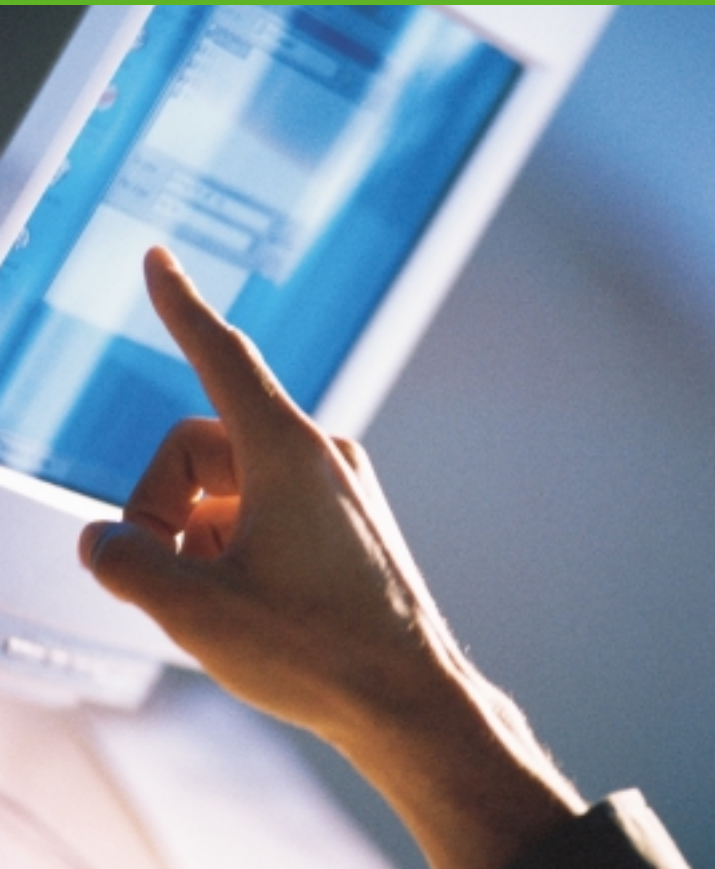


Schwab Personal Choice Retirement Account® (PCRA)



Add access, choice
and flexibility to your
retirement plan.

Are you looking for more investment access, choice and flexibility in your retirement plan? If so, the Schwab Personal Choice Retirement Account® (PCRA) may be right for you. PCRA is a self-directed brokerage account that supplements your retirement plan and enables you to contribute retirement plan savings into a greatly expanded range of investment choices.

We've Made It Easy for You

Please review this enrollment guide to learn more about PCRA and discover if it fits your retirement investment strategy. You may already be familiar with PCRA and ready to sign up now, or perhaps PCRA is new to you and you want more information. Either way, we hope this PCRA enrollment guide can assist you.



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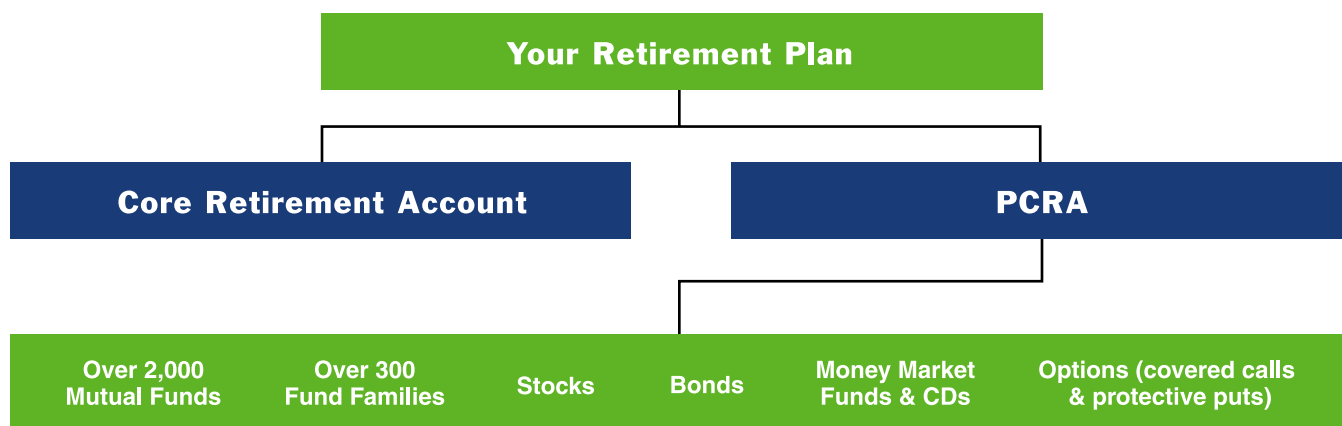
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PCRA Basics

Through PCRA, you can have access to a greatly expanded range of investment choices beyond the core investment choices offered in your retirement plan. PCRA is very similar to a typical brokerage account, but because it is part of your retirement plan, you may only fund your PCRA by transferring money from your core retirement account.

An Example of How PCRA Works in Your Retirement Plan



Your “core retirement account” refers to your retirement account through your employer. PCRA is a choice, along with the other investment choices such as mutual funds and perhaps company stock. Using the terms “core retirement account” and “PCRA” allows you to make the distinction between the money held in your core retirement account and money that is invested in the PCRA.

Just as core retirement account investment choices vary from one retirement plan to another, PCRA investment choices may also vary from plan to plan. Your Retirement Plan Provider will give you further plan-specific details about how PCRA works in your retirement plan. Your employer makes the decision about these details based on both the company’s fiduciary responsibility and the structure of your retirement plan. For example, some employers allow only mutual fund investments in a PCRA while others decide to allow stocks but not options.

The following investments are not allowed in any retirement plans: “trade-away” trades, collectibles, currencies, precious metals, real estate, private placements, futures, commodities, margin accounts, index and equity options (excluding covered calls and protective puts) and short sales.

For a prospectus containing more complete information, including management fees, charges and expenses, please call the Dedicated PCRA Call Center at 1-888-393-PCRA (7272). Please read the prospectus carefully before you invest or transfer money.

With PCRA, you are in charge. Self-managing your PCRA means that you are responsible for monitoring your investments. You can plan your investment strategy by researching securities, monitoring their performance and evaluating your overall progress in reaching your investment goals. Generally, as with all investments, the investments in your PCRA are part of an important long-term commitment that deserves thoughtful consideration.

Self-managing your PCRA does not mean that you are on your own. If you need assistance with your investments, Schwab is here to help. Our wide variety of resources includes:

- Web—Use schwab.com to research, trade, monitor your investments and much more.
- Investment Workshops—Attend a workshop near you to gain a better understanding of investment basics and add to your trading and planning skills.
- Phone—Stay in touch with the market through our Dedicated PCRA Call Center as well as our touch-tone and voice recognition services.
- Publications—Order printed materials about various topics from managing your mutual fund portfolio to online trading.
- Branches—Make an appointment to meet with a Schwab representative at one of more than 400 branches nationwide.

Questionnaire: Is PCRA Right for You?

Please take a few moments to answer the following questions to find out if PCRA is right for you.

1. Are you looking for additional investment choices for your retirement plan?
 YES NO
2. Do you have a good understanding of the stock market and the general principles of investing?
 YES NO
3. Do you invest outside of your retirement plan?
 YES NO
4. Do you have the time and energy to research and monitor your investments?
 YES NO
5. Are you comfortable taking on the additional risk associated with making investment decisions? Are you comfortable with potential volatility associated with market fluctuations?
 YES NO
6. Are you willing to incur additional trading and maintenance costs for expanded investment choices?
 YES NO

Consider Your Answers

If you answered YES to all of these questions, opening a PCRA may be the right choice for you. Generally, PCRA is considered a good solution for more experienced investors who take a greater role in managing their retirement portfolios, are comfortable with taking on more risk and can tolerate fluctuations in the market.

Although the core retirement account investment choices may meet the investment needs of many plan participants, more experienced investors may want more flexibility and choice—this is where PCRA fits in. If you want to choose from an expanded selection of investments in your retirement plan and have the opportunity to create a more personalized retirement portfolio, PCRA may be the right choice for you.

If you answered NO to any of these questions, you may want to reconsider taking on the responsibility of a PCRA. Remember that your retirement savings are critical to your future. It is important to handle them with care and to protect your retirement savings by managing your investment risk appropriately.

Even if you have enough investment knowledge and experience, you must also have the time to keep up with your PCRA. PCRA offers many advantages, but it does require some time and effort to research, pick and monitor your investments. As with the core retirement account investment choices, none of the investments available in PCRA are guaranteed in any way. Neither your employer, Retirement Plan Provider nor Schwab can or will advise you on how to invest.



PCRA Account Details

The graph below explains the “life cycle” of a PCRA. The first step is opening your PCRA. Once your account is open, to fund your account you will need to transfer money from your core retirement account or you may be able to make automatic deposits with money from your retirement plan into your PCRA. You will then want to research and choose your PCRA investments; you can begin placing trade orders to buy and sell investments within your PCRA. If you need to access the money in your PCRA, such as for a loan, withdrawal, distribution or simply to reallocate money back to your core retirement account investments, you will need to transfer money back to your core retirement account. Read on for a more in-depth explanation.

The “Life Cycle” of PCRA



Open Your PCRA

Opening your PCRA is easy. To open your account, follow the steps listed below:

1. Complete and sign the following form(s):
 - PCRA Limited Power of Attorney (LPOA) form, which gives you the authority to place trade orders in your PCRA. It is included with this PCRA enrollment guide.
 - Any other form(s) required by your Retirement Plan Provider.
2. Return the form(s) to your Retirement Plan Provider.
 - Your completed form(s) must be on file with your Retirement Plan Provider and with Schwab in order for your trade orders to be accepted. Your Retirement Plan Provider will forward your completed LPOA to Schwab, and your PCRA will be opened. You may not open your PCRA at a Schwab branch office.

Please note, PCRA is a choice offered to you through your Retirement Plan Provider at your request. For this reason, your Retirement Plan Provider may charge you fees for opening and maintaining a PCRA.

What happens after you return your form(s)? The time required to open your PCRA varies by Retirement Plan Provider. You will receive a PCRA Welcome Kit and account number in the mail.

The PCRA Welcome Kit provides further details about:

- The “life cycle” of a PCRA.
- Schwab commissions and fees.
- Whom to contact with questions.

Transfer Money In

Once your PCRA is open, the first step is to transfer money from your core retirement account to your PCRA. This transaction funds your PCRA. Keep in mind, mutual funds available through PCRA generally require a \$1,000 minimum investment.

To transfer money in, follow the steps below:

1. Determine from which of your core account investments you want to move money.
2. Decide how much money you want to transfer from each fund. For example, \$5,000 from the ABC Fund and \$2,500 from the XYZ Fund.
3. Contact your Retirement Plan Provider and follow the transfer instructions provided.

Please keep in mind that you may not make deposits or withdrawals directly to or from your PCRA. These transactions must be processed through your core retirement account. All transfers must be made in whole dollar increments. Total annual contribution limits are set by the Internal Revenue Service (IRS). Some transfer procedures and transfer timing vary by retirement plan. Please find more details in the cover letter accompanying this enrollment guide.



Research and Choose Investments

Once you have transferred money into your PCRA, the next step is to research and choose your PCRA investments. Of course, you can begin thinking about which investments best suit your needs prior to funding your PCRA.

Schwab provides many investment resources through the web at schwab.com, over the phone, in print and in person at a local Schwab branch.

Place Trade Orders

After you have chosen your investments, it is time to place your trade orders. You cannot place trade orders at Schwab until your PCRA has been opened, your PCRA LPOA is on file at Schwab and your initial transfer has funded your PCRA.

You may place trade orders in your PCRA as often as you like. To initiate a trade order, use one of the following channels:

1. Contact Schwab using the Internet through schwab.com.
2. Use the TeleBroker® touch-tone service at 1-800-272-4922 or the Schwab by Phone™ voice recognition service at 1-800-435-4000.
3. Call a Schwab representative through the Dedicated PCRA Call Center at 1-888-393-PCRA (7272).

PCRA investments may have initial and subsequent investment minimums, depending on the investments you choose. You will receive a current fund prospectus from Schwab when you make your first purchase in a mutual fund. Also keep in mind that after you place a trade order, the settlement times may vary for different investments.

Fees and Commissions

Because your PCRA is separate from your core retirement account and works differently, the fees associated with it may be different from fees associated with your core retirement account. Purchases and sales in your PCRA are subject to commissions and transaction fees. While Schwab is known for its competitive, low commissions, you can reduce those commission costs even more by using Schwab's automated and electronic services. Information about Schwab fees and commissions is available on schwab.com.

Many of the mutual funds offered through PCRA are available with no load or transaction fees. These funds are part of the Schwab Mutual Fund OneSource® service.¹ However, other available mutual funds will impose transaction fees and/or loads for going into and/or out of the fund. Please refer to each fund's prospectus for more information before investing or transferring money.

Statements and Confirmations

To help you with monitoring the investment performance in your PCRA, Schwab's statements and confirmations are easy to understand. You may also receive additional information from your Retirement Plan Provider. From Schwab, you will receive:

- Quarterly brokerage statements detailing your PCRA activity and performance.
- Monthly statements, if there are transactions made in that month.
- Trade confirmations that are mailed whenever you place a trade order in your PCRA.
- Online access to the last two years of activity in your PCRA at schwab.com.
- Telephone access for detailed information on your PCRA investments or to speak to a Schwab representative.

Transfer Money Out

As your financial needs change over time, it may become necessary to transfer money out of your PCRA and back to your core retirement account. Money is transferred out of PCRA typically for a loan, withdrawal, distribution or simply to reallocate money back into the core retirement account investments.

Keep the following in mind when considering a transfer from PCRA:

- Money in your PCRA cannot be accessed directly because it is part of your retirement plan savings.
- Investments in your PCRA generally must be liquidated to transfer money out.
- You may be able to make an in-kind transfer if you are doing an IRA rollover.²

Are You Ready for PCRA?

You've come full-circle in the "life cycle" of a PCRA. If you are ready to maximize your investment choices, follow the steps for opening your PCRA and you'll be on your way to more investment access, choice and flexibility in your retirement plan.

Questions?

As you consider opening a PCRA, you have three resources at your fingertips. Your main information resource is your Retirement Plan Provider, who should be able to answer questions on how a PCRA works with your retirement plan, as well as general PCRA questions. You may also be able to research your own answers about services and resources available through Schwab via schwab.com. You may also call to speak with a Schwab representative at 1-888-393-PCRA (7272) for general information about PCRA and Schwab.

Sign Up!

We hope this PCRA enrollment guide has given you an overview of PCRA and how it works. To sign up for a PCRA, please complete, sign and return the following form(s):

- PCRA Limited Power of Attorney (LPOA) form.
- Other form(s) required by your Retirement Plan Provider.

Enroll today to add access, choice and flexibility to your retirement plan.

¹ Schwab's short-term redemption fee will be charged on each redemption of funds bought through Schwab's Mutual Fund OneSource service (and certain other funds) with no transaction fee and held for 90 days or less (except SchwabFunds®). If you pay a transaction fee to purchase a fund, you will pay a transaction fee to sell it as well. Schwab reserves the right to change the funds we make available without transaction fees and to reinstate fees on any funds. Charles Schwab & Co., Inc. receives remuneration from fund companies for recordkeeping, shareholder services and other administrative services for shares purchased through its Mutual Fund OneSource service.

For a prospectus containing more complete information, including management fees, charges and expenses, please call the Dedicated PCRA Call Center at 1-888-393-PCRA (7272). Please read the prospectus carefully before you invest or transfer money.

² Contact your Retirement Plan Provider to determine eligibility for in-kind transfers.

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