

WINDHAVEN[®] DIVERSIFIED CONSERVATIVE STRATEGY

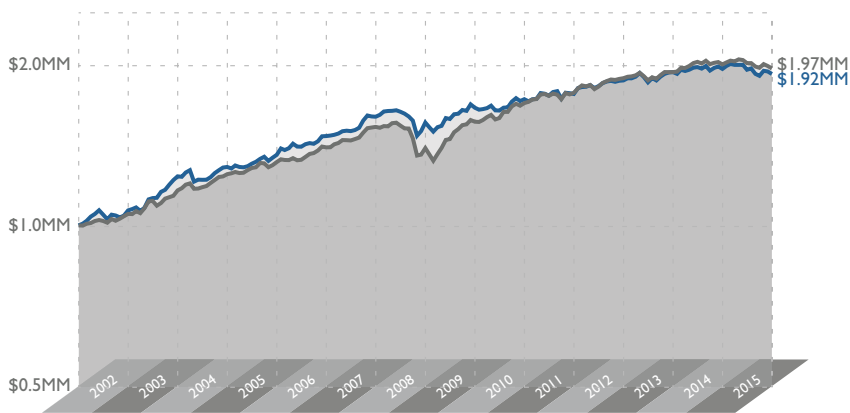
QUARTERLY PROFILE | DECEMBER 31, 2015



INVESTMENT PHILOSOPHY

Windhaven Investment Management, Inc. is an SEC-registered* investment advisor managing more than \$11.9 billion of client assets using diversified strategies that invest in a wide range of asset classes and may include exposure to U.S. and international stocks, fixed income securities, real estate, currencies and commodities. The firm employs a proprietary model that combines economic, fundamental, and behavioral factors to rank the relative risk and return attractiveness of this diverse set of asset classes in order to attempt to take advantage of perceived investment opportunities across the global capital markets. Windhaven analyzes over 40 asset classes within its research universe and primarily utilizes index ETFs to gain exposure to desired allocations. The strategies emphasize risk management as a primary objective and attempt to generate attractive returns while reducing volatility and maximum drawdown over full market cycles.

GROWTH OF \$1MM SINCE 2002^a (NET)



● DIVERSIFIED CONSERVATIVE WRAP COMPOSITE ● GLOBAL CONSERVATIVE BENCHMARK

Hypothetical growth of \$1MM assumes client was invested in Windhaven beginning on 1/1/2002. Calculations are based on historical composite performance. Benchmark information is based on historical index performance. You cannot invest directly in an index. Both assume reinvestment of dividends and interest and do not reflect the effects of taxes.

INVESTMENT OBJECTIVE

Diversified Conservative seeks capital appreciation over full market cycles with a conservative level of risk while generally maintaining global diversification. The strategy is dynamically managed as it seeks to take advantage of global capital market opportunities while focusing on downside risk management by changing allocations in response to the firm's views and market conditions.

INVESTMENT STRATEGY

The strategy consists of two portions, a "strategic" and a "tactical," both of which are dynamic in nature. The strategic portion is broadly diversified across a wide range of asset classes with risk management as the primary consideration, while the tactical portion is allocated to asset classes which attempt to take advantage of shorter-term opportunities across the global capital markets.

COMPOUND ANNUAL RETURNS (AS OF 12/31/2015)

Net Trailing Returns	Quarter ^b	YTD ^b	1 Year	3 Years	5 Years	10 Years	Since 1/1/2002 ^a
Diversified Conservative Wrap Composite ^c	0.8%	-2.2%	-2.2%	0.9%	2.2%	3.5%	4.8%
Global Conservative Benchmark ^d	-0.3%	-1.7%	-1.7%	1.4%	3.0%	4.1%	5.0%

CALENDAR RETURNS

Net Returns	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Diversified Conservative Wrap Composite ^c	4.1%	5.4%	8.4%	8.7%	-2.5%	6.6%	3.7%	2.3%	6.0%	3.7%	1.4%	-2.2%
Global Conservative Benchmark ^d	7.3%	5.3%	6.6%	9.2%	-8.7%	12.1%	8.4%	4.5%	6.5%	2.7%	3.4%	-1.7%

* Such registration in no way implies that the Securities and Exchange Commission approves or endorses Windhaven, its strategies, or any of its marketing materials.

^a The time period shown is the longest time period for which all three Windhaven strategies existed concurrently.

^b Partial year total return, not annualized.

^c Performance is based on the actual return of the respective Windhaven Diversified Wrap Composite, net of all fees and expenses. Please see Performance Calculation disclosure at the end of this document for further information.

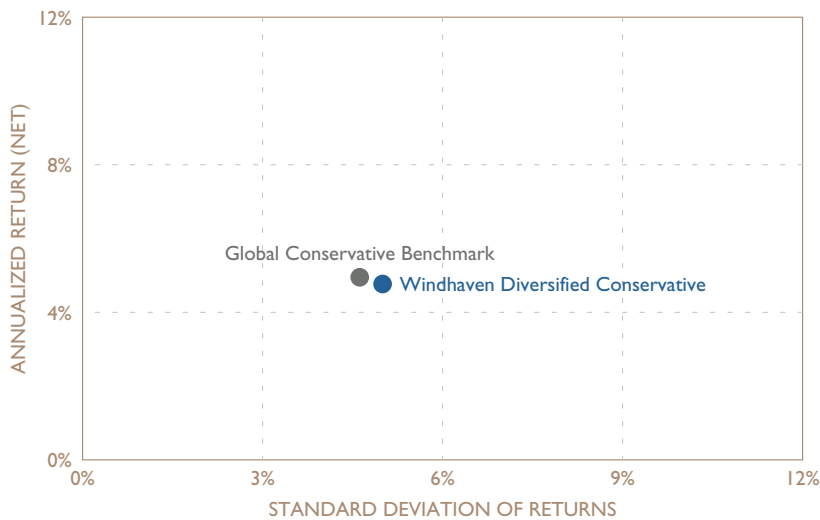
^d Global Conservative Benchmark is composed of 20% MSCI All Country World Index (ACWI), 75% Barclays U.S. Aggregate Bond Index, and 5% S&P GSCI Total Return Index (GSCI), rebalanced monthly.

Benchmark Data Source: Bloomberg

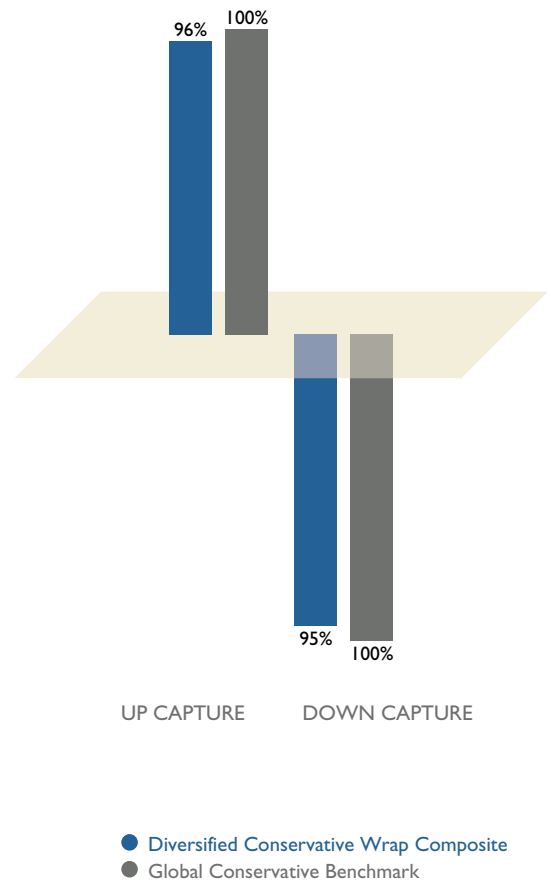
RISK/RETURN METRICS (1/1/2002–12/31/2015)^a

Measure	Diversified Conservative Wrap Composite ^b	Global Conservative Benchmark ^c
Compound Annual Return (Net)	4.8%	5.0%
Maximum Drawdown ^d	-10.4%	-15.1%
Volatility (Annual Standard Deviation)	5.0%	4.6%
Sharpe Ratio	0.65	0.73
Alpha ² to S&P 500 Total Return Index	2.3	2.4
Beta ² to S&P 500 Total Return Index	0.20	0.22

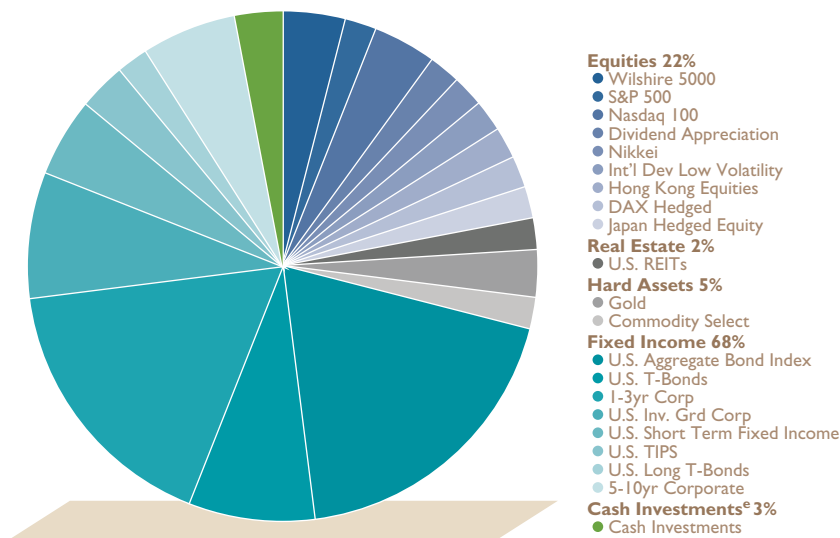
RISK VS. RETURN (SINCE 1/1/2002)^a



UP/DOWN CAPTURE VS. GLOBAL CONSERVATIVE BENCHMARK (SINCE 1/1/2002)^a



ASSET ALLOCATION (AS OF 12/31/2015)



ASSET ALLOCATION GUIDELINES (AS OF 12/31/2015)

ASSET CLASS	RANGE
U.S. EQUITIES	2%—24%
NON-U.S. EQUITIES	0%—28%
EQUITY RANGE	2%—34%
U.S. FIXED INCOME	59%—93%
NON-U.S. FIXED INCOME	0%—28%
FIXED INCOME RANGE	59%—93%
HARD ASSETS	3%—17%
REAL ESTATE	0%—14%

^a The time period shown is the longest time period for which all three Windhaven strategies existed concurrently.

^b Performance is based on the actual return of the respective Windhaven Diversified Wrap Composite, net of all fees and expenses. Please see Performance Calculation disclosure at the end of this document for further information.

^c Global Conservative Benchmark is composed of 20% MSCI ACWI, 75% Barclays U.S. Aggregate Bond Index, and 5% S&P GSCI, rebalanced monthly.

^d The time period shown here is short. We anticipate that potential drawdowns in this strategy may be different. See "Notes - Risk Measures" disclosure #1 at the end of this document for additional information.

^e Cash investments are highly liquid, short-term securities and may include, but are not limited to, US Treasury bills or funds that predominately hold US Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper, and other money market instruments.

Benchmark Data Source: Bloomberg

Past performance is no guarantee of future results. See "Notes and Disclosures" for important information regarding strategies and benchmarks.

DEFINITIONS

Alpha: A measure of performance on a risk-adjusted return basis. Alpha is used to measure the value added or subtracted by a fund's manager. It is calculated by measuring the difference between a fund's actual returns and its expected performance, given its level of market risk as measured by beta. An alpha of 1.0 means the fund produced a return 1% higher per year than its beta would predict. Correspondingly, a similar negative alpha would indicate an underperformance of 1%.

Beta: Beta measures the risk of a particular investment relative to the market as a whole. It describes the sensitivity of the investment to broad market movements. For example, an investment which has a beta of 0.5 will tend to participate in broad market movements but only half as much as the overall market.

Maximum Drawdown: A measure of risk that captures the worst cumulative peak-to-trough decline from any month-end data point to any other month-end data point. It will show in percentage terms how much money an investment would have lost until it returns to the breakeven point. For example, if you began with a \$100,000 investment and you lost \$30,000 before that investment returns to its breakeven level, your "maximum drawdown" would be measured as -30%.

Sharpe Ratio: A measure of return in investment per unit of volatility experienced by the investment within a given investment horizon. Typically calculated as annualized returns divided by annualized volatility.

Standard Deviation: A measure of dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. It measures the degree of variation of returns around the mean (or average) return. Standard deviation is calculated as the square root of variance.

Up Capture/Down Capture: 'Upside Capture' and 'Downside Capture' measure the performance of an investment in up and down markets, respectively. Up (Down) capture is the average annualized return of Windhaven's strategy during the months the respective benchmark is positive (negative) divided by the average positive (negative) annualized return of the benchmark. For example, an investment that gains (declines) half as much as a benchmark can be said to have 50% Upside (Downside) Capture to that benchmark. The metric is calculated using monthly returns, annualized over the period shown.

NOTES — RISK MEASURES

¹ The time period shown here is short. Maximum drawdown is calculated as the worst cumulative peak-to-trough decline from any month-end data point to any other month-end data point. We would anticipate that the potential drawdowns in the Diversified Conservative strategy could be in the range of -10% or more. The actual maximum drawdown since inception (2001) was -10.4%. Maximum drawdown for the Global Conservative Benchmark was -15.1% (June 1, 2008-February 28, 2009).

² Alpha and beta are measured against the S&P 500[®] Total Return Index.

NOTES — ASSET ALLOCATION GUIDELINES

Cash positions, whether in U.S. dollars or other currency, are included in the relevant fixed income section.

The categories used in this report may include a variety of market exposures. For instance, "hard assets" are physical assets and include exposures to gold, commodities, and energy. Market movements may cause holdings to be temporarily outside these ranges; Windhaven may correct these at its next reallocation.

Holdings of individual client portfolios may differ, sometimes significantly, from those shown in the model allocations. Allocations are subject to change without notice.

NOTES AND DISCLOSURES

Barclays U.S. Aggregate Bond Index — A broad-based, market capitalization-weighted benchmark (formerly the Lehman Brothers Aggregate Bond Index; name change November 1, 2008) that measures the investment grade, U.S.

dollar-denominated, fixed-rate taxable bond market, which includes Treasuries, government related and Corporate securities.

Citigroup World Government Bond Index (CWGBI) — The Citigroup World Government Bond Index (CWGBI) is a market capitalization-weighted index consisting of the government bond markets. Country eligibility is determined based on market capitalization and investability criteria. All issues have a minimum maturity of at least one year.

S&P GSCI Total Return Index (GSCI) — A production-weighted composite that is comprised of the principal physical commodities that are the subject of active, liquid futures markets.

MSCI All Country World Index (ACWI) — A free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 country indices comprising 24 developed and 21 emerging market country indices.

S&P 500 Total Return Index — The total return version of the S&P 500 Index, which is a stock market index based on the market capitalizations of 500 large companies whose common stock is publicly traded on the New York Stock Exchange. The total return version of the index reflects the effects of dividend reinvestment.

IMPORTANT INFORMATION ABOUT WINDHAVEN[®]

RISKS

Please refer to Windhaven's ADV Part 2 for additional information.

Past performance is no guarantee of future results; the value of investments and the income derived from them can go down as well as up. Future returns and the achievement of stated goals are not guaranteed, and a loss of principal may occur.

Diversification strategies do not ensure a profit and do not protect against losses in declining markets.

Windhaven's risk management process includes an effort to monitor and manage risk, but should not be confused with and does not imply low risk or the ability to control risk.

There are risks associated with any investment approach, and Windhaven[®] strategies have their own set of risks to be aware of. First, there are the risks associated with the long-term core strategic holdings for each of the strategies. The more aggressive the Windhaven strategy selected, the more likely the strategy will contain larger weights in riskier asset classes, such as equities. Second, there are distinct risks associated with Windhaven strategies' shorter-term tactical allocations, which can result in more concentration toward a certain asset class or classes. This introduces the risk that Windhaven could be on the wrong side of a tactical overweight, thus resulting in a drag on overall performance or loss of principal.

Some specialized ETFs can be subject to additional risks. Investment returns will fluctuate and are subject to market volatility such that an investor's shares, when redeemed or sold, may be worth more or less than their original cost.

Asset classes and the proportional weightings in the strategies may change at any time without notice, subject to the discretion of Windhaven.

International investments may involve additional risks, which could include differences in financial accounting standards, currency fluctuations, political instability, foreign taxes and regulations, and the potential for illiquid markets. Investing in emerging markets may accentuate these risks.

Hard assets can be significantly affected by commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions.

Performance Calculation

Performance, portfolio characteristics, volatility and other data shown was derived from each strategy's Diversified Wrap Composite. Each Diversified Wrap Composite includes all discretionary, fee paying wrap accounts within each strategy, including those that are no longer with the firm. Please note that Windhaven did not manage wrap accounts until December 2010, so data shown for periods prior to January 2011 was derived from each strategy's respective Diversified Composite. Each Diversified Composite includes all discretionary, fee paying accounts within each strategy, including those that are no longer with the firm. Performance results for the Windhaven Diversified Wrap Composite referred to herein and its respective benchmarks reflect total return figures. Total return figures are calculated using trade date accounting. All realized and unrealized capital gains and losses as well as all dividends and interest from investments and cash balances are included. Accounts are included in each strategy's wrap composite after the first full month of performance to the present or the cessation of the client relationship with the firm. Investment results of each account in the composite are time-weighted performance calculations which represent total return adjusted for cash flows. Composites are calculated monthly, and individual portfolio returns are asset-weighted by using beginning-of-month market values plus weighted cash flows. Monthly geometric linking of performance results is used to calculate annual returns. Composite performance results are presented in U.S. dollars. Windhaven began managing

wrap accounts in December 2010. The first full month of wrap account performance occurred in January 2011. Because Windhaven had no wrap accounts eligible for inclusion in this composite until January 1, 2011, composite membership was copied from the respective Windhaven Diversified Composite and the highest program fee for wrap accounts (95 bps) was applied to the gross performance of the respective Diversified Composite. The 95 bps was divided by 12 and applied to each account on a monthly basis to arrive at a net performance. After 12/31/2010, net performance figures presented are calculated using actual expenses, and reflect the actual wrap fee charged.

The investment results shown are not representative of an individually managed account's rate of return. Securities used to implement the strategies can differ based on account size, custodian, and client guidelines.

Benchmark and Performance

The following Global benchmarks for each Windhaven strategy are:

Global Conservative — Composed of 20% MSCI ACWI, 75% Barclays U.S. Aggregate Bond Index, and 5% S&P GSCI, rebalanced monthly.

Global Growth — Composed of 55% MSCI ACWI, 40% Barclays U.S. Aggregate Bond Index, and 5% S&P GSCI, rebalanced monthly.

Global Aggressive — Composed of 70% MSCI ACWI, 20% CWGBI, and 10% S&P GSCI, rebalanced monthly.

The benchmarks listed above have not been selected to represent an appropriate benchmark with which to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized indices. Performance of each Windhaven strategy relative to its respective performance benchmark may have been impacted positively or negatively by economic and market conditions which affect either the benchmark or the Windhaven strategy to a greater degree. Windhaven's strategies may not invest to the same degree as their Global benchmarks in stocks, bonds, or commodities, so their performance relative to the Global benchmarks may be impacted by this difference.

Reference to an index or benchmark does not imply that the Windhaven strategy will achieve returns, experience volatility, or have other results similar to the index. The composition of a benchmark index may not reflect the manner in which a Windhaven strategy is constructed in relation to expected or achieved returns, investment holdings, asset allocation

guidelines, restrictions, sectors, correlations, concentrations, volatility, or tracking error targets, all of which are subject to change over time. Indexes do not include fees and expenses typically associated with investments in managed accounts, and you cannot invest directly in an index.

Entities

Windhaven Diversified strategies are managed by Windhaven Investment Management, Inc. ("Windhaven"), a registered investment adviser, and are available through Schwab's Managed Account Connection® and Managed Account Access® programs. Windhaven participates as a separate account manager in those programs, which include other separate account managers and strategies. Please read Schwab's disclosure brochure for important information and disclosures relating to Schwab's managed account programs.

Portfolio management is provided by Windhaven, an affiliate of Charles Schwab & Co., Inc. ("Schwab"). Windhaven Investment Management, Inc. is a registered investment advisor and an affiliate of The Charles Schwab Corporation.

WINDHAVEN INVESTMENT MANAGEMENT, INC.

WINDHAVEN® DIVERSIFIED CONSERVATIVE WRAP COMPOSITE ANNUAL DISCLOSURE PRESENTATION

Year End	Total Firm Assets (\$MM)	Composite Assets			Annual Performance Results			3-Year Standard Deviation *	
		% Wrap Portfolio	USD (\$MM)	Number of Accounts	Composite Net	Global Conservative Benchmark	Composite Dispersion	Composite Net	Global Conservative Benchmark
2014	16215	100.0%	2361	9737	1.4%	3.4%	0.1%	3.8%	3.4%
2013	18660	100.0%	2318	9539	3.7%	2.7%	0.2%	4.4%	3.8%
2012	13681	100.0%	1813	7570	6.0%	6.5%	0.2%	4.3%	4.0%
2011	8585	100.0%	815	3494	2.3%	4.5%	N.A.	5.2%	5.4%
2010	4689	0.0%	714	1166	3.7%	8.4%	0.4%	6.4%	7.4%
2009	3480	0.0%	592	1038	6.6%	12.1%	0.7%	6.3%	7.1%
2008	2446	0.0%	489	766	-2.5%	-8.7%	0.9%	5.8%	5.9%
2007	1835	0.0%	207	305	8.7%	9.2%	0.5%	3.6%	2.8%
2006	1033	0.0%	142	241	8.4%	6.6%	0.9%	4.6%	3.1%
2005	539	0.0%	109	189	5.4%	5.3%	0.8%	4.9%	3.8%
2004	278	0.0%	96	164	4.1%	7.3%	0.4%	5.3%	3.7%
2003	167	0.0%	54	61	15.8%	10.7%	0.5%	—	—
2002	73	0.0%	10	17	6.7%	5.1%	N.A.	—	—

*3-Year Standard Deviation is only shown where three years of data are available.

N.A.—Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Windhaven Diversified Conservative Wrap Composite was constructed on November 18, 2013 and consists of fully discretionary wrap accounts under the management of Windhaven Investment Management, Inc. (“Windhaven”) since January 1, 2011 that are or were invested in the Windhaven Diversified Conservative strategy. Before January 1, 2011, the composite includes all accounts managed by Windhaven and its predecessor investment adviser (including accounts no longer with the firm) that are or were invested in what is now known as the Windhaven Diversified Conservative strategy. Windhaven started managing wrap accounts on the Charles Schwab & Co., Inc. (“Schwab”) Managed Account Connection® (“Connection”) and Access® (“Access”) platforms in December 2010. The first full month of wrap account performance occurred in January 2011. In order to link the historical performance of the Diversified Conservative strategy, gross performance before January 1, 2011 was reduced by the highest program fee charged to Windhaven’s wrap accounts in this strategy to arrive at a net performance. Windhaven maintains a complete list and description of composites, which is available upon request. Past performance is no guarantee of future results. Performance is expressed in U.S. Dollars.

The Windhaven Diversified Conservative strategy seeks capital appreciation over full market cycles with a conservative level of risk while generally maintaining global diversification. The strategy seeks to achieve its investment objective by investing in a wide variety of asset classes that may include U.S. and international stocks, fixed income securities, real estate, currencies and commodities. The strategy is dynamically managed, striving to take advantage of global capital market opportunities while focusing on downside risk management by changing allocations in response to the firm’s views and market conditions.

The Charles Schwab Corporation acquired the assets and intellectual property of Windward Investment Management, Inc. on November 10, 2010 and formed Windhaven, a new, wholly owned subsidiary. Windhaven is an investment adviser registered under the Investment Advisers Act of 1940. The Global Conservative benchmark is composed of 20% MSCI All Country World Index (ACWI), 75% Barclays U.S. Aggregate Bond Index and 5% S&P GSCI Total Return Index (GSCI) and is rebalanced monthly. The S&P GSCI is a composite index of commodity sector returns. The MSCI ACWI is net of withholding taxes. The withholding tax rates used for the MSCI ACWI Index are applicable to Luxembourg holding companies, as Luxembourg applies the highest withholding tax rates. More information regarding the benchmarks shown is available upon request. The Diversified Conservative Wrap Composite was initially compared to the Barclays U.S. Aggregate Bond Index. As of 12/31/2015, the Barclays U.S. Aggregate Bond Index is no longer a benchmark because it is not fully representative of a globally diversified investment strategy. On February 1, 2011, the Global Conservative benchmark was added as a benchmark.

Wrap accounts managed by Windhaven on the Connection and Access platforms are charged 95 bps or 75 bps respectively at the highest tier of their fee schedules. These program fees are charged by Schwab, the platform sponsor, and no additional management fee is paid to Windhaven. The wrap program fees generally include: investment management; custody and other administrative fees and sponsor related trading costs (transaction costs for trades not executed by the sponsor may be charged separately). Schwab may also charge an Exchange Processing Fee on sales which is passed through to the SEC. These rates are subject to change at any time and without notice. Because Windhaven had no wrap accounts eligible for inclusion in this composite until January 1, 2011, composite membership was copied from the Diversified Conservative Composite and the highest program fee for Windhaven’s wrap accounts (95 bps) was applied to the gross performance of the Diversified Conservative Composite for the period January 1, 2002 through December 31, 2010. The 95 bps was divided by 12 and applied to each account on a monthly basis to arrive at a net monthly performance. After December 31, 2010, net performance was calculated using actual expenses, including the actual wrap fee charged to Windhaven’s wrap accounts on the Connection and Access platforms. Performance is presented net of all expenses applicable to each account in the composite, including without limitation, the wrap fee, trading fees (mark-ups and mark-downs), and includes the reinvestment of all income. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite for the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

For the period from 1/1/2006 through 12/31/2010, less than 11% of composite assets consisted of accounts which pay a bundled fee which includes custody fees, administrative fees, and transaction costs. After 12/31/10, there are no accounts in the composite that pay a bundled fee.

After 12/31/2010, a majority of the accounts in the Diversified Conservative Wrap Composite are on the Connection platform. Those accounts pay a program fee with the following schedule: 0.95% on the first \$500,000, 0.90% on the next \$500,000, 0.80% on the next \$4,000,000, and 0.70% on the remaining assets above \$5,000,000. Accounts on the Access platform, pay a program fee with the following schedule: 0.75% on the first \$500,000, 0.65% on the next \$500,000, 0.50% on the remaining assets above \$1,000,000. Before January 1, 2011, 95 bps was applied to the gross performance of all accounts in the Diversified Conservative Composite on a monthly basis to arrive at a net monthly performance. Windhaven also serves as a sub-advisor to third-party investment advisors through the Access platform. These accounts are included in the Windhaven Diversified Conservative Wrap Composite. Clients of third-party firms may also pay an advisory fee to the third-party firm in addition to the Access platform fee. Actual investment advisory fees incurred by clients may vary.

Windhaven claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Windhaven has been independently verified for the periods January 1, 2002 through December 31, 2014 by Ashland Partners & Company LLP. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Windhaven Diversified Conservative Wrap Composite has been examined for the periods January 1, 2002 through December 31, 2014. The verification and performance examination reports are available upon request.