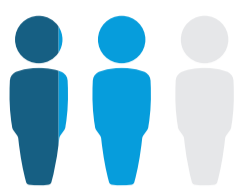


MORE ETFS, ANYONE? INVESTORS SAY 'YES, PLEASE'

charles
SCHWAB

BRING IT ON



66%

of investors say there's room for more ETFS on the market



ETFS make up an average of **18% OF PORTFOLIOS** among those who own them



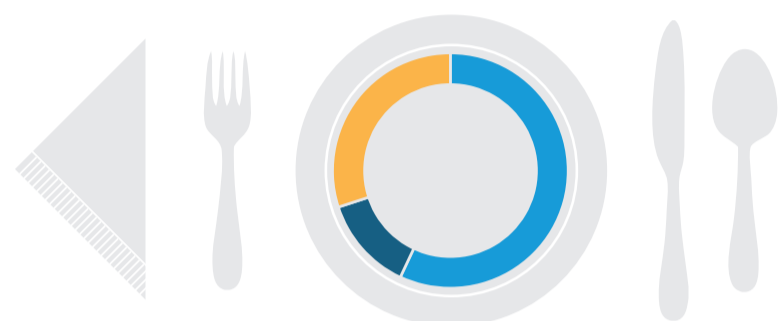
More than a quarter (28%) say that more product choice is the industry trend that has most benefited investors in the past few years



20% of ETF owners say that a **QUARTER OR MORE** of their investments are in ETFS

SIDE DISH...FOR NOW

WHEN ASKED TO COMPARE ETFS TO PARTS OF A DINNER MENU:



57% see ETFS as a side dish
30% see ETFS as an optional dessert
13% see ETFS as the main entrée

But HALF of investors expect their portfolio will have a higher proportion of ETFS in the next five years

AN APPETITE TO LEARN



SEVEN OUT OF 10 (71%) investors are confident in their ability to pick ETFS...

...but **38% WANT TO IMPROVE** how they choose & use them



40% KNOW MORE

about ETFS today than in 2013



13% DECLINE

in those who consider themselves ETFS novices (from 45% to 40%)

A TASTE FOR MORE THAN JUST VANILLA

INVESTORS WANT A BETTER UNDERSTANDING OF MORE SOPHISTICATED PRODUCTS:

"SMART BETA" (39%)

COMMODITIES ETFS (32%)

EXCHANGE-TRADED NOTES (30%)



44% use ETFS for core / long-term holdings

22% for tactical / short term

34% for both

THE NEXT COURSE: 401K ACCESS



60% SAY ETFS belong in their 401(k) plans

WHY? ►

1

Access to market segments that are untouchable with mutual funds (37%)

2

Cost (24%)

3

Tradability (24%)

ABOUT THE 2014 ETF INVESTOR STUDY BY CHARLES SCHWAB

The 2014 ETF Investor Study by Charles Schwab is the fourth installment of an annual online survey of more than 1,000 individual investors between the ages of 25-75 with at least \$25,000 in investable assets who have purchased ETFS in the past two years or are considering doing so in the near term.

Conducted by Koski Research from May 8 – 14, 2014, the study has approximately a 3% margin of error. Survey respondents were not asked to indicate whether they had accounts with Charles Schwab. All data is self-reported by study participants and is not verified or validated.

INVESTORS SHOULD CONSIDER CAREFULLY INFORMATION CONTAINED IN THE PROSPECTUS, INCLUDING INVESTMENT OBJECTIVES, RISKS, CHARGES, AND EXPENSES. YOU CAN REQUEST A PROSPECTUS BY CALLING SCHWAB AT 800-435-4000. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE INVESTING.

Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Unlike mutual funds, shares of ETFS are not individually redeemable directly with the ETF. Shares are bought and sold at market price, which may be higher or lower than the net asset value (NAV).

Commodity-related products carry a high level of risk and are not suitable for all investors. Commodity-related products may be extremely volatile, illiquid and can be significantly affected by underlying commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions.

Exchange Traded Notes (ETNs) are distinct from Exchange Traded Funds (ETFs). ETNs are debt instruments backed by the credit of the issuer and as such bear inherent credit risk. ETNs are not generally appropriate for the average investor.