

# Schwab Personal Choice Retirement Account® (PCRA)

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SCHWAB

*Own your tomorrow™*

## Fact Sheet

Schwab Personal Choice Retirement Account is a self-directed brokerage account (SDBA) designed to complement your retirement plan core investments. PCRA gives you greater access to thousands of additional investment choices.

### Who should choose to invest through PCRA?

Schwab PCRA is for *knowledgeable* investors who understand the risks associated with many of the investment choices available through PCRA and who are committed to staying invested for the long-term. PCRA is designed for individuals who seek more flexibility, increased diversification and a greater role in managing their retirement savings.

### How does PCRA differ from a typical brokerage account?

PCRA is different from a typical retail brokerage account because it is part of your retirement plan and therefore regulated by ERISA guidelines, if applicable. Since money in your account is part of a retirement plan, your investment earnings are tax-deferred. You are able to fund your PCRA only through transfers from your retirement plan core investments.

You may be able to direct future contributions into this account and execute transfers, and when applicable withdrawals. Check with your retirement plan service provider for details. If you have any other accounts with Schwab, you cannot transfer assets between such accounts and PCRA. All restrictions imposed through your retirement plan apply to the money transferred to PCRA.

### What investments are available through PCRA?

Through PCRA, you can access more than 8,500 no-load mutual funds from over 630 well-known fund families. Over 3,800 mutual funds are available with no-loads and no-transaction fees<sup>1</sup>, including over 2,700 funds typically available only to institutional clients. Other investments may also include individual stocks from all the major exchanges, bonds and other fixed income investments, CDs, options and money market funds. All ETFs and stocks listed on the U.S. or Canadian exchanges are **commission-free** across all mobile, automated phone and web trading channels.

Ineligible investments include: foreign securities, leveraged and inverse ETFs, publicly traded limited partnership, company stock, currencies, short sales, private placements, commodities, precious metals, real estate, futures, margin accounts, collectibles and options (other than covered calls, protective puts and cash-secured equity puts, if permitted by your employer and approved by Schwab)<sup>3</sup>.

**Note: Investors should carefully consider information contained in the prospectus, including investment objectives, risks, trading policies, charges and expenses. You can request a prospectus by calling Schwab's dedicated PCRA Call Center at 1-888-393-PCRA (7272). You may also request a prospectus online at [www.schwab.com/prospectus](http://www.schwab.com/prospectus). Please read the prospectus carefully before investing.**

### How do I open my PCRA?

1. Go to [www.principal.com/pcra](http://www.principal.com/pcra)
2. Click the button to open a PCRA account (if you have, or are making pre-tax and Roth contributions, you'll need to open one account for each).
3. Follow the steps to complete the online PCRA Application.
4. Once you click "Submit," you will receive your new account number instantly on the screen, and you'll be automatically re-directed to Schwab.com.
5. Once on Schwab.com, click "First Time Users" under "Log in" to set up your PCRA for online access. You'll need to input your new PCRA number, date of birth, phone number and SSN for this step.
6. Your PCRA is now ready to be funded, and you can begin researching investment opportunities.
7. You will receive welcome materials from Schwab in a few days.

**How do I transfer money into my PCRA?**

Once your Schwab PCRA is established, you fund your PCRA by transferring money from your retirement plan core investments in a three-step process:

- Determine from which of your other core investments you want to transfer money.
  - Decide on the amount to transfer.
  - Visit [www.principal.com](http://www.principal.com) to initiate a transfer within the investments section of the website.
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**How do I place trades and manage my PCRA?**

- Place trades and manage your account through Schwab's electronic channels, such as Schwab.com, mobile applications, and automated phone services.
  - Access Schwab.com through the single-sign-on functionality at [principal.com/pcra](http://principal.com/pcra) and select your PCRA number; or access your PCRA by logging in at Schwab.com. Select "Research" to narrow down your choices, then click on "Trade" to place trade orders.
  - For phone services, call 1-888-393-PCRA (7272) to speak to a dedicated PCRA Call Center representative, to access TeleBroker® touch tone service, to use Schwab by Phone™ voice recognition service or to enroll in voice ID. PCRA Registered Representatives are available Monday through Friday, 9:00 a.m. to 7:30 p.m. (ET). Outside of these hours, Schwab Investor Service Center representatives are available 24 hours a day, seven days a week. There is an additional fee if a trade is requested through the PCRA call center representative.
  - You can also use Schwab Stock Slices™, a service that lets you own fractional shares (slices) of any of America's leading companies in the S&P 500® for as little as \$5 each, even if their shares cost more. You can purchase a single stock slice or up to 10 different stock slice at once, and you can hold slices of as many S&P 500 companies in your portfolio as you want through multiple purchases. Click on "Trade-Schwab Stock Slices" in your PCRA to get started<sup>4</sup>.
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**What does it cost?**

- Transaction fees and trading commissions are outlined in the *Charles Schwab Pricing Guide for Retirement Plan Accounts* provided in the welcome materials you receive from Schwab after opening your account.
  - Please note that there is no charge from Schwab to open or maintain a PCRA. However, there may be a fee of \$100.00 annually (collected \$25.00 per quarter), charged by Principal®.
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**What information is available to help me learn about and select investments?**

- Powerful proprietary research tools on Schwab.com, including Schwab Equity Ratings™<sup>5</sup> and the *Schwab Mutual Fund OneSource Select List*®<sup>7</sup>. In addition, Schwab provides independent, third-party research from leading providers such as Credit Suisse, Argus Research, CFRA, Morningstar®, Reuters and MarketEdge®.
  - Equity, mutual fund, exchange-traded fund and fixed income screener tools to help you choose your investments.
  - Knowledgeable PCRA Call Center representatives who can help with investing information.
  - Online or in-person investing workshops led by Schwab investment professionals covering timely topics.
  - Find information about PCRA at [www.schwab.com/pcra](http://www.schwab.com/pcra).
  - Once logged into your PCRA on Schwab.com, view the PCRA "how-to" video, as well as other helpful information contained in the "PCRA Resources" section.
  - Over 365 Schwab branch offices nationwide to help with your other investing needs.
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**How do I invest the money in my PCRA?**

Assets transferred from your retirement plan core account into your PCRA will be automatically allocated into the cash sweep feature<sup>6</sup> in your PCRA within approximately two business days. Use these assets to purchase the securities you have selected.

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**Can I make direct payroll contributions to my PCRA?**

Your retirement plan may allow you to direct future contributions directly into your PCRA. If allowed, contributions will be transferred directly into the cash sweep feature in your PCRA.

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**Where is my cash held in PCRA?**

Your cash balances are swept into a multiple-bank cash feature product providing up to \$500,000 FDIC insurance to your cash balance<sup>6</sup>. The cash feature is not intended to be a long-term investment.

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**How do I transfer money from my PCRA back to the other core investments in my retirement plan?**

Visit Schwab.com to liquidate securities to make cash available for transfer. You can access Schwab.com through the single-sign-on functionality at principal.com/pcra and select your PCRA number; or access your PCRA by logging in at Schwab.com. As soon as settled cash is available in the cash sweep feature in your PCRA, you may transfer the assets back to your retirement plan core investments. Visit the investments section of principal.com and follow the steps to initiate a transfer.

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**Who provides my PCRA statements?**

Schwab will send you a PCRA statement each month regardless of activity. You can access your PCRA statement, see your balance, and view all transactions made within the last two years by logging into your PCRA on Schwab.com. You can enroll in Schwab's Paperless Service and electronically receive your statements, trade confirms, and other regulatory materials via email by going to [www.schwab.com/paperless](http://www.schwab.com/paperless).

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<sup>1</sup> Charles Schwab & Co., Inc. (Member SIPC) receives remuneration from fund companies for recordkeeping and shareholder services, and other administrative services for shares purchased through Schwab's Mutual Fund OneSource® program. Schwab may also receive remuneration from transaction fee fund companies for certain administrative services.

Trades in no-load funds available through Schwab's Mutual Fund OneSource service (including Schwab Funds®), as well as certain other funds, are available without transaction fees when placed through Schwab.com or our automated phone channels. Schwab reserves the right to change the funds we make available without transaction fees and to reinstate fees on any funds. Funds are also subject to management fees and expenses.

Schwab's short-term redemption fee will be charged on redemption of funds (except certain Schwab Funds) bought through Schwab's Mutual Fund OneSource program (and certain other funds) with no transaction fee and held for 90 days or less. Schwab reserves the right to exempt certain funds from this fee, including Schwab Funds, which may charge a separate redemption fee, and funds that accommodate short-term trading.

<sup>2</sup> The standard electronic \$0 commission does not apply to large block transactions requiring special handling, restricted stock transactions, trades placed directly on a foreign exchange, transaction-fee mutual funds, futures, or fixed income investments. Options trades will be subject to the standard \$.65 per-contract fee. Service charges apply for trades placed through a broker (\$25). Exchange process, ADR, foreign transaction fees for trades placed on the US OTC market, and Stock Borrow fees still apply. See the *Charles Schwab Pricing Guide for Retirement Plan Accounts* for full fee and commission schedules.

<sup>3</sup> Options carry a high level of risk and are not suitable for all investors. Certain requirements must be met to trade options through Schwab. Please read the options disclosure document titled "Characteristics and Risks of Standardized Options." Call Schwab at 1-800-435-4000 for a current copy. Supporting documentation for any claims or statistical information is available upon request.

<sup>4</sup> Schwab Stock Slices is not intended to be investment advice or a recommendation of any stock. Investing in stocks can be volatile and involves risk including loss of principal. Investors should consider their individual circumstances prior to investing.

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<sup>5</sup> Schwab Equity Ratings and the general buy/hold/sell guidance are not personal recommendations for any particular investor or client and do not take into account the financial, investment or other objectives or needs of, and may not be suitable for any particular investor or client. Investors and clients should consider Schwab Equity Ratings as only a single factor in making their investment decision while taking into account the current market environment.

<sup>6</sup> Settled cash balances are swept to one or more Affiliated Banks after the close of business and begin earning interest on the following Business Day. Interest is compounded daily and credited on the 15th of each month (or the following Business Day if the 15th is not a Business Day). A "Business Day" is any Monday through Friday that is not a Federal Reserve Bank or New York Stock Exchange holiday. Bank Sweep for Benefit Plans deposits are held at one or more FDIC-insured banks ("Affiliated Banks") that are affiliated with Charles Schwab & Co., Inc. ("Schwab"). Investment products and services (including unswept or intra-day cash, net credit or debit balances, money market funds, and assets held in a Schwab Personal Choice Retirement Account®) are not deposits or obligations of the Affiliated Banks, are subject to investment risk, are not FDIC insured, may lose value, and are not Affiliated Bank-guaranteed. The Affiliated Banks and Schwab are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation.

Schwab is not an affiliate of any company of the Principal Financial Group®.

Schwab Personal Choice Retirement Account® (PCRA) is offered through Charles Schwab & Co., Inc. (Member SIPC), a registered broker-dealer which also provides other brokerage and custody services to its customers.

The Affiliated Banks, Members FDIC, provide trust, custody, and deposit products and services. The Affiliated Banks and Charles Schwab & Co., Inc. are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation.

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