

A Message from Charles Goldman

September 17, 2008

Dear Mark,

During the current market environment and in wake of troubles facing some securities firms, we understand that you will increasingly need to reassure your clients. As part of my ongoing communications regarding Schwab's financial strength, I would like to reinforce to you that Schwab remains financially strong, and provide you with resources to assist in discussions with your clients.



The Charles Schwab Corporation's capital structure and liquidity are sound, and our internal controls and business standards are designed to keep client assets safe. We maintain a disciplined focus on risk management and operate the firm conservatively to minimize the kind of investment risks that have troubled many other securities firms. We know that our success ultimately depends on how we serve all our clients and their confidence in us.

Complete financial results and more information about Schwab's business and financial condition can be viewed at www.aboutschwab.com.

We also want to reassure you that Schwab's Money Funds continue to maintain the \$1 net asset value for your money market investments. Our first priority in managing these funds has been and will continue to be maintaining that \$1 net asset value¹. You can find more detail on [Schwab Money Market Funds](#) on schwabinstitutional.com.

To help you and your clients understand how Schwab is managing its financial health, our asset safety protection measures, and your choice to custody client assets at Schwab, here's a list of [resources](#) available on schwabinstitutional.com.

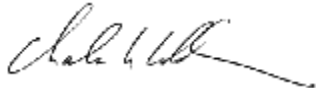
Resources for you:

- **Asset Protection with Schwab:** This document explains Schwab's asset safety measures, including an overview of coverage, SIPC and excess SIPC.
- **'Asset Safety Matters' Slides:** Slides and talking points reviewing Schwab's measures to help ensure our clients' assets are safe. The slides also address how account protection coverage works, including SIPC and excess SIPC, and Charles Schwab & Co., Inc.'s credit philosophy.

Resources for Your Clients:

- **Letter from the Chairman, Charles R. Schwab:** His perspective on the financial markets, and clients' financial security at Schwab.
- **Asset Safety Client Package:** For you to use with and/or send to your clients, including cover letter, asset safety memo, and a brochure that includes details on Schwab's asset protection.

In summary, I would like to reinforce and emphasize again, we're in the business of serving clients. And for us, this means taking strong measures to ensure that your clients' assets remain safe and secure.



Charles Goldman
Executive Vice President
Schwab Institutional

Investors should carefully consider information contained in the Schwab Money Market Funds prospectus, including investment objectives, risks, charges, and expenses. You can request a prospectus by calling Schwab at 800-435-4000. Please read the prospectus carefully before investing.

1) Past performance is no guarantee of future results. An investment in money market funds is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Yields will fluctuate, and although money funds seek to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the funds.