charles SCHWAB

# How Schwab protects your information

Own your tomorrow®

## Protecting your accounts and information is Schwab's top priority

When you and your advisor choose Schwab as a custodian, you are working with an industry leader that takes its fiduciary responsibility very seriously. We have a strong culture of risk management and have designed our secure website and mobile apps to make it easy for you to work with us.

Occasionally, our policies and procedures may seem conservative or inconvenient, such as when a Schwab representative calls you to confirm a wire request. Our systems and controls are based on sound principles and are ultimately designed to protect your information and your account.

We strive to keep our behind-the-scenes security measures and practices confidential to make it more difficult for fraudsters to gain an edge. Here are some important points you should know.

## Working together with you and your advisor

Cybercrime and fraud are serious threats and constant vigilance is key. We consider security to be a partnership.

We offer an industry-leading Cybersecurity Resource Center designed to help your advisor strengthen their defense. In addition, your advisor is held to rigorous standards when doing business with us. For example, he or she must authenticate all wire requests—either by directly speaking with you or using our eAuthorization tool, which features built-in verification. We also host workshops and webcasts, and offer advisors other resources to help them remain vigilant and up to date on ever-evolving cybersecurity threats.

Although Schwab and your financial advisor play important roles in safeguarding your accounts and data, there are preventive steps and actions you can take, too. Many involve common sense activities, like checking your monthly statements to confirm that reported account activity is legitimate. Ask your advisor for additional information—and learn more by visiting Schwab's Client Learning Center at content.schwab.com/learningcenter and clicking the Safeguard Online Information tab at the top.

# How Schwab protects client data

Schwab's comprehensive approach integrates complementary tools and technologies, stringent processes and controls, and specially trained employees.

## Cutting-edge tools and technology

Below are some examples of how we leverage technology to keep you safe.

- **Behavioral analytics.** We use software to help identify atypical patterns, such as alerts that notify us when a client transcation appears atypical based on the client's history.
- **Hardened infrastructure.** Employee access to software, tools, systems and websites is restricted to align with their particular job function.
- **Secure login capabilities.** To ensure that your login is as secure as possible, we set up stringent system requirements such as strong passwords and account lockout after a number of failed password attempts.
- **Robust phone call verification.** During calls, our service teams leverage tools, such as "Schwab's Voice ID service," to streamline the process of verifying an account holder's identity, Schwab offers secure caller authentication tools.
- **Additional safeguards.** We have other tools, policies, and reinforcements, such as automatic log off if your online session times out due to inactivity and use of one-time codes if you log in using a device that our system doesn't recognize.

## Stringent operational controls

- **Limited employee access.** Only designated employees can access your information and account.
- **Stringent validation of your identity.** We secure all channels through which you access your Schwab accounts. When you call us, we authenticate your identity before you can conduct transactions. When you visit a branch, we require you to verify your identity to conduct business.
- **Validation of key transactions.** When sensitive account events occur, such as money being moved in or out, the purchase or sale of a security, or a change in your personal information, we can send you an alert.

## Our people and our commitment

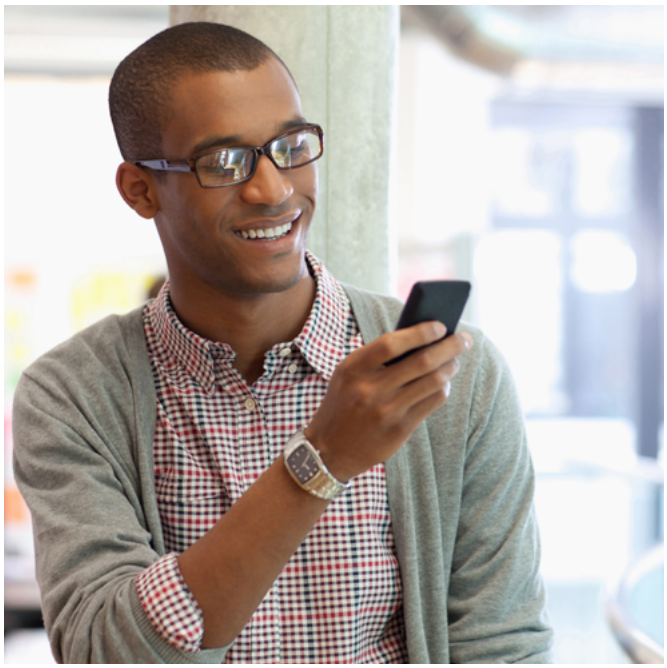
- **Schwab's Privacy Policy.** We do not and will not sell your personal information to anyone, for any reason, at any time.
- **Strong culture of data security.** When it comes to protecting data, Schwab's employees are one of our strongest defenses.They are required to complete ongoing security training and we continually reinforce data protection importance in various ways.
- **Seamless, continuous account access and service.** Schwab has comprehensive business continuity plans to limit our exposure and protect your assets and account accessibility.

## Incident response

- If you suspect data compromise or fraud, call your financial professional or the Schwab Alliance team immediately at **1-800-515-2157**.
- Schwab has a Data Incident Response plan in the event of a data breach incident. Based on an analysis of the situation, Schwab will take the necessary actions defined by our plan, such as working with third parties, including law enforcement, examiners, and regulatory agencies, as appropriate.

> Your trust means everything. At Schwab we take a sophisticated, multifaceted approach to keep your data safe. We want you to have peace of mind, knowing that your information is protected.
>
> **Dennis Howard**
> Chief Information Officer,
> Charles Schwab & Co., Inc.

# The Schwab Security Guarantee



Schwab will cover 100% of any losses in any of your Schwab accounts due to unauthorized activity. Transactions initiated by your independent investment advisor or others to whom you have granted authority to act on your behalf are considered authorized and are not covered. To read the terms and limitations of Schwab's Security Guarantee, visit https://advisorservices.schwab.com/risk-regulation/asset-safety.

Schwab Advisor Services™ serves independent investment advisors and includes the custody, trading, and support services of Schwab.

Independent investment advisors are not owned, affiliated with, or supervised by Schwab. Schwab does not provide legal, tax, or compliance advice. Consult professionals in these fields to address your specific circumstance.

Neither Charles Schwab & Co., Inc., nor any of its affiliates or employees makes any warranty, expressed or implied, or assumes any liability or responsibility for the accuracy, completeness, regulatory compliance, or usefulness of any information, tools, resources, or processes described in this material, or represents that its use would protect against cybersecurity or fraud incidents, including but not limited to a system breach, compromise of security, and/or improper access to confidential information. Neither Charles Schwab & Co., Inc., nor any of its affiliates or employees is responsible for any damages or other harm that might occur as a result of, or in spite of, the use of any information, tools, resources, or processes described here. You are responsible for securing your own systems and data.

For general educational purposes. All rights reserved.

©2018 Charles Schwab & Co., Inc. ("Schwab"). All rights reserved. Member SIPC. TWI (0718-8ERX) MKT102938FM-00 (07/18)
00213481