., Smith Family Charitable Fund).
Subaccount	For Professionally Managed Accounts: An account managed by a sub-advisor appointed by an investment advisor.
Successor	Individuals named by the account holder who may succeed to the account with full account holder privileges when the account holder becomes disqualified due to death, incapacity, refusal to serve, or other disqualification.
Third-Party Contribution	A contribution to an account from an individual or entity other than one of the account holders.
Unrelated Business Income Tax (UBIT)	For tax-exempt organizations, the tax liability for the business income unrelated to the charitable, educational or other purpose of the organization's exemption.
Unrelated Business Taxable Income (UBTI)	Generally, gross income derived from unrelated trade or business regularly conducted by the exempt organization, less the deductions connected with conducting the trade or business.