



# FOUNDATION BLDG MTRL UNION 401K PSP

2022 Explanation of Fees and Services

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## EXECUTIVE SUMMARY

### Introduction

As a retirement plan fiduciary, you play an important role in helping participants make the most of their retirement savings. Employees rely on you to understand the fees paid by their plan and to make sure those fees are reasonable and prudent in light of the services received. We're pleased that you've chosen SRPS and its affiliates<sup>1</sup> to provide recordkeeping and related services to your retirement plan. We believe in the value of our service, and we have enclosed SRPS's Fee Disclosure Report to help support your effort and obligation to ensure an appropriate balance of fees and services for your plan.

This Fee Disclosure Report ("Report") details the fees your plan currently pays for services provided by SRPS. We've tried to make the report as comprehensive and easy to understand as possible. As you review it, keep in mind that the plan-level information it contains is a snapshot gathered from SRPS's internal databases on or near the date shown in the Plan Participation table below. Also please remember that fees can change based on changes you make to your fund line-up, services we provide at your request, transactions that take place in your plan and other factors. We will notify you if the fees reported here change.

If you have questions about your plan or about SRPS's fees or services after reviewing this report, please feel free to contact your Client Service Manager.<sup>2</sup> We'd be happy to help you.

### Estimated Plan Participation as of 12/31/2022

The table below lists the investment features and associated balances currently included in your retirement plan and the number of participants in each feature.

Investment Feature	Market Value	Number of Participants
Core Assets	\$6,711,123.99	--
Participant Loans	\$284,565.85	43
Total Market Value	<b>\$6,995,689.84</b>	
Total Eligible and Terminated Participants		<b>299</b>

### Summary of Recurring Plan Fees

The table below outlines the recurring fees and compensation for plan designated investment alternatives in your retirement plan. Please remember that additional fees may apply based on the circumstances detailed later in this report.

Service/Fee Type	Fee Formula	Estimated Annual Amount
SRPS		
Annual Base Fees	See Details	\$11,600.00
Shareholder Servicing Compensation Received		

1 The Charles Schwab Corporation provides services to retirement and other benefit plans and participants through its separate but affiliated companies and subsidiaries: Charles Schwab Trust Bank; Charles Schwab Bank, SSB; Charles Schwab & Co., Inc. ("CS & Co."); Schwab Retirement Plan Services, Inc. ("SRPS"); and Charles Schwab Investment Management, Inc. ("Charles Schwab Investment Management, Inc." or "CSIM"). Trust and custody services are available through Charles Schwab Trust Bank. Deposit products and services are available through Charles Schwab Bank, SSB and Charles Schwab Trust Bank, members of FDIC. Brokerage products and services are offered by Charles Schwab & Co., Inc. (Member SIPC). Schwab Retirement Plan Services, Inc. provides recordkeeping and related services with respect to retirement plans. Charles Schwab Investment Management, Inc. is the investment advisor for Schwab Funds, Laudus Funds, and Schwab ETFs and provides non-discretionary advisory services to the Charles Schwab Trust Bank (CSTB) Collective Trust Funds.

2 **Except as otherwise provided by law or regulation, the information in this report is confidential and may not be disclosed by the employer or agent acting on its behalf to any party other than the plan, the plan sponsor, a party providing services to the plan or plan sponsor, or plan participants and beneficiaries, without the prior consent of SRPS.**

Service/Fee Type	Fee Formula	Estimated Annual Amount
Third Party Funds	0.00 - 0.25% of assets	\$95.13
	Subtotal	\$11,695.13
Reduction in Compensation Credits to Plan	See details	(\$95.13)
SRPS Net		\$11,600.00
Gross OER Less Shareholder Servicing related to Third Party Funds	0.02 - 0.49%	\$5,777.54
	Recurring Fees Total	<b>\$17,377.54</b>
	Total as % of assets	<b>0.25%</b>
	Total per participant	<b>\$58</b>

If third party fund management is referenced above, please note third party fund management is not Schwab compensation. Please refer to "Fund Related Compensation" in "Plan Level Account Fees and Compensation Paid to Schwab" in the report for more information.

#### **Recordkeeping and Trust and Custody Fees**

SRPS is a bundled retirement plan service provider. Our standard service package includes recordkeeping and trust and custody services as provided by Charles Schwab Trust Bank outlined in the "Services Provided by Schwab" section of this report. As a bundled provider, we do not charge separately for trust and custody services. However, these services represent a cost of \$706.80, which is paid to Charles Schwab Trust Bank for its trust and custody services provided to the plan. The 408(b)(2) regulations require that we provide a good faith estimate of fees as if recordkeeping services were provided as a stand-alone service to the plan. For your plan, the estimated total compensation for recordkeeping-related services is \$10,893.

#### **Schwab Personal Choice Retirement Account**

With Schwab Personal Choice Retirement Account® (PCRA) as a plan option, your participants have access to a full-service brokerage solution and can enjoy all the capabilities that our brokerage account clients have.

**Choice** - Access to individual securities and exchange traded funds (ETFs) and thousands of mutual funds, including many without sales fees or loads

**Help and Guidance** - Dedicated teams to support participants with their needs, including account opening, trading, independent research tools, expert commentary, and questions about their retirement plan

**Flexibility** - Access for participant selected third-party advisors, access to CS & Co.'s Automatic Investment Plan, multiple PCRA capability, and a tailored trading menu

**Competitive Pricing** - Low-cost equity trades, Schwab ETFs with some of the lowest expense ratios in the industry, and commission-free trading.

The table below outlines the fees and compensation for PCRA accounts in your retirement plan. Please remember that additional fees may apply based on the circumstances detailed later in this report.

Service/Fee Type	Fee Formula	Estimated Annual Amount
<b>Recurring Fees</b>		
Gross OER Less Shareholder Servicing related to Third Party Funds		\$0.00
<b>Total</b>		<b>\$0.00</b>
<b>Total as % of PCRA assets</b>		<b>0.00%</b>
<b>Total per PCRA participant</b>		<b>\$0</b>

If third party fund management is referenced above, please note third party fund management is not Schwab compensation. Please refer to "Fund Related Compensation" in "Explanation of Brokerage Account Fees and Compensation" in the report for more information.

### Summary of Participant Authorized Servicing Fees

The table below outlines the participant authorized fees charged to your retirement account which are not included in the above estimates. Please remember that additional fees may apply based on the circumstances detailed later in this report.

Service/Fee Type	Fee Formula	Estimated Annual Amount
Managed Account Services	See details	\$1,377.08
SRPS Participant Transaction Fees	See details	\$2,320.00

The estimated annual amounts illustrated above for asset-based fees are calculated using a snapshot of assets held on the date of this report multiplied by the fee formula for each underlying fund as applicable for the service/fee type.

The estimated annual amounts illustrated above for transaction driven fees and the managed account services are based on historical information for your plan.

### Schwab Entities

One or more of the following entities of The Charles Schwab Corporation ("Schwab") may work together to provide services to your plan accounts and may share the proceeds of fees and other compensation disclosed in this Report:

- Charles Schwab & Co, Inc.(CS & Co. - EIN#94-1737782)
- Charles Schwab Bank, SSB (the Bank - EIN#42-1558009)
- Charles Schwab Trust Bank (CSTB - EIN#82-3967259)
- Schwab Retirement Plan Services, Inc. (SRPS - EIN#34-1479833)
- Charles Schwab Investment Management, Inc. (CSIM - EIN#94-3106735)

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## Overview

The Employee Retirement Income Security Act of 1974, as amended, ("ERISA"), requires employee benefit plan fiduciaries to act solely in the interests of, and for the exclusive benefit of, plan participants and beneficiaries. As part of that obligation, plan fiduciaries should consider cost, among other things, when choosing investment options for the plan and selecting plan service providers.

The information in this report is provided by SRPS, on behalf of itself and its affiliates as Covered Service Providers, to satisfy the service provider fee disclosure requirements under ERISA Section 408(b)(2). This information should assist the plan fiduciary in making informed cost-benefit decisions with respect to your plan.

In general, a Covered Service Provider is a service provider that enters into a contract or arrangement with a plan and reasonably expects \$1,000 or more in compensation, direct or indirect, to be received in connection with the following services:

- Serves as a fiduciary or registered investment advisor
- Certain recordkeeping or brokerage services
- Other services for indirect compensation such as audit, accounting, legal and valuation

Compensation is anything of monetary value (for example, money, gifts, awards and trips), but does not include non-monetary compensation valued at \$250 or less, in the aggregate, during the term of the contract or arrangement.

Direct compensation is compensation received directly from the plan. Any fees paid directly from plan assets are considered direct compensation, as is any compensation that is paid by the plan sponsor but is later reimbursed from the plan.

Indirect compensation is compensation received by a covered service provider from any source other than the covered plan, the plan sponsor, or an affiliate. Compensation received by a covered service provider from a subcontractor is indirect compensation, unless it is received in connection with services performed under the subcontractor's contract or arrangement.

## Additional Information

The amounts illustrated in this disclosure represent estimated annual plan expenses. Additional investment product information regarding fees relating to specific investments may be obtained from the applicable product prospectus or other similar documents. Additional information relating to plan administration services and expenses is contained in SRPS service agreements, trust or custody agreements, and fee schedules. As there may be other plan fees and expenses charged to the plan by other service providers, the plan fiduciary should consider contacting all of its plan service providers to request fee information with respect to their services.

## SERVICES PROVIDED BY SCHWAB

Below is a general summary of the services available from SRPS. These services vary from plan to plan depending on the needs of the plan and the services requested by the plan sponsor. Please refer to your plan services agreement and trust or custody agreements for more information regarding the services that you have requested for your plan.

## Standard Services

Standard services available from SRPS include but are not limited to:

- Maintenance of participant records
- Managed account service, which includes a discretionary management service that provides personalized savings and investment strategy for participants, provided by Morningstar Investment Management LLC, an independent registered investment adviser.<sup>4</sup>
- Processing of transactions and investment instructions
- Preparation and delivery of periodic participant benefit statements
- Preparation and delivery of employer management reports
- Access to participant service representatives by phone
- Access to secure plan sponsor and participant websites
- Monitoring of eligibility and enrollment
- Participant distribution and loan processing
- Assistance in preparation of draft Plan and Trust Documents
- Preparation of required government filings (i.e., Form 5500)
- Standard compliance and testing services
- Non-discretionary investment information and tools
- Participant education seminars and materials
- Conversion services for establishing plan and participant records on SRPS systems.

## Non-standard Services

Non-standard services are also available from SRPS upon request. These may relate to special events such as mergers, spin-offs, and plan terminations as well as advanced plan design and compliance testing.

## Trust and Custody Services

Trust and custody services provided by Charles Schwab Trust Bank include but are not limited to:

- Trust/Custody and safekeeping of plan assets
- Daily transaction processing as directed by plan sponsor and record keeper
- Withdrawal, distribution and loan payment processing
- Filing information returns with federal and state tax authorities
- Quarterly and Annual Trust Statements
- Payment to Federal and State Tax Withholding agencies

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<sup>4</sup> At the Plan Sponsor's direction, participants may have access to advice services that can provide a retirement savings and investment strategy for their Plan account, furnished by Morningstar Investment Management LLC, an independent registered investment adviser and subsidiary of Morningstar, Inc. Morningstar Investment Management is not affiliated with or an agent of Schwab Retirement Plan Services, Inc. (SRPS); Charles Schwab & Co., Inc. (CS&Co.), a federally registered investment advisor; or their affiliates. Neither SRPS, CS&Co., nor their affiliates supervise, make recommendations with respect to, or take responsibility for monitoring the advice services provided to the participants by Morningstar Investment Management. The Morningstar name and logo are registered marks of Morningstar, Inc. Advice consultants are registered representatives of CS&Co.; not employees of Morningstar Investment Management. Advice consultants may facilitate participant access to Morningstar Retirement Manager, but do not provide investment advice or recommendations regarding the Morningstar Investment Management services.

## Charles Schwab Investment Products and Services and Deposit Products and Services from Charles Schwab Trust Bank

Note: Your plan may not offer all of the types of funds described below:

**Proprietary Funds.** Charles Schwab Investment Management Inc. (CSIM) earns compensation from the plan for advisory and certain administrative services performed for proprietary funds, including the Schwab Funds®, the Laudus Funds and Schwab Exchange Traded Funds (ETF). Disclosure of this compensation is provided by CSIM in the funds' prospectus.

**Collective Trust Funds.** Charles Schwab Trust Bank earns compensation for management and operation of its series of collective trust funds. These funds include the Schwab Managed Retirement Trust Funds, Schwab Index Retirement Trust Funds, and the Schwab Institutional Trust Funds. Disclosure of this compensation is provided by Charles Schwab Trust Bank in the collective trust fund's declarations of trust, participation agreement, and annual audited financial statements.

The Schwab Managed Retirement Trust Funds™, Schwab Indexed Retirement Trust Funds® and Schwab Institutional Trust Funds® (each a "Fund", collectively the "Funds" or "Collective Trusts Funds (CTFs)") are collective trust funds maintained by Charles Schwab Trust Bank, as trustee. They are available for investment only by eligible retirement plans and entities. Charles Schwab Trust Bank's Collective Trust Funds are not insured by FDIC or any other type of deposit insurance; are not deposits or other obligations of, and are not guaranteed by Charles Schwab Trust Bank or any of its affiliates; and involve investment risks, including possible loss of principal invested. The Funds are not mutual funds and are exempt from registration and regulation under the Investment Company Act of 1940 (the "1940 Act"), and their units are not registered under the Securities Act of 1933, or applicable securities laws of any state or other jurisdiction. Unit holders of the Funds are not entitled to the protections of the 1940 Act. The decision to invest in the Funds should be carefully considered. The Funds' unit values will fluctuate and may be worth more or less when redeemed, so unit holders may lose money. The Funds are not sold by prospectus and are not available for investment by the public. The Funds' prices are not quoted in newspapers.

**The values of the target fund will fluctuate up to and after the target date. There is no guarantee the funds will provide adequate income at or through retirement.** Diversification and asset allocation strategies do not ensure a profit and cannot protect against losses in a declining market. The Funds are subject to market volatility and risks associated with the underlying investments. Risks include exposure to international and emerging markets, small company and sector equity securities, and fixed income securities subject to changes in inflation, interest rates, market valuations, liquidity, prepayments, and early redemption. The funds are built for investors who expect to start gradual withdrawals of fund assets on the target date, to begin covering expenses in retirement. The principal value of the funds is not guaranteed at any time, and will continue to fluctuate up to and after the target date.

**Managed Account Services.** SRPS has engaged Morningstar Investment Management LLC, an independent registered investment adviser, to make available to your plan, discretionary investment management services employing Morningstar Investment Management's computer model-based investment services ("Managed Account Services"). Morningstar Investment Management creates managed portfolios using the designated investment alternatives available in the plan. Morningstar Investment Management creates a savings and investment strategy for each participant enrolled in the Managed Account Services; selects a managed portfolio for each participant, rebalances the managed portfolios quarterly if Morningstar Investment Management deems necessary, and at least annually re-assesses the portfolio selection for each participant and transitions participants to a different portfolio based on the participant's savings and investment strategy if Morningstar Investment Management deems necessary.

Participant access to the Managed Account Services is facilitated through SRPS and includes:

- Facilitated advice interactions through advice consultants
- Seamless connection / integrated experience with Morningstar Investment Management
- Provides the plan and participant data (originating from the plan sponsor)
- Execution of savings recommendations
- Execution of transactions necessary to implement the initial Morningstar Investment Management advice recommendation, auto rebalances and annual reassessment
- Creation and delivery of sponsor and participant communications with respect to the managed account service

**Brokerage Products: Not FDIC-Insured • No Bank Guarantee • May Lose Value**

## STATUS AS A FIDUCIARY

If you, the plan fiduciary, have appointed Charles Schwab Trust Bank ("Trust Bank") as the directed trustee of the plan, the terms of the trust agreement allocated fiduciary responsibility to the plan's named fiduciary and/or a duly appointed investment manager as defined in Section 3(38) or ERISA. Charles Schwab Trust Bank's duties are limited by the terms of the trust agreement.

If you have selected a Charles Schwab Trust Bank collective trust fund as an investment in the plan, and the plan has executed a participation agreement with Charles Schwab Trust Bank, Charles Schwab Trust Bank is a fiduciary with respect to the plan's assets held in the applicable collective trust funds. Charles Schwab Trust Bank is the discretionary trustee of the fund and manages the fund in accordance with the fund's declaration of trust. CSIM provides non-discretionary advisory services with respect to the Charles Schwab Trust Bank Collective Trust Funds. Because the assets held by the fund are plan assets (as determined pursuant to Section 3(42) and 401 of ERISA and 29 CFR 2510.3-101), Charles Schwab Trust Bank provides fiduciary services to the plan pursuant to the participation agreement with respect to the plan assets invested in the applicable fund and CSIM provides fiduciary services and acts as a registered investment adviser with respect to the plan assets invested in these funds.

## PLAN LEVEL ACCOUNT FEES AND COMPENSATION PAID TO SCHWAB

### Fees Payable from Plan Accounts to SRPS

The fees listed below may be paid from plan assets, if SRPS is directed to do so in your services agreement.

#### Plan Level Recurring Fees

The table below outlines plan level recurring fees paid to SRPS. For more details please refer to your services agreement:

Fee Type	Rate	Method	Paid By
Base Fee	N/A	Annually	N/A
Annual Base Recordkeeping - Per Head Fee	\$51.00 - \$58.00	Annually	Plan
Asset Based Fee		Per year on assets held	N/A
Extraordinary Services - Hourly Fee	\$150.00	Per Hour	Company

#### Non-Standard Service Fees

Fees may apply for services such as mergers, spin-offs, plan design and specialized compliance testing. These fees are determined on a case-by-case basis as described in your SRPS services agreement.

#### Fulfillment of Regulatory Notices

If the Plan Sponsor has requested SRPS to assist with the fulfillment of notices required to be provided by the Plan or the Plan Sponsor, SRPS may apply a fee to cover the material and postage of such notices.

#### Assistance with Missing Participant Service

If the Plan Sponsor has requested SRPS to assist with the missing participant process, which includes participant communications and the use of a third-party search vendor, SRPS may apply a \$2 per missing participant fee for this service.

#### Termination Fees

In general, there is a minimum \$2,500 fee for deconversion of the plan to another service provider. For details of additional plan deconversion fees, please refer to the SRPS services agreement.

#### Participant Level Transaction Fees

The fees listed below are charged on a per transaction basis and may be paid from participant accounts or other plan assets, if SRPS is directed to do so in your services agreement:

Fee Type	Rate	Method	Paid By
Loan Administration Fee	\$40.00	Per Loan Per Year	Participant
Loan Establishment Fee	\$50.00	Per New Loan	Participant
Qualified Domestic Relations Order Determination Fee	\$300.00	Per Transaction	Participant

### Sponsor Designated Investment Alternatives

In addition to the above fees, SRPS receives the following compensation as a result of services provided to the plan for investment positions held at Charles Schwab Trust Bank.

### Fund Related Compensation

SRPS may receive compensation from fund companies or their affiliates for shareholder-related services. The rate received by SRPS may change from time to time as changes are made by fund companies. Outlined below is a snapshot of the Total Operating Expense Ratio (OER) of each fund, and the rates received by SRPS which may be included in the fund OER.

Fund Family/Provider	Fund	Market Value	OER	Inv Mgt. (CSIM or the Bank)	Bank Processing Fee	Service Fee RK Offset*	Estimated Offset Amount
AMERICAN FUNDS	AMERICAN FUNDS AMCAP R6	\$47,835.19	0.33%	.00%	0.00%	0.00%	\$0.00
DIMENSIONAL FUND ADVISORS	DFA EMERGING MKTS CORE EQTY PORT INSTL	\$19,739.92	0.39%	.00%	0.00%	0.00%	\$0.00
DIMENSIONAL FUND ADVISORS	DFA INTL SMALL CO PORT INSTL	\$11,481.92	0.39%	.00%	0.00%	0.00%	\$0.00
DIMENSIONAL FUND ADVISORS	DFA US LARGE CAP VALUE PORT INSTL	\$13,857.64	0.32%	.00%	0.00%	0.00%	\$0.00
DIMENSIONAL FUND ADVISORS	DFA US SMALL CAP PORT INSTL	\$19,876.23	0.27%	.00%	0.00%	0.00%	\$0.00
DODGE AND COX FUNDS	DODGE & COX INCOME I	\$35,467.83	0.41%	.00%	0.01%	0.07%	\$28.37
FIDELITY FUNDS	FIDELITY 500 INDEX	\$114,679.15	0.02%	.00%	0.00%	0.00%	\$0.00
FIDELITY FUNDS	FIDELITY INTERNATIONAL INDEX	\$61,231.04	0.04%	.00%	0.00%	0.00%	\$0.00
FIDELITY FUNDS	FIDELITY MID CAP INDEX	\$32,132.76	0.03%	.00%	0.00%	0.00%	\$0.00

Fund Family/Provider	Fund	Market Value	OER	Inv Mgt. (CSIM or the Bank)	Bank Processing Fee	Service Fee RK Offset*	Estimated Offset Amount
GALLIARD CAPITAL MANAGEMENT, LLC	GALLIARD STABLE RETURN FUND M	\$25,825.24	0.62%	.00%	0.01%	0.24%	\$64.56
PIMCO FUNDS	PIMCO INCOME INSTL	\$10,993.54	0.51%	.00%	0.01%	0.01%	\$2.20
VANGUARD FUNDS	VANGUARD CASH RESERVES FEDERAL MONEY MARKET ADMIRAL	\$293,408.15	0.09%	.00%	0.00%	0.00%	\$0.00
VANGUARD	VANGUARD INFLATION-PROTECTED SECS ADM	\$42,494.60	0.10%	.00%	0.00%	0.00%	\$0.00
VANGUARD	VANGUARD TARGET RETIREMENT 2020 FUND	\$91,929.47	0.08%	.00%	0.00%	0.00%	\$0.00
VANGUARD	VANGUARD TARGET RETIREMENT 2025 FUND	\$649,800.57	0.08%	.00%	0.00%	0.00%	\$0.00
VANGUARD	VANGUARD TARGET RETIREMENT 2030 FUND	\$980,429.67	0.08%	.00%	0.00%	0.00%	\$0.00
VANGUARD	VANGUARD TARGET RETIREMENT 2035 FUND	\$586,272.38	0.08%	.00%	0.00%	0.00%	\$0.00
VANGUARD	VANGUARD TARGET RETIREMENT 2040 FUND	\$817,098.78	0.08%	.00%	0.00%	0.00%	\$0.00
VANGUARD	VANGUARD TARGET RETIREMENT 2045 FUND	\$950,639.53	0.08%	.00%	0.00%	0.00%	\$0.00
VANGUARD	VANGUARD TARGET RETIREMENT 2050 FUND	\$792,784.01	0.08%	.00%	0.00%	0.00%	\$0.00
VANGUARD	VANGUARD TARGET RETIREMENT 2055 FUND	\$562,618.56	0.08%	.00%	0.00%	0.00%	\$0.00
VANGUARD	VANGUARD TARGET RETIREMENT 2060 FUND	\$373,252.79	0.08%	.00%	0.00%	0.00%	\$0.00
VANGUARD	VANGUARD TARGET RETIREMENT 2065 FUND	\$113,049.76	0.08%	.00%	0.00%	0.00%	\$0.00
VANGUARD	VANGUARD TARGET RETIREMENT INCOME FUND	\$11,323.79	0.08%	.00%	0.00%	0.00%	\$0.00
VANGUARD	VANGUARD TOTAL BOND MARKET INDEX ADM	\$52,901.47	0.05%	.00%	0.00%	0.00%	\$0.00
Total		\$6,711,123.99	0.09% Avg	N/A	N/A	0.00% Avg	\$95.13

\*Service fees received from fund companies and/or their affiliates for services rendered in connection with a no transaction fee program. The proceeds may be used to offset Company and/or Trust recordkeeping costs.

Above is information that describes on a fund-by-fund basis the shareholder and administrative service fees paid to Charles Schwab & Co., Inc. and its affiliates, including Charles Schwab Trust Bank, that are paid or credited directly to Schwab

Retirement Plan Services, Inc. and/or Charles Schwab Trust Bank, as a result of the investment of the plan's assets in such funds (excluding PCRA, employer securities and any income earned on cash float). Charles Schwab Trust Bank's Processing Fee represents a reduction of compensation to SRPS as Recordkeeper to the plan. It represents the amount that SRPS compensates Charles Schwab Trust Bank as trustee or custodian to the plan for Charles Schwab Trust Bank's processing of shareholder servicing payments on behalf of the plan. This compensation does not constitute additional fund remuneration to SRPS with respect to your plan beyond that disclosed or an additional fee paid by your plan or participants. Instead, it is an amount paid by one affiliate to another of amounts already included in your plan's bundled fee arrangement with SRPS.

The information shown in the table above is a snapshot of the designated investment alternatives currently held in your plan. SRPS makes no representations as to the completeness or accuracy of the information contained in the above table with respect to unaffiliated funds. You will receive notification from us in the event any of the above rates related to a Schwab proprietary fund rate should change or a change in SRPS compensation paid from unaffiliated funds. You will not receive notification each time an unaffiliated fund OER changes. For additional identifying information with respect to designated investment alternatives, such as fund performance and other important fund information, please consult the fund's prospectus, or for collective investment trusts, please refer to the fund fact sheet. This information is available at <http://workplace.schwab.com>. You can access Charles Schwab Trust Bank's current Explanation of Fees and Services and other investment information regarding the Charles Schwab Trust Bank Collective Trust Funds on the web at [www.schwabtrustbankcollectives.com](http://www.schwabtrustbankcollectives.com).

**The Managed Account Service Fee** - The managed account service fee will be assessed as an Asset Based Fee calculated using participant actual balances subscribed in the managed account service for the calculation period according to the following tier structure.

TIER	FEE	PARTICIPANT ACCOUNT BALANCE RANGE
1	45 bps	\$0.00 - \$150,000.00
2	35 bps	\$150,000.00 - \$250,000.00
3	25 bps	\$250,000.00 - \$99,999,999,999.00

NOTE: the fee column above represents an annualized rate. Actual number of days (including non-trading days) in the managed account service will be used (even if the participant is no longer subscribed to the managed account service at time of calculation, they will be assessed the fee based on the days they were subscribed in the managed account service. Positions not included in the managed account services (PCRA, Employer Securities, Loan Fund, or Frozen Funds) are not included in the fee calculation. Fund Trading restrictions do not affect this fee.

Fees described above are inclusive of fees paid by SRPS to Morningstar Investment Management, as described in the Morningstar Investment Management disclosure of services and fees.

**Proprietary Funds** - Charles Schwab Investment Management Inc. earns compensation for investment advisory and administrative services provided to the proprietary funds. The rate listed above for CSIM represents the management fee to which CSIM is entitled, a portion of which may be waived by CSIM.

CSIM prime and municipal money market funds may be subject to fund-imposed liquidity fees of up to 2% on amounts sold during the imposition of such a fee. CSIM prime and municipal money market funds may also be subject to redemption gates, suspending all redemptions and purchases for up to 10 business days in any 90-day period. For more information on liquidity fees and redemption gates, please refer to the fund prospectus.

**Proprietary Collective Trust Funds** - Charles Schwab Trust Bank receives compensation for management and operation of the Charles Schwab Trust Bank Collective Trust Funds (Schwab Managed Retirement Trust Funds, Schwab Index Retirement Trust Funds, and the Schwab Institutional Trust Funds).

**Trust and Custody Fee**

Charles Schwab Trust Bank receives compensation at the rate of .01% from SRPS for trust and custody related service based on total assets held in the plan.

### **Non-Proprietary Money Market Funds**

Money market funds may be subject to fund-imposed liquidity fees of up to 2% on amounts sold during the imposition of such a fee. Money market funds may also be subject to redemption gates, suspending all redemptions and purchases for up to 10 business days in any 90-day period. For more information on liquidity fees and redemption gates, please refer to the fund prospectus.

### **Fixed Program Fees**

Certain funds or fund families ("Unaffiliated Funds") may pay a fixed program fee instead of the customary asset based fees to compensate Charles Schwab & Co. (CS & Co.) for its sponsorship of the mutual fund marketplace and the related services CS&Co. provides to its brokerage customers. This fixed program fee is generally paid by the fund advisor or another fund affiliate out of its own resources, and not directly out of fund assets. Because the fixed program fee is paid by the fund advisor or other fund affiliate, it is not directly reflected in the Total Operating Expense Ratio (OER) of the fund; if the fixed program fee were paid out of fund assets, it would be reflected in the fund's OER.

To the extent you select one or more of these Unaffiliated Funds as designated investment alternatives for your plan, and when participants select these Unaffiliated Funds in PCRA if your plan offers that feature, the account assets in your plan that may be invested in these Unaffiliated Funds are not used in determining the fixed program fee paid by the Unaffiliated Funds to CS&Co. These fixed program fees are not paid or credited to Schwab Retirement Plan Services, Inc. and/or Charles Schwab Trust Bank.

Please refer to [https://www.schwab.com/public/schwab/nn/financial\\_and\\_other\\_relationships.html](https://www.schwab.com/public/schwab/nn/financial_and_other_relationships.html) which include a description of these arrangements with Unaffiliated Funds.

### **Non-Monetary Compensation**

Schwab policy prohibits SRPS employees from accepting non-monetary compensation, as that term is defined under ERISA 408(b)(2). (For purposes of 408(b)(2), non-monetary compensation does not include gifts or other items of value received by SRPS employees directly from the plan sponsor.) As a result, it is not anticipated that non-monetary compensation received by SRPS and its affiliates as a covered service provider for your plan will exceed the minimum threshold of \$250 over the term of the contract or arrangement which would require disclosure under the regulation. In the event SRPS employees receive non-monetary compensation which is required to be disclosed under the regulation, such amounts will be disclosed accordingly.

### **Educational Conferences, Programs and Articles**

Apart from the payments otherwise described in this disclosure, SRPS or its affiliates may receive remuneration from unrelated parties (e.g., various fund companies) in connection with educational programs such as client conferences, internal sales conferences, seminars, articles and publications to offset the cost of such programs. These sponsorships are not related to the services provided by SRPS.

### **Cash Float Compensation**

Charles Schwab Trust Bank in its capacity as directed trustee or custodian of employee benefit plan assets may receive, as compensation for its directed trustee or custodial services, any credit, interest or other earnings (collectively "Float") on aggregate cash balances held as a deposit obligation of Charles Schwab Trust Bank, any third-party bank or other financial institution.

Under its applicable trust or custody agreement, Charles Schwab Trust Bank has the authority to initiate investments on behalf of employee benefit plan trusts for which it serves as directed trustee or custodian only upon receipt of instructions from you or your delegate. Charles Schwab Trust Bank calculates its cash Float investment amount each business day by netting all cash activity and adjusting for cash reserved for investment or reinvestment and for cash reserved for distributions. The result is further adjusted by an additional reserve amount determined by Charles Schwab Trust Bank to be necessary to satisfy your plan's cash needs during the following day for settlement of trades and payments.

Your plan's net uninvested cash balances are held as a non-interest bearing deposits by, and are commingled with the general assets of Charles Schwab Trust Bank. Charles Schwab Trust Bank estimates the value of Float on uninvested cash deposit balances to equal Charles Schwab Trust Bank's average investment portfolio yield for a given period less the cost of FDIC insurance premiums that Charles Schwab Trust Bank is required to pay on such deposits. Applicable rates and calculations of Float earned for representative periods are available upon request.

## THIRD PARTY ARRANGEMENTS

### **Participant Advice Services<sup>6</sup>**

SRPS has engaged Morningstar Investment Management LLC, an independent registered investment advisor to make available to Plan Sponsors for use under their employee benefit plans non-discretionary investment advice services employing Morningstar Investment Management's computer model-based investment services. Morningstar Investment Management retains exclusive control and discretion with regard to the development and provision of the computer model-based investment services applying methodologies. The advice services are provided at no additional cost to the employer or plan participants as part of the standard bundled recordkeeping services provided by SRPS, where elected by the plan sponsor. Morningstar Investment Management is not affiliated with, and is independent of, SRPS. Please refer to disclosures provided by the advice service provider for additional information including its fiduciary status.

### **Managed Account Services**

SRPS has engaged Morningstar Investment Management LLC, an independent investment adviser, to make available to Plan Sponsors for use under their employee benefit plans discretionary investment management services employing Morningstar Investment Management's computer model-based investment services. Morningstar Investment Management retains exclusive control and discretion with regard to the development and provision of the computer model-based investment services applying methodologies developed, maintained and overseen by Morningstar Investment Management. Morningstar Investment Management is not affiliated with, and is independent of, SRPS. Please refer to disclosures provided by the advice service provider for additional information including its fiduciary status.

## EXPLANATION OF BROKERAGE ACCOUNT FEES AND COMPENSATION

Charles Schwab & Co., Inc. as a broker-dealer, will receive compensation when clients trade stocks, options, mutual funds, bonds and other securities in CS & Co. accounts. This compensation is detailed in the Commissions and Trading Fees section in this report. In addition when mutual funds and other investment products are purchased, CS & Co., Inc. may receive compensation from third parties or affiliates in addition to the fees paid by clients. This compensation is detailed in the Fund Related Compensation section and in the Other Fees and Compensation sections below.

### **Commissions and Trading Fees**

Please review carefully the Charles Schwab Pricing Guide for a description of the standard CS & Co. fees that may apply to your plan. The latest version of the Charles Schwab Pricing Guide can be found at <https://www.schwab.com/pcra>

This negotiated pricing is reflected in the table in the Annual Estimate section shown later in this disclosure, which shows the actual fees charged to your plan for the prior 12 months.

Please see the appendix section for information specific to your plan.

We will notify you of any changes to negotiated commissions or fees that apply to accounts in your plan.

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<sup>6</sup> At the Plan Sponsor's direction, participants may have access to advice services that can provide a retirement savings and investment strategy for their Plan account, furnished by Morningstar Investment Management LLC, an independent registered investment adviser and subsidiary of Morningstar, Inc. Morningstar Investment Management is not affiliated with or an agent of Schwab Retirement Plan Services, Inc. (SRPS); Charles Schwab & Co., Inc. (CS&Co.), a federally registered investment advisor; or their affiliates. Neither SRPS, CS&Co., nor their affiliates supervise, make recommendations with respect to, or take responsibility for monitoring the advice services provided to the participants by Morningstar Investment Management. The Morningstar name and logo are registered marks of Morningstar, Inc.

## **Fund Related Compensation**

In addition to the above fees, CS & Co. receives the following compensation, which may be paid from fund assets as a result of services provided to the plan.

### **Mutual Funds**

CS & Co. may receive compensation from mutual fund companies when clients invest in a mutual fund. This compensation may include fees and other remuneration from the fund companies or their affiliates for the recordkeeping, shareholder services, and other administrative services that CS & Co. provides to shareholders of the funds. These shareholder services include transaction processing, settlement of trades, dividend distribution, record maintenance, and distribution of statements, confirmations, prospectuses and other regulatory shareholder documents. Unless otherwise indicated these fees are not paid directly from a client account.

The type of compensation depends on the manner in which the fund is made available to customers at CS & Co. including:

- Schwab Mutual Fund OneSource® Service and Other No Transaction Fee Funds
- Transaction Fee Funds
- Load Funds
- Affiliated Funds

### **Schwab Mutual Fund OneSource® Service and Other No Transaction Fee Funds**

Through Schwab Mutual Fund OneSource, CS & Co. makes available a selection of no-load and load-waived mutual funds. CS & Co. receives remuneration for shareholder services provided to these funds and other no transaction fee funds (collectively, NTF funds).

To compensate CS & Co. for shareholder services, NTF funds pay CS & Co. an asset-based annual fee that usually equals 0.40% of the average fund assets held at CS & Co. but may be as high as 1.10%. The fee may be subject to a monthly minimum that generally does not exceed \$2,000 and applies beginning with the seventh full month after the fund is made available for purchase at CS & Co. When adding a new fund to CS & Co.'s NTF platform, NTF funds also pay CS & Co. a one-time establishment fee, which CS & Co. may waive. The amount of this fee generally does not exceed \$10,000 for the first fund added and \$1,000 for each new fund after that. To the extent that any part of these fees is paid out of fund assets, fees are included in the fund's operating expense ratio (OER), which means the fees are indirectly borne by the fund's shareholders.

### **Transaction Fee Funds ("Fee Funds")**

As set forth in the Commission and Trading Fees section of this report, CS & Co. charges clients a transaction fee for the purchase or sale of certain funds that are not included in the CS & Co. Mutual Fund OneSource program. Some Fee Funds pay CS & Co. an annual fee usually equal to \$20, but sometimes as high as \$30, per customer position, typically subject to a quarterly minimum of \$7,500 per fund. Rather than paying a per-customer account fee, some Fee Funds choose instead to pay CS & Co. an asset-based annual fee of up to 0.25% of the average assets held at CS & Co.

When adding a new fund to CS & Co.'s platform, Fee Funds also pay CS & Co. a one-time establishment fee, which CS & Co. may waive. The amount of this fee generally does not exceed \$10,000 for the first fund added and \$2,000 for each new fund after that. To the extent any of these fees are paid out of fund assets, fees are included in the fund's OER and are indirectly borne by the fund's shareholders.

Both types of fees are in addition to the transaction fee that clients pay to CS & Co.

### **Load Funds**

When clients purchase or redeem shares of a load fund through CS & Co., either a front-end or back-end sales charge (a "sales load") may be assessed.

CS & Co. will receive all or a portion of any front-end sales load that clients are charged on the purchase of fund shares, the amount of which is described in the prospectus.

Generally, CS & Co. does not allow the purchase of back-end load funds, but as an accommodation to its customers, will custody shares and process redemption transactions for shareholders. CS & Co. does not receive any portion of the sales

charge in connection with the purchase or redemption of shares of back-end load funds, the amount of which is also set forth in the fund's prospectus.

Load Funds also pay CS & Co. fees for shareholder services out of their distribution and/or servicing plans (also known as Rule 12b-1 plans), the amounts of which are determined by the funds' boards of trustees and disclosed in their prospectuses. Shareholder service fees paid to CS & Co. pursuant to a Rule 12b-1 plan are included in the fund's OER and are indirectly borne by the fund's shareholders.

CS & Co. may also receive an annual per-account fee from Load Funds for additional account maintenance services, typically referred to as networking fees or sub-accounting fees and most often equal to \$6.

### **Schwab Affiliate Funds**

CS & Co. currently has two affiliated mutual fund families: Schwab Funds® and Laudus Funds®. CS & Co.'s affiliate, Charles Schwab Investment Management, Inc. (CSIM), serves as investment advisor to both fund families. CSIM receives a fee from each fund for its advisory services. The advisory fee is part of the funds' operating expense ratio (OER) and is disclosed in each fund's prospectus. Some of the Schwab Funds have adopted a unitary management fee structure pursuant to which CSIM pays the operating expenses of the funds, subject to certain exclusions. Any portion not paid out by CSIM is retained by CSIM to cover the expense of managing the funds, or as profit.

Schwab Funds and Laudus Funds participate in CS & Co.'s Mutual Fund OneSource service. Consequently, like unaffiliated NTF funds, these funds may pay CS & Co. an asset-based fee for the shareholder services that CS & Co. provides for client assets held directly at CS & Co.

Some of the Schwab Funds have adopted a Shareholder Servicing Plan or fee pursuant to which the funds pay shareholder servicing fees ranging up to 0.25% annually to CS & Co. Payments under a Shareholder Servicing Plan are made for the Schwab Money Funds, Schwab Active Equity Funds, the Schwab Active Fixed Income Funds, Schwab MarketTrack Portfolios, and Laudus MarketMasters Funds. The other Laudus Funds pay a fee ranging up to 0.10% annually for the shareholder services that CS & Co. provides. These fees are part of the funds' OER and can be reviewed in the funds' prospectus and/or statement of additional information.

In aggregate, the fees CS & Co. receives from Schwab Affiliate Funds are greater than the compensation CS & Co. receives from unaffiliated fund companies participating in the CS & Co. Mutual Fund OneSource Service.

In addition, CS & Co. makes available exchange-traded funds (ETFs) that are managed by CSIM. The OER's for these funds range from 0.03% to 0.39%. They do not charge 12b-1 fees. The Schwab ETFs have adopted a unitary management fee structure pursuant to which each ETF pays CSIM a management fee for its advisory services and CSIM pays the operating expenses of the ETFs, subject to certain exclusions.

CS & Co. also receives an asset-based fee from the Schwab Sweep Money Funds for sweep administration services. This fee ranges from 0.10% to 0.15% annually. This fee is in addition to the shareholder servicing fee described above, however, the combined fee payable to CS & Co. will not exceed 0.30% annually. These fees are part of the funds' OER and can be reviewed in the funds' prospectus and/or statement of additional information.

CSIM prime and municipal money market funds may be subject to liquidity fees of up to 2% on redemptions or redemption gates to temporarily restrict redemptions for up to 10 business days in any 90-day period. For more information on liquidity fees and redemption gates, please refer to the funds' prospectus.

Remember that cost is only one consideration when making an investment decision. Some specialized ETFs can be subject to additional market risks. Investment returns and principal value of ETFs and Mutual Funds 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. Mutual funds are not without risk. **All ETFs and mutual funds are subject to management fees and expenses.**

## **Mutual Fund Compensation Snapshot**

## Schwab Personal Choice Retirement Accounts

The table below shows the market value for each of the mutual fund families held in your plan's participant accounts as of 12/31/2022. The percentage compensation received by CSIM and the percentage compensation received by CS & Co. show the range of the annual compensation rates for funds in that family. The dollar amount of the estimated compensation in the last column is based on the market values and the compensation rates for fund holdings in participant accounts as of 12/31/2022.

Fund Family/Provider	Market Value	OER %	Inv Mgt. % (CSIM)	Shareholder Servicing %	Estimated Shareholder Servicing Amount
Total	\$0.00	%		%	\$0.00

You will receive notification from us in the event any of the above rates related to a proprietary fund should change or upon a change in CS & Co. compensation paid from unaffiliated funds. You will not receive notification each time an unaffiliated fund OER changes. More information related to the OERs for unaffiliated mutual funds may be obtained at any time by requesting a fund prospectus or visiting [schwab.com](http://schwab.com) or [schwaballiance.com](http://schwaballiance.com).

## Other Fees and Compensation

The following additional compensation and fees may also apply to CS & Co. brokerage account(s):

### Fixed Income

CS & Co. may act as principal or agent in executing individual bond and other fixed income trades in client accounts. Acting as principal means CS & Co. sells securities directly to clients, either by owning securities that sell on the secondary market or by participating in dealer syndicates that allow us to acquire inventory of new-issue securities. Acting as an agent, in contrast, means CS & Co. executes trades on behalf of clients but does not own the securities being traded.

When we sell clients a fixed income security from our own account or purchase from clients a fixed income security into our own account, the price the clients pay or receive reflects the bid-ask spread at which an order is executed. CS & Co. also stands to make or lose money depending on what has happened to the price of the security while we have held it. Likewise, when we sell you new issue securities, CS & Co. receives a customary selling concession, which ranges from less than 0.01% to 2% of the par value, or face amount, of the bond, depending on the product. The percentage rate of the selling concession may differ not only between different new issue offerings, but also between different series and bond maturities within a single offering.

CS & Co. typically receives a fee from each issuer in connection with the placement of a certificate of deposit (CD). CS & Co. may seek to negotiate a higher or lower placement fee based on CS & Co.'s view of competitive necessities. The amount of the placement fee paid to CS & Co. will affect the interest rate the issuer is willing to pay. Placement fees paid to CS & Co. generally range from 0 to 65 basis points (0.65%). Except for the markup or markdown in connection with a secondary market transactions and a handling fee, if any, disclosed on your trade confirmation, you will not be charged any commissions in connection with your purchase of a CD.

### Structured Products

CS & Co. makes available to its clients various structured products including principal protected notes, structured certificates of deposit, buffered notes, leveraged notes and reverse convertible notes. CS & Co. receives a one-time dealer concession, which is built into the purchase price, when clients buy a Structured Product. The amount of the concession typically ranges from approximately 1.5% to 3.5% of the par value, or face amount, depending on the structured product.

### **Schwab Advisor Network Referrals**

Through the Schwab Advisor Network®, CS & Co. refers individual investors to independent investment advisors, who provide a wide range of financial planning and wealth management services. Advisors participating in Schwab Advisor Network are independent and not affiliated with CS & Co. Although CS & Co. does not charge a fee for making these referrals, investment advisors pay a quarterly fee to CS & Co. to participate in the program. The fee has a sliding scale that starts at 0.25% of the assets attributable to the referral made by CS & Co.

Prior to January 1, 2007, CS & Co. made available a program in which CS & Co. was compensated based on a percentage of the advisor's fee deducted from the plan account. This percentage amount ranges from 15 to 18%.

Advisors participating in the Schwab Advisor Network® are independent and are not employees or agents of Charles Schwab & Co., Inc. CS & Co. prescreens advisors and checks their experience and credentials against criteria CS & Co. sets, such as years of experience managing investments, amount of assets managed, professional education, regulatory licensing, and business relationship as a client of CS & Co. Advisors pay fees to CS & Co. in connection with referrals. CS & Co. does not supervise advisors and does not prepare, verify or endorse information distributed by advisors. Investors must decide whether to hire an advisor and what authority to give him or her. Investors, not CS & Co., are responsible for monitoring and evaluating an advisor's service, performance and account transactions. Services may vary depending on which advisor an investor chooses.

### **Prime Broker and Trade Away Services**

CS & Co. makes available Prime Broker and Trade Away services to certain accounts, primarily those managed by an independent investment advisor, which allows for trades to be executed at another firm and have the trades settle at CS & Co. CS & Co.'s standard fee for this service is \$25 per transaction. This fee may not be charged on accounts with asset based pricing.

### **Order Routing**

Schwab considers a number of factors in evaluating execution quality among markets and firms, including execution price and opportunities for price improvement, market depth and order size, the trading characteristics of the security, speed and accuracy of executions, the availability of efficient and reliable order handling systems, liquidity and automatic execution guarantees, and service levels and the cost of executing orders at a particular market or firm. Price improvement occurs when an order is executed at a price more favorable than the displayed national best bid or offer. Schwab regularly monitors the execution quality obtained to ensure orders are routed to market venues that have provided high-quality executions over time. CS & Co. may receive remuneration, such as liquidity or order flow rebates from a market or firm to which orders are routed. Quarterly information regarding the markets and firms to which CS & Co. routes orders and the remuneration received is available under "Important Notices" at [www.schwab.com](http://www.schwab.com) or in written form upon request. Information regarding the specific routing destination and execution time of orders for up to a six month period is also available upon request.

### **Cash Float**

CS & Co. and its affiliates may retain as compensation for services an account's proportionate share of any interest earned on aggregate cash balances held in CS & Co.'s bank account with respect to (1) assets awaiting investment or (2) assets pending distribution from plan accounts. Such interest retained by CS & Co. shall generally be at money market rates.

Assets awaiting investment or deposit include: (1) amounts deposited into your plan accounts; and (2) any other uninvested assets held by your plan accounts caused by an authorized instruction to CS & Co. to purchase or sell securities (which may, after the period described below, automatically be swept into a Schwab Sweep Money Fund or deposited into a bank sweep feature, which is held at an FDIC-insured depository institution affiliated with The Charles Schwab Corporation, at which interest-bearing deposit accounts are maintained on your plan's behalf). With respect to such assets awaiting investment or deposit: (i) where such assets are received by CS & Co. on a business day and before deposit cutoff time for the local Schwab Investor Center with which the funds are deposited, such interest may be earned by CS & Co. through the beginning of the following business day; (ii) where such assets are received on a day which is not a business day, or where such assets are received after the local Schwab Investor Center's deposit cutoff time, such interest may be earned through the beginning of the second following business day. A business day is defined as any day that the New York Stock Exchange and the Federal Reserve Bank of New York are open. (Although our offices may be open on certain bank holidays, these days are not considered Business Days for purposes relating to the transfer of funds.)

When CS & Co. receives a request for a distribution from a plan account, CS & Co. generally processes the request within two or three business days (unless the distribution is in connection with an unusual event such as death or divorce, in which

case it generally will take longer to process the request). On the same day that the processing is completed, the amount of the distribution will be debited from the plan account. The distribution check will be written and mailed on the following business day. CS & Co. will earn interest beginning on the date the account is debited and ending on the date the check is presented for payment, the timing of which is beyond the control of CS & Co. Upon request, CS & Co. will provide a verbal update to determine the status of the outstanding distribution checks.

If a Schwab MoneyLink® transfer is requested from a plan account to another financial institution: (i) the amount of the transfer will be debited from the account on the day that the transfer process is commenced; (ii) the funds will be received by the other financial institution within one to two business days of the date the transfer process is commenced; and (iii) CS & Co. may earn interest on that amount beginning on the date the account is debited and ending on the date the electronic fund transfer is received by the other financial institution and thereby debited from CS & Co.'s bank account.

If an account's cash interest bearing feature changes from one cash feature to another, the account will generally stop earning interest or dividends, as the case may be, on the day of the request. If a new cash interest bearing feature is designated before the close of business on a business day, the account's free credit balances will be swept to the new cash feature after the close of business that business day, and generally will begin earning dividends or interest, as the case may be, on the following business day. Free credit balances are defined as the uninvested cash in your Account, minus the following: (i) funds necessary to pay for purchase transactions due to settle within the next two business days after the sweep date; (ii) charges to an account, including, but not limited to, wire transfers and checking transactions. In determining whether to sweep funds into the cash feature, we may, but are not obligated to, offset credits and debits against each other. Proceeds from the sale of securities will not become part of the free credit balance until the business day following settlement date. Credits that result from dividends or interest payments, deposits, wired funds, reorganization activities or other nontrade-related transactions will not become part of the free credit balance until the next business day. If a new cash feature is designated after the close of business or on a non-business day, the free credit balances will be invested or deposited into the new cash feature after the close of business on the next business day, and generally will begin earning dividends or interest on the business day following the next business day. If all cash features are removed from an account, the account may not earn income on the free credit balances in the Account and CS & Co. may retain as compensation for services the account's proportionate share of any interest earned on the free credit balances.

### **Cash Features Program and Compensation**

Through the Cash Features Program, which includes Bank Sweep for Benefit Plans, CS&Co. automatically makes deposits to and withdrawals from deposit accounts (the "Deposit Accounts") at Charles Schwab Bank, SSB and Charles Schwab Trust Bank (collectively "Affiliated Banks"), institutions affiliated with Schwab, whose deposits are insured by the Federal Deposit Insurance Corporation ("FDIC").

The Affiliated Banks will use the cash balances in the Deposit Accounts to fund current and new lending activities and investments. The income that the Affiliated Banks may earn through their lending and investing activities is expected to be greater than the fees earned by Schwab and its affiliates from managing and distributing the Schwab® Sweep Money Funds or paying interest under the Schwab One interest feature. The profitability on such loans and investments is generally measured by the difference, or "spread," between the interest rate paid on the Deposit Accounts and other costs of maintaining the Deposit Accounts, and the interest rate and other income earned by an Affiliated Bank on the loans and investments made with the funds in the Deposit Accounts. Such deposits are anticipated to provide a stable source of funds for the Affiliated Banks' lending and investment activities. The cash balances may also be used to provide funds to develop products and services for CS&Co. affiliated companies to the extent permitted by applicable law.

CS&Co. provides administrative services to the Affiliated Banks in support of the operation of the bank sweep feature (such as the Bank Sweep for Benefit Plans). The Affiliated Banks pay CS&Co. an annual per account flat fee of up to \$20 for these administrative services. CS&Co. reserves the right to increase, decrease, or waive all or part of this fee. CS&Co. will notify you in advance of any increase. CS&Co. and certain of its affiliates, also provide operational, technology, and other services to the Affiliated Banks and receive compensation for those services. In addition, certain employees and registered representatives may be compensated, in part, based directly or indirectly on assets in the bank sweep feature or the profitability of the bank sweep feature for the Affiliated Banks and CS&Co.'s joint parent company, The Charles Schwab Corporation. Please refer to the Cash Features Disclosure Statement for additional information on the Bank Sweep for Benefit Plans feature and on compensation to CS&Co. from cash balances in the Deposit Accounts. The latest version of the Cash Features Disclosure Statement can be found at [schwab.com/cashfeaturesdisclosure](http://schwab.com/cashfeaturesdisclosure).

## Trade Error Compensation

When a trade error is brought to our attention that falls within the scope of our services to the plan, Charles Schwab & Co., Inc. will correct the error as soon as possible after the error has been identified, with the goal of putting the plan account into the same position that would have resulted if the error had not occurred. If the error is the result of our breach of responsibilities to the plan, we will make the plan account "whole" for any losses that may have resulted from the error. Nevertheless, under some circumstances, our correction of an error could result in a gain. If there is such a gain, CS & Co. will retain the amount of the gain, which may constitute part of our compensation for services rendered to the plan.

In addition, if an independent investment advisor manages an account in your plan, the advisor may make an error in submitting a trade. When this occurs, the advisor may place a correcting trade with CS & Co. If an investment gain results from the correcting trade, the gain will remain in the account unless the same error involved other client account(s) that should have received the gain, it is not permissible for the account to retain the gain, or the gain is declined. If the gain does not remain in the account, CS & Co. will donate the amount of any gain \$100 and over to charity. If a loss occurs of \$100 or greater, the advisor will pay for the loss in accordance with their trade correction policy. CS & Co. will pay the loss or retain the gain (if such gain is not retained in the account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses, they may be netted. CS & Co. will correct advisor trade errors, consistent with the advisor's instructions and this policy. Please contact the independent investment advisor(s) for more information regarding your advisor's trade error policy and corrective trades which may have occurred in your plan account(s).

In general, the net gain or loss amount is calculated based on difference in cost between the original incorrect trade(s) and the cost of the corrective transaction(s) needed to place the account in the position it would have been had there been no error. If necessary trade corrections result in CS & Co. compensation for a plan year, the amount will be reported on your annual Plan Sponsor Fee Disclosure for Form 5500C.

## PCRA ACCOUNT ANNUAL ESTIMATE

The table below shows fees and compensation paid to CS & Co. from your plan account(s) for a 12-month period ending 11/30/2022. If your plan is active less than 12-months, the period available has been included. Please note that these amounts may change based on changes in mutual fund holdings, changes in CS & Co. transaction pricing and other factors.

	Fee Amount
Trading & Commission Fees	\$0.00
Asset Based Pricing Fees	\$0.00
Other Transaction Fees	\$0.00
<b>Total Direct Fees</b>	<b>\$0.00</b>

- Trading & Commission Fees includes transaction fees on trades placed in plan accounts.
- Asset Based Pricing includes amounts charged to plan accounts in lieu of trading fees.
- Other Transaction Fees includes fees related to cashiering services, such as checks and wires charged to plan accounts.

## NOTES REGARDING INFORMATION ON THIS REPORT

The information provided above is obtained from sources deemed to be reliable. However, its accuracy cannot be guaranteed. Errors and omissions can occur. None of the information constitutes a recommendation by Schwab or a solicitation of an offer to buy or sell any securities.

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and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.[www.Morningstar.com](http://www.Morningstar.com).

The amounts described above are compensation paid or credited directly to SRPS, or Charles Schwab Trust Bank as a result of the investment of plan assets in each of the plan's authorized funds, as listed above. The amounts should be taken into consideration in determining the reasonableness of the amounts payable to SRPS, or Charles Schwab Trust Bank. Other fees for services on behalf of the plan and trust would be higher if SRPS, Charles Schwab Bank, SSB and/or Charles Schwab Trust Bank did not receive such amounts described above.

**Except as otherwise provided by law or regulation, this information shall be treated as confidential, nonpublic information and shall not be disclosed by the employer (or an agent acting on its behalf with respect to this information) to any party other than the plan, plan sponsor, a party providing services to the plan or plan sponsor, or plan participants and beneficiaries, without the prior consent of SRPS.**

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