charles SCHWAB

City of Los Angeles Deferred Compensation Plan

Personal Choice
Retirement Account® (PCRA)

February 15, 2022

Schwab corporate update

Schwab/TDA Merger

- Overview
- Timeline
- Product harmonization between Schwab/TDA

PCRA Future Roadmap

- Increased technology
- Streamlining back-office and participant call center

Investing/Trading Trends

- Socially responsible investing (SRI)
  - Educational resources for participants
- Crypto-currency

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Please see slide 13 for important disclosures

PCRA update

Current SDBA Market

- Average participant balance: $352,765
- Average advised balance: $558,470
- Participant asset breakdown:
  - Equities: 36.90%
  - Mutual Funds: 29.81%
  - ETFs: 20.54%
  - Fixed income: 1.27%
  - Cash: 11.49%

City of LA Plan

- Average participant balance: $184,962
- Average advised balance: $187,394
- Participant asset breakdown:
  - Equities: 45.98%
  - Mutual Funds: 19.51%
  - ETFs: 19.88%
  - Fixed income: 4.68%
  - Cash: 9.95%

Government Plans

- Average participant balance: $141,735
- Average advised balance: $152,853
- Participant asset breakdown:
  - Equities: 43.3%
  - Mutual Funds: 26.0
  - ETFs: 19.45%
  - Fixed income: .39%
  - Cash: 10.75%

PCRA update

Top 5 Mutual Fund Holdings-All PCRA

- Schwab S&P 500 Index
- Schwab Total Stock Market Index
- Vanguard 500 Index Admiral
- Vanguard Total Stock Market Index
- Schwab International Index

Top 5 Mutual Fund Holdings- City of LA

- T. Rowe Price Comm & Tech
- Blackrock Health Sciences Opps Instl
- Davis Financial
- Invesco Developing Markets
- Gateway

Top 5 Mutual Fund Holdings- All Government Plans

- PFG American Funds Growth Strategy
- Schwab S&P 500 Index
- Schwab Total Stock Market Index
- SGI Global Equity
- Columbia Dividend Income

PCRA update

Top 5 Equity Holdings-All PCRA

- Apple
- Tesla
- Amazon
- Microsoft
- Nvidia

Top 5 Equity Holdings- City of LA

- Tesla
- Apple
- Amazon
- Advanced Micro Devices
- Microsoft

Top 5 Equity Holdings- All Government Plans

- Tesla
- Apple
- Amazon
- Nvidia
- Meta Platforms Inc.

Schwab security: commitment to protecting client information

Information Security

- Security program protects client accounts and data in multiple ways
- Culture of risk management: collaborate with government and law enforcement agencies and other financial firms to address potential threats

Technology

- Advanced encryption technology secures schwab.com and client accounts
- Multi-layered measures beyond login name/password before account access

Operational Controls

- High standards/established protocol for employees handling sensitive information
- Employees trained in privacy and security
- All channels where clients can access Schwab are protected

SchwabSafe

- Schwab Security Guarantee: Schwab will cover 100% of any losses in any Schwab accounts due to unauthorized activity
- More Information – www.schwab.com/schwabsafe
  - Schwab Knowledge Center: how-to guides, tips and more to help participants stay safe online

Industry-leading customizable trading menu

City of Los Angeles allows :

- Taxable funds-ALL
  - Mutual Fund OneSource Funds (No Load, NTF)
  - Transaction Fee Mutual Funds
- Tax-exempt Mutual Funds-NONE
- Equities-ALL
  - Listed Nasdaq and OTC stocks
  - Exchange-traded funds (ETFs)
  - Closed-end mutual funds
- Publicly Traded Limited Partnerships-NONE
- Taxable Fixed Income-ALL
- Tax-Exempt Fixed Income
  - Treasuries only
- Foreign Securities (ADRs and U.S Traded only)
- Option contracts (covered calls/protective puts and cash secured equity puts)
- Leveraged/Inverse ETFs- ALL

ERISA/Schwab restrictions:

- Collectibles
- Futures
- Commodities
- Precious metals
- Currencies
- Physical assets, such as real estate
- Margin accounts
- Short sales
- Private placements
- Limited partnerships
- Options (excluding covered calls, protective puts and cash secured equity puts)
- Alternative Investments

Schwab Affiliated Advisor program

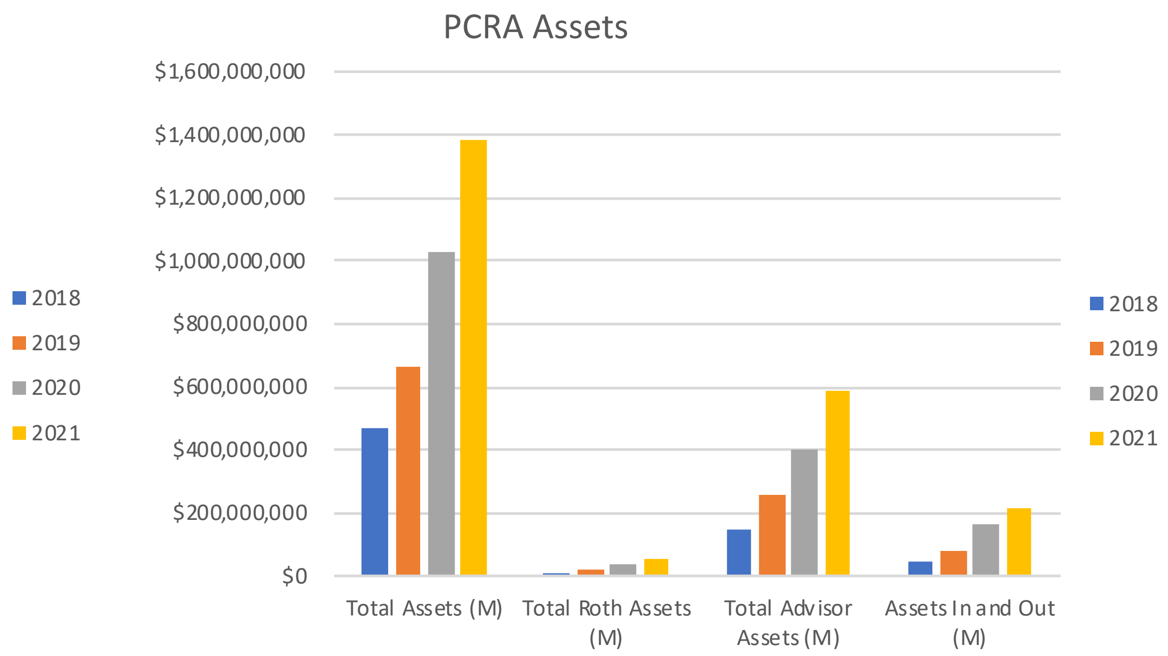
Independent fee-based advisors

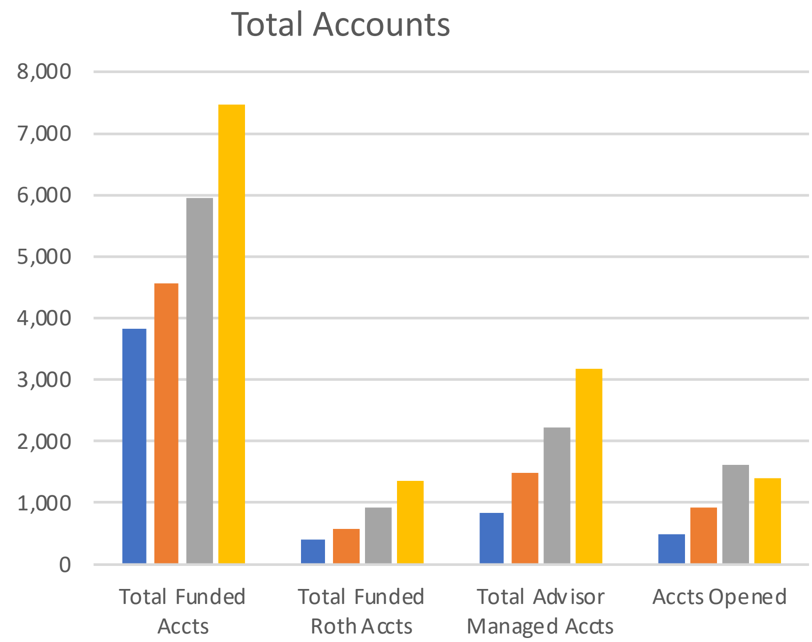
- Seamless
  - Schwab provides back office services for over 8,500 independent fee based Registered Investment Advisors (RIAs); PCRA is seamless for Advisors on Schwab Advisor Services platform[2]
- PCRA total managed advisor stats
  - **19.1** of all PCRA accounts
  - **29%** of all PCRA assets
  - **$17 billion** managed by advisors in PCRA
- City of LA managed advisor stats
  - **42%** of all City of LA accounts
  - **42%** of all City of LA assets
- Government Sponsor managed advisor stats
  - **23%** of all Government Sponsor accounts
  - **25%** of all Government Sponsor assets

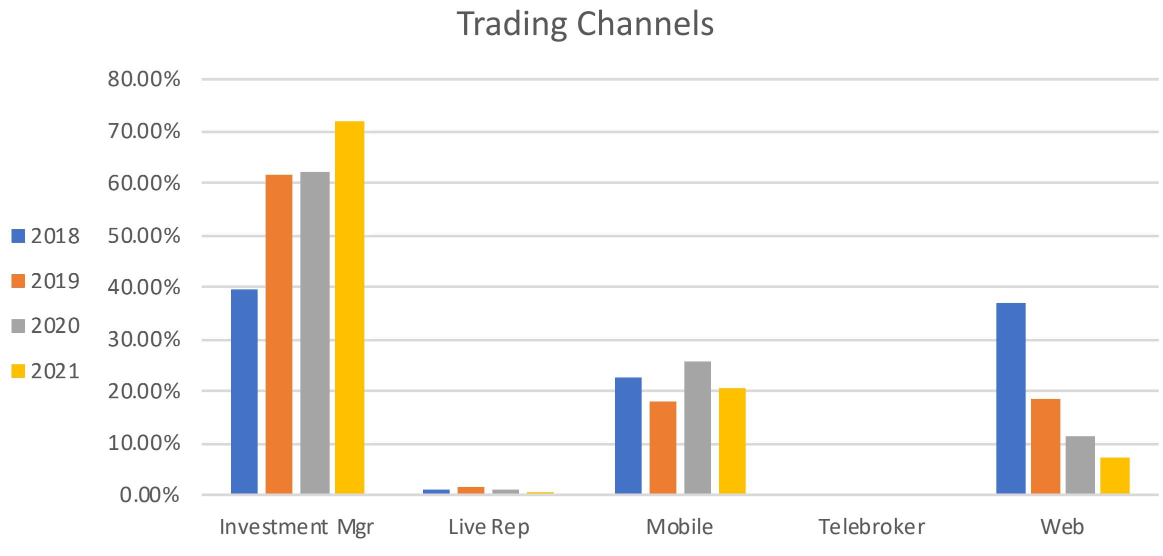
Schwab Data as of December 31, 2021

Please see slide 13 for important disclosures

City of Los Angeles yearly stats: 2018-2021







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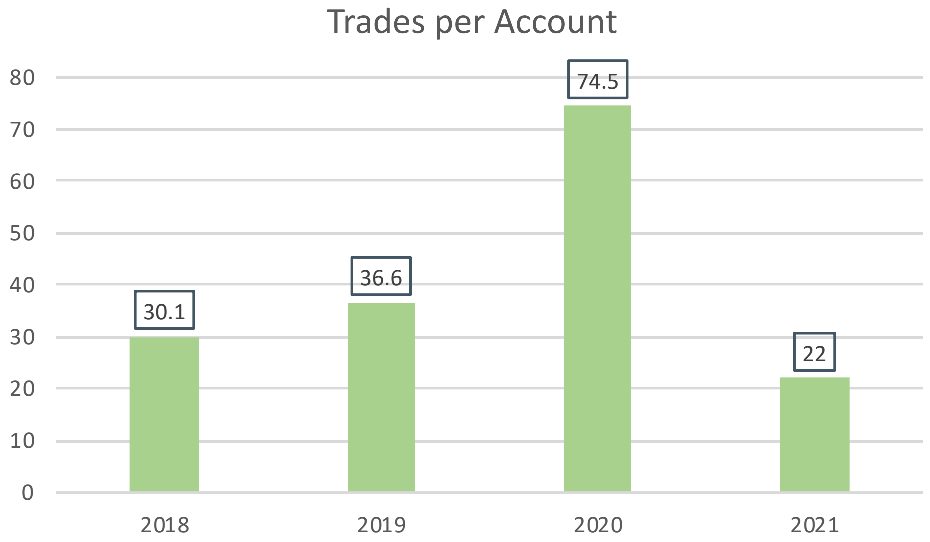
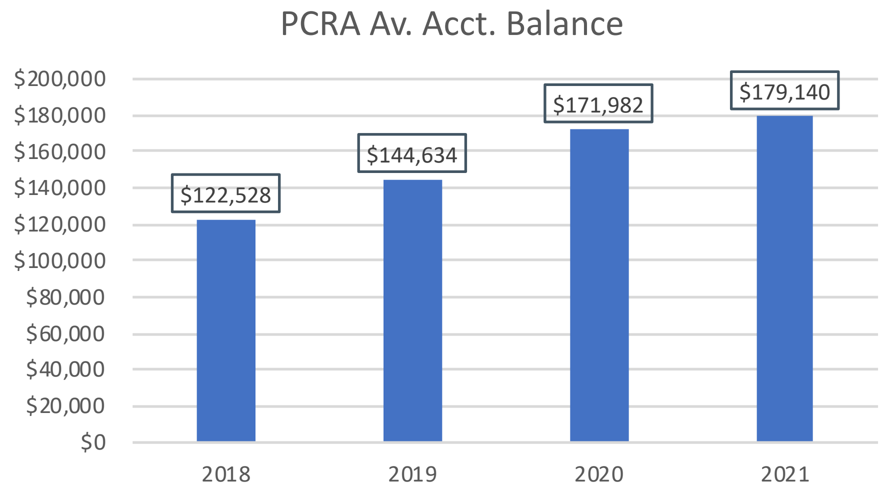
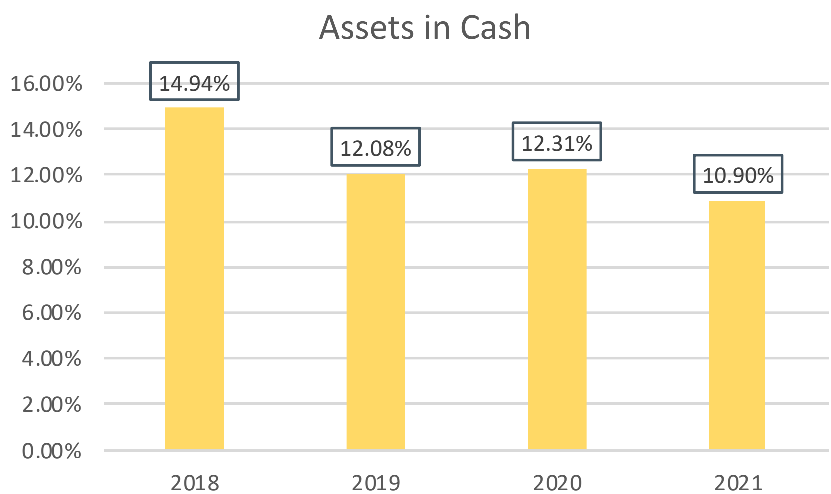
City of Los Angeles yearly stats: 2018-2021







PCRA sample large government plan statistics

Schwab Personal Choice Retirement Account (PCRA)

Sample Large Government Plan Statistics

data as of 12/31/2021

	City of LA	Government Plan #1	Government Plan #2	Government Plan #3	TOTAL Government
% Advisor Managed Accounts	42.3%	60.9%	1.9%	51.1%	23.9%
% Advisor Managed Assets	42.7%	71.8%	2.4%	46.5%	25.7%
Asset Mix					
Equities	46%	22.9%	58%	31.5%	43.3%
ETFs	20%	28.6%	12.9%	26.4%	19.5%
Mutual Funds	20%	42.4%	13.7%	30.4%	26%
Fixed Income	4.7%	.04%	0.8%	0.4%	.4%
Cash	10%	6.1%	14.7%	11.3%	10.8%
Trading (per account)					
Equities	10.4	3.7	12.3	3.9	8.4
ETFs	2.4	3.9	2.5	9.7	2.4
Mutual Funds	7.8	2.5	0.4	2.7	1.6
Fixed Income	0.0	0.0	0.0	0.0	0.0
Other	0.3	0.0	.9	0.1	0.3

Participant Comments

Trading online is simplified and made with confidence.

Keep on staying on top of things, so we as investors can have every possible opportunity to experience those feelings of joy when we gain; and even greater happiness when we bounce back from drops in the market.

Reps are always helpful and knowledgeable. If they don't know the answer, they get you to someone who does!

I can do research, keep track of my portfolio, and log in and out to do a trade in less than 5 minutes. How easy is that?

I recently dealt with winding down the accounts of deceased loved one. Working with about 6 different institutions, Schwab stood out above the rest.

The comments above may not be representative of the experience of other clients and are not indicative of future performance or success. They stem strictly from the clients' experiences with broker-dealer related services and not from any investment advisory services offered by a Schwab affiliate

Disclosures

[1] Total client assets based on combined data for Schwab and TD Ameritrade as of December 31, 2021, using company reports; all other combined data as of December 31, 2021, calculated using Schwab's methodology.

TD Ameritrade, Inc., member FINRA/SIPC, a subsidiary of The Charles Schwab Corporation. TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and The Toronto-Dominion Bank.

[2] Schwab Advisor Services serves independent investment advisors and includes the custody, trading and support services of Charles Schwab & Co., Inc. ("Schwab"). Independent investment advisors are not owned, affiliated with, or supervised by Schwab.

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.

Additional Information

City of LA Q4, 2021 quarterly report, page 1

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CITY OF LA 457 DEFERRED COMP

Schwab Personal Choice
Retirement Account (PCRA)
Quarterly Report

As of 12/31/2021

Compliance number: 0517-ZGX6

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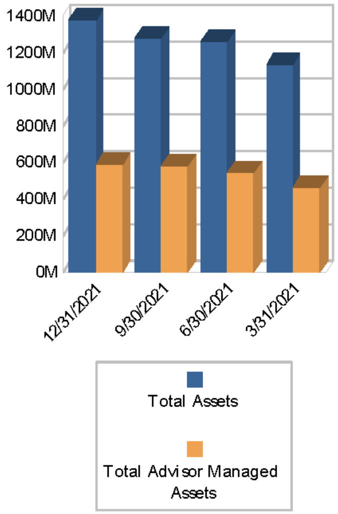
City of LA Q4, 2021 quarterly report, page 2

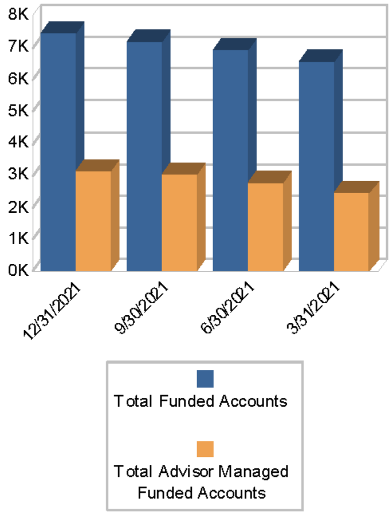
The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report
CITY OF LA 457 DEFERRED COMP as of 12/31/2021

Plan Profile Information

Plan Type	457B
Total PCRA Assets	$1,381,291,509
Total Funded PCRA Accounts	7,468
Total Roth Assets	$54,146,096
Total Funded Roth Accounts	1,344
Total Advisor Managed PCRA Assets	$590,293,914
Total Advisor Managed Funded PCRA Accounts	3,159
PCRA Accounts Opened This Quarter	343
PCRA Assets In and Out This Quarter*	$40,343,393
Average PCRA Account Balance	$184,961

Assets and Accounts (Trailing 4 Quarters)





PCRA Participant Profile Information

Average Participant Age	49
Percent Male Participants	83%
Percent Female Participants	17%

Total Assets by Category

Cash Investments	$137,561,601
Equities	$635,465,004
ETFs	$274,666,885
Fixed Income	$64,608,045
Mutual Funds	$269,643,304
Other	-$653,324

Average Positions Per Account

Cash Investments	1.0
Equities	10.7
ETFs	3.5
Fixed Income	0.3
Mutual Funds	2.0
Other	0.1
Total	17.6

Average Trades Per Account

Equities	10.4
ETFs	2.4
Fixed Income	0.0
Mutual Funds	7.8
Other	0.3
Total	21.0

* Assets In and Out includes contributions and distributions.

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City of LA Q4, 2021 quarterly report, page 3

The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report
CITY OF LA 457 DEFERRED COMP as of 12/31/2021

Top 10 Mutual Fund Holdings**

Name	Category	Symbol	OS*	$MF Assets	%MF Assets
T. ROWE PRICE COMM & TECH I	Specialized Funds	TTMIX	N	$27,629,465	10.40%
BLACKROCK HEALTH SCIENCES OPPS INSTL	Specialized Funds	SHSSX	N	$22,615,260	8.51%
DAVIS FINANCIAL Y	Specialized Funds	DVFYX	N	$15,831,438	5.96%
INVESCO DEVELOPING MARKETS Y	International	ODVYX	N	$11,644,675	4.38%
GATEWAY Y	Specialized Funds	GTEYX	N	$7,380,244	2.78%
PFG JANUS HENDERSON BALANCED STRAT R	Hybrid Funds	PFJHX	Y	$5,799,263	2.18%
SCHWAB S&P 500 INDEX	Large Capitalization Stock Funds	SWPPX	Y	$5,358,611	2.02%
SCHWAB TOTAL STOCK MARKET INDEX	Large Capitalization Stock Funds	SWTSX	Y	$4,199,558	1.58%
PFG JP MORGAN TACTICAL MODERATE STRAT R	Hybrid Funds	PFJDX	Y	$4,066,663	1.53%
PFG ACTIVE CORE BOND STRAT R	Taxable Bond Funds	PFDOX	Y	$3,268,383	1.23%

Top 10 Fund Families

Name	$MF Assets	%MF Assets
BLACKROCK	$28,116,772	10.58%
SCHWAB	$16,337,792	6.15%
DAVIS/SELECTED	$15,842,377	5.96%
OPPENHEIMER	$13,674,990	5.15%
DFA	$12,999,647	4.89%
JANUS	$10,955,080	4.12%
VANGUARD	$8,765,109	3.30%
NATIXIS	$7,437,648	2.80%
T ROWE PRICE	$6,819,205	2.57%
COLUMBIA	$5,370,752	2.02%

**Top 10 Mutual Funds does not include Money Market Funds.
*OS = OneSource, no-load, no transaction fee.

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The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report
CITY OF LA 457 DEFERRED COMP as of 12/31/2021

Top 10 Equity Holdings

Name	Category	Symbol	$EQ Assets	%EQ Assets
TESLA INC	Consumer Discretionary	TSLA	$90,981,396	14.32%
APPLE INC	Information Technology	AAPL	$70,892,446	11.16%
AMAZON.COM INC	Consumer Discretionary	AMZN	$25,029,004	3.94%
ADVANCED MICRO DEVIC	Information Technology	AMD	$19,079,839	3.00%
MICROSOFT CORP	Information Technology	MSFT	$18,946,396	2.98%
NVIDIA CORP	Information Technology	NVDA	$15,541,605	2.45%
ALPHABET INC. CLASS C	Communication Services	GOOG	$13,239,899	2.08%
META PLATFORMS INC CLASS A	Communication Services	FB	$12,801,911	2.01%
AMC ENTERTAINMENT CLASS A	Communication Services	AMC	$8,561,794	1.35%
QUALCOMM INC	Information Technology	QCOM	$7,353,854	1.16%

Top 10 ETF Holdings

Name	Category	Symbol	OS*	$ETF Assets	%ETF Assets
TECHNOLOGY SELECT SECTORSPDR ETF IV	Sector	XLK	N	$11,546,253	4.20%
ISHARES CORE S&P 500 ETF	US Equity	IVV	N	$11,445,242	4.17%
SELECT SECTOR HEALTH CARE SPD ETF IV	Sector	XLV	N	$9,770,513	3.56%
ISHARES TR IS 1-5 YR IN GR CR BD ETF	US FI	IGSB	N	$8,829,262	3.21%
INVESCO QQQ TRUST	US Equity	QQQ	N	$8,749,440	3.19%
FIRST TRUST INTERNET INDEX CF ETF IV	Sector	FDN	N	$8,663,266	3.15%
SELECT STR FINANCIAL SELECT S ETF IV	Sector	XLF	N	$7,438,730	2.71%
ISHARES S&P 500 VALUE ETF	US Equity	IVE	N	$7,042,860	2.56%
VANGUARD TOTAL BOND MARKET ETF	US FI	BND	N	$6,544,897	2.38%
WISDOMTREE US QLT DIV GRW ETF	US Equity	DGRW	N	$6,447,101	2.35%

*OS = OneSource, no transaction fee.

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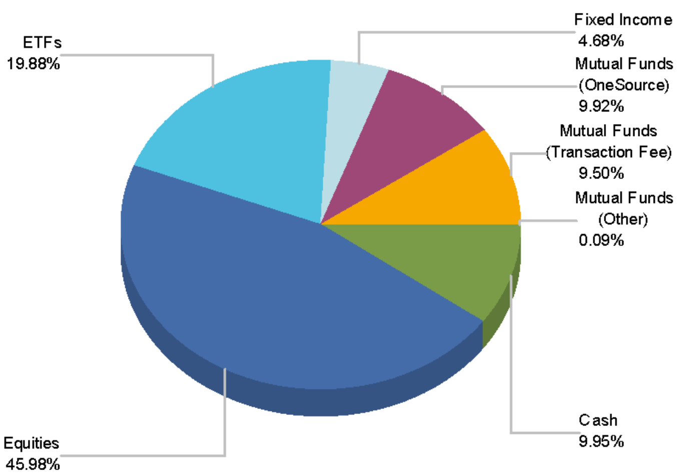
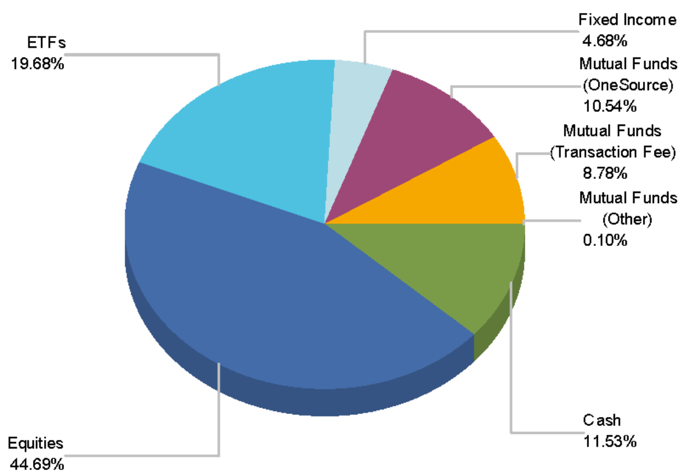
The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report
CITY OF LA 457 DEFERRED COMP as of 12/31/2021

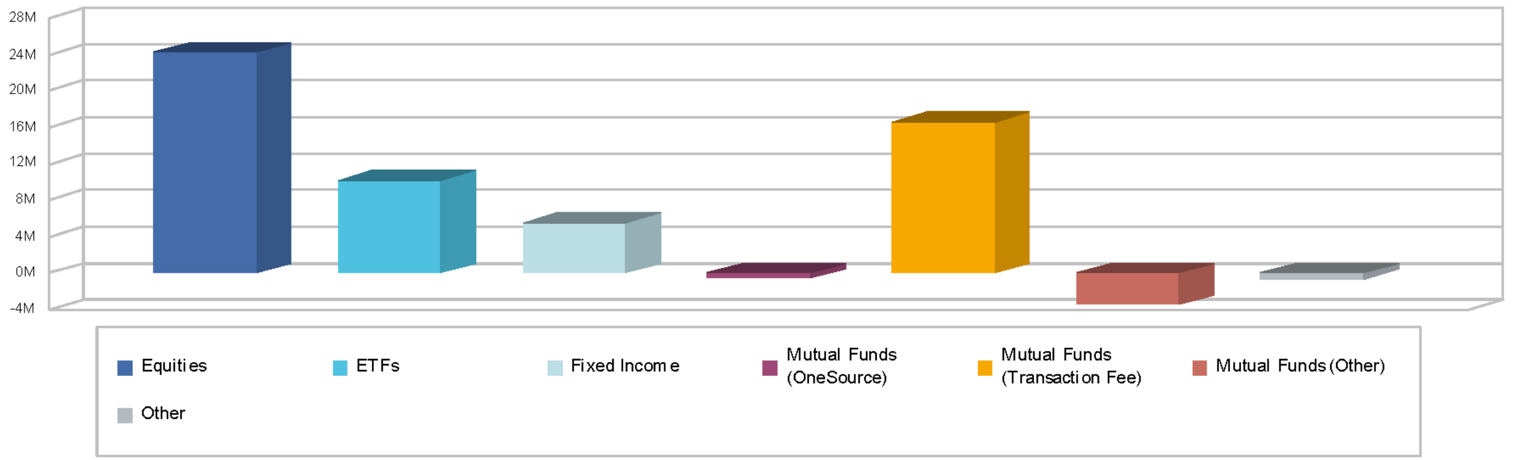
Market Value Allocation - All Assets (Quarter over Quarter)





The above charts illustrate the percent of PCRA participant assets in each noted asset class as percentage of total PCRA assets. Percentages are calculated as of quarter-end. Money Market Funds are classified under Mutual Funds.

Net Flow - All Non-Cash Assets (3-Month Period Ending 12/31/2021)



Net Flow is the net of all cash inflows and outflows in and out of financial assets; the performance of an asset or fund is not taken into account, only share redemptions, or outflows, and share purchases, or inflows.

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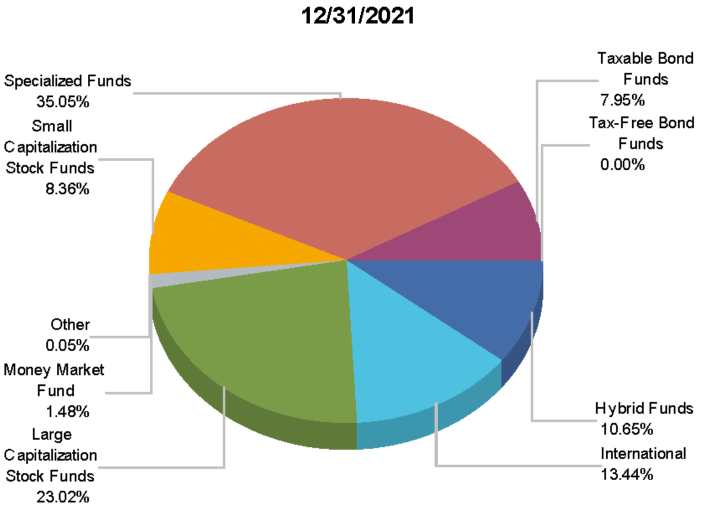
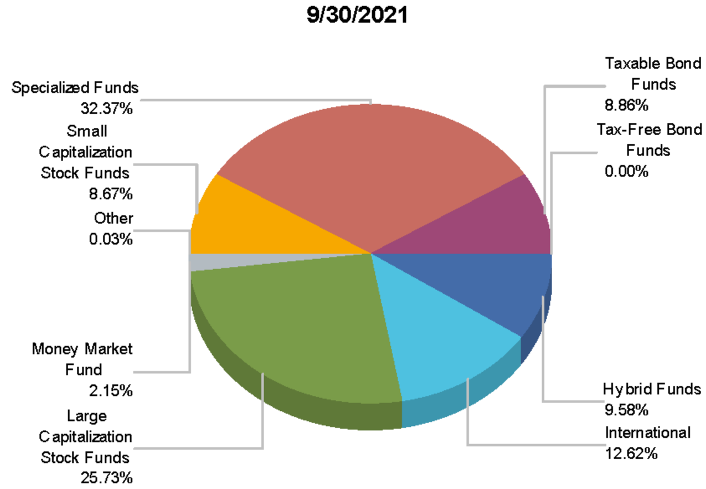
The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report
CITY OF LA 457 DEFERRED COMP as of 12/31/2021

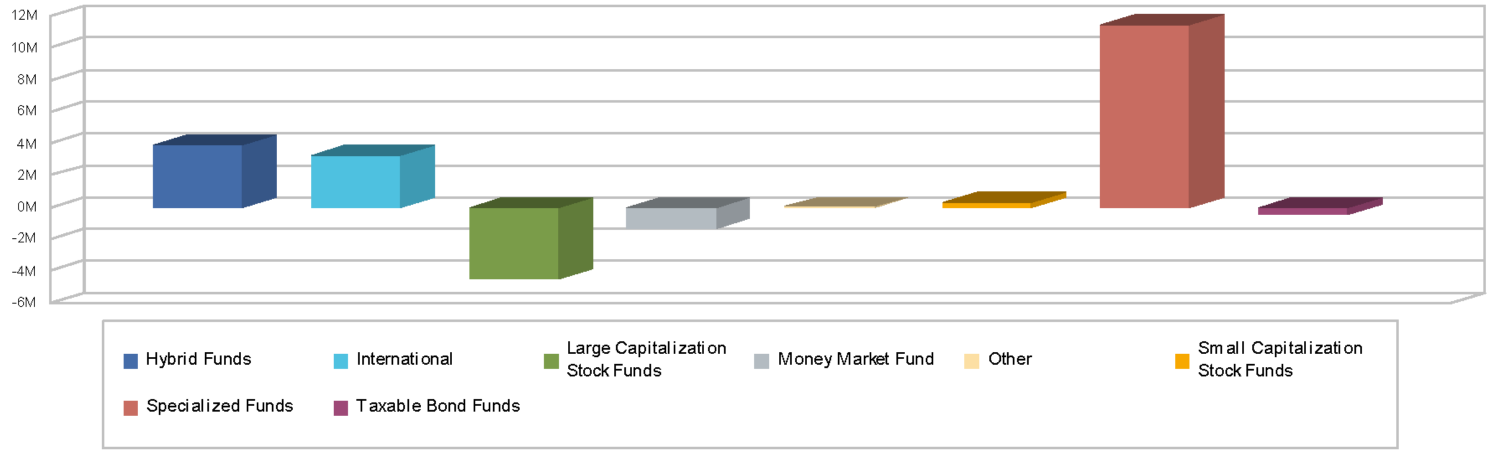
Market Value Allocation - Mutual Funds (Quarter over Quarter)





The above charts illustrate the percent of PCRA participant assets in each noted asset class as percentage of total PCRA assets. Percentages are calculated as of quarter-end. Money Market Funds are classified under Mutual Funds.

Net Flow by Sector - Mutual Funds (3-Month Period Ending 12/31/2021)



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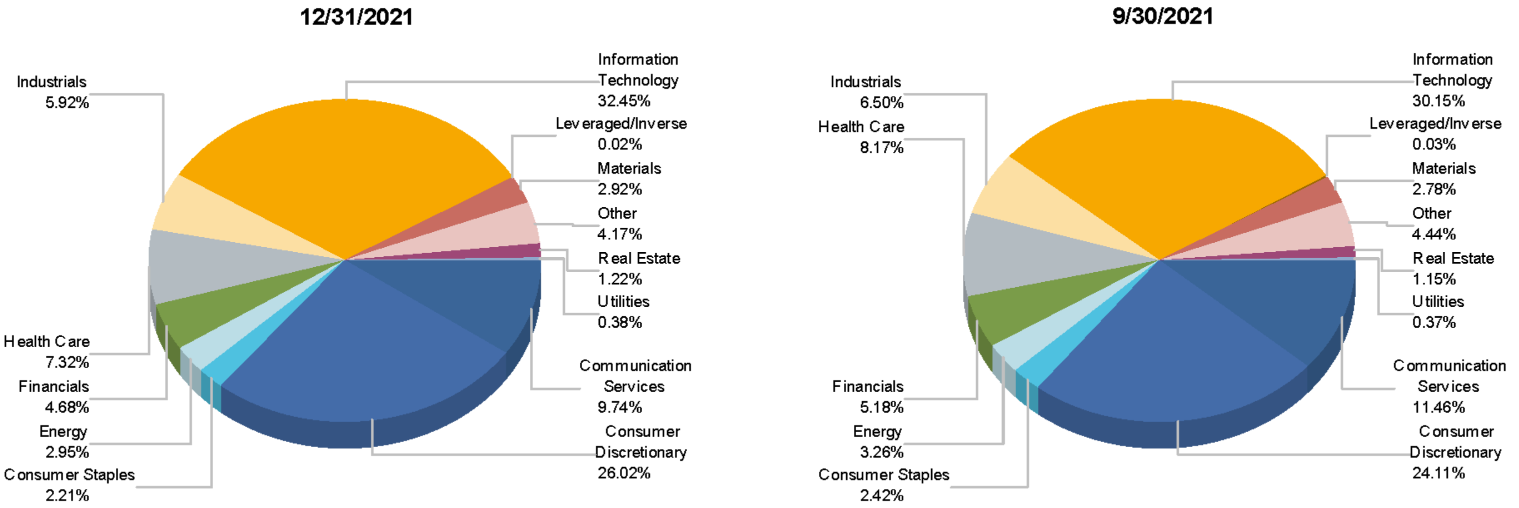
The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report
CITY OF LA 457 DEFERRED COMP as of 12/31/2021

Market Value Allocation - Equities (Quarter over Quarter)



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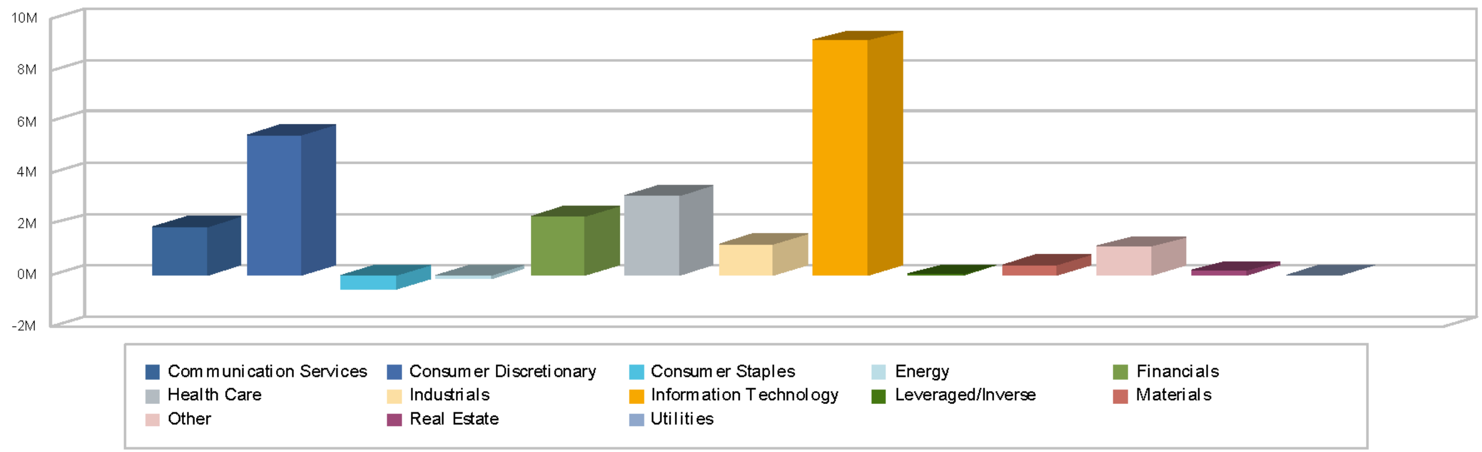
Net Flow by Sector - Equities (3-Month Period Ending 12/31/2021)



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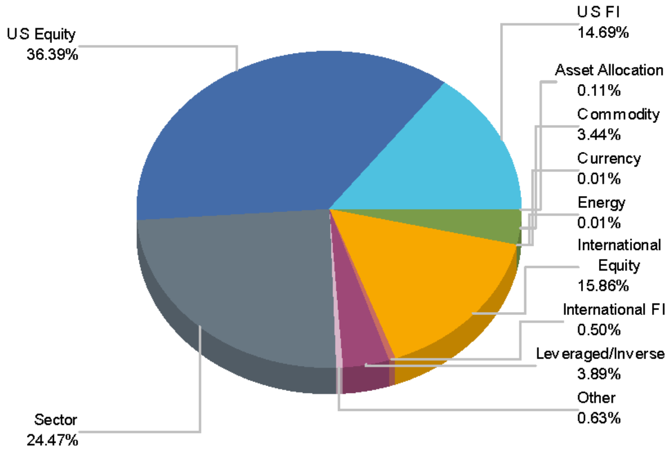
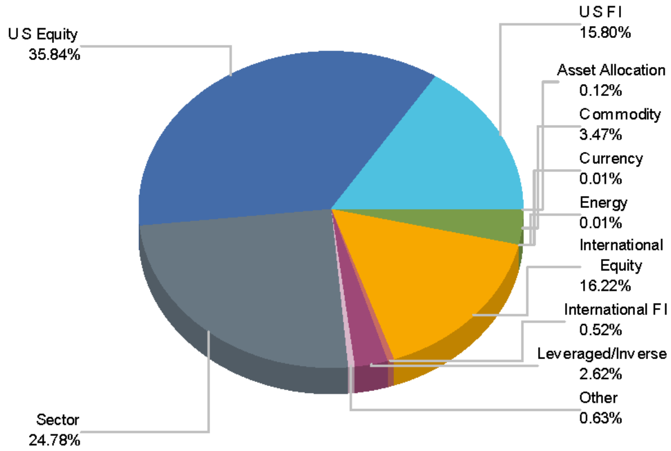
The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report
CITY OF LA 457 DEFERRED COMP as of 12/31/2021

Market Value Allocation - ETF (Quarter over Quarter)





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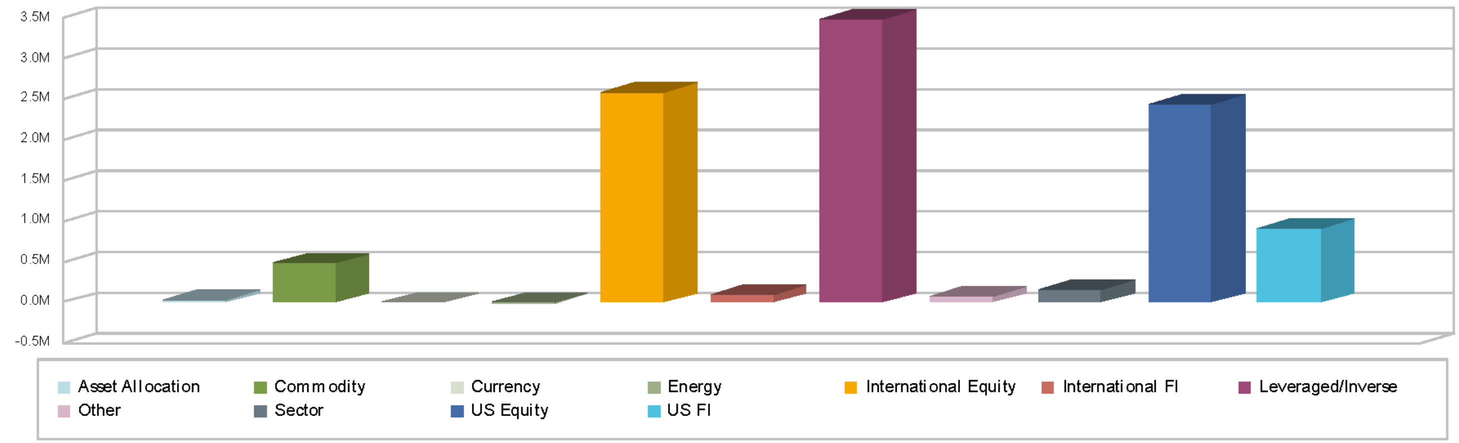
Net Flow by Sector - ETF (3-Month Period Ending 12/31/2021)



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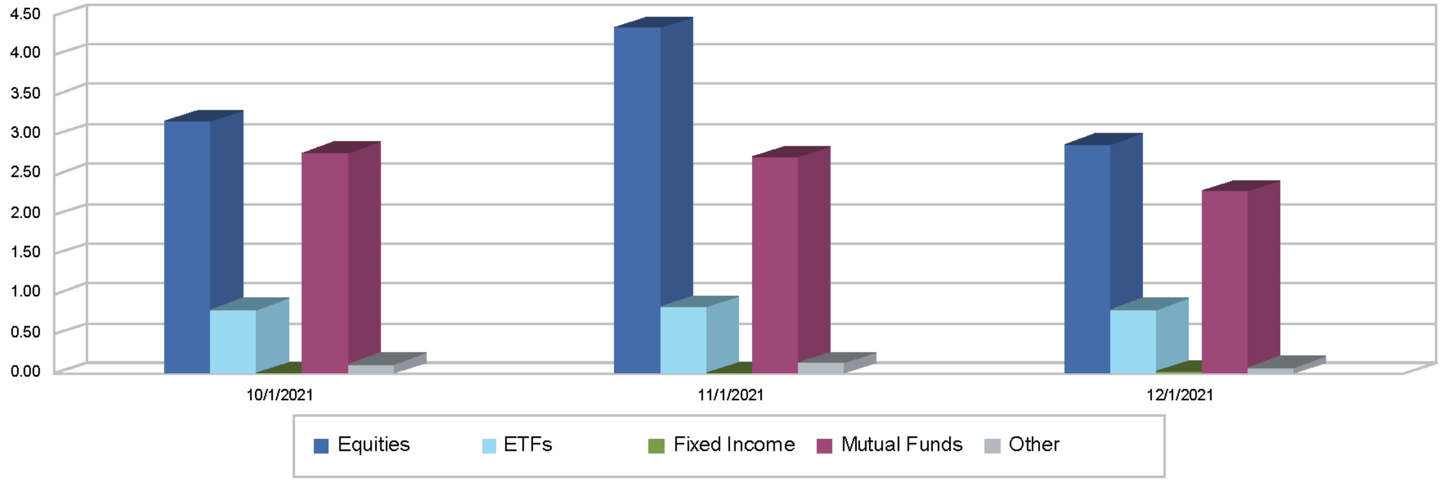
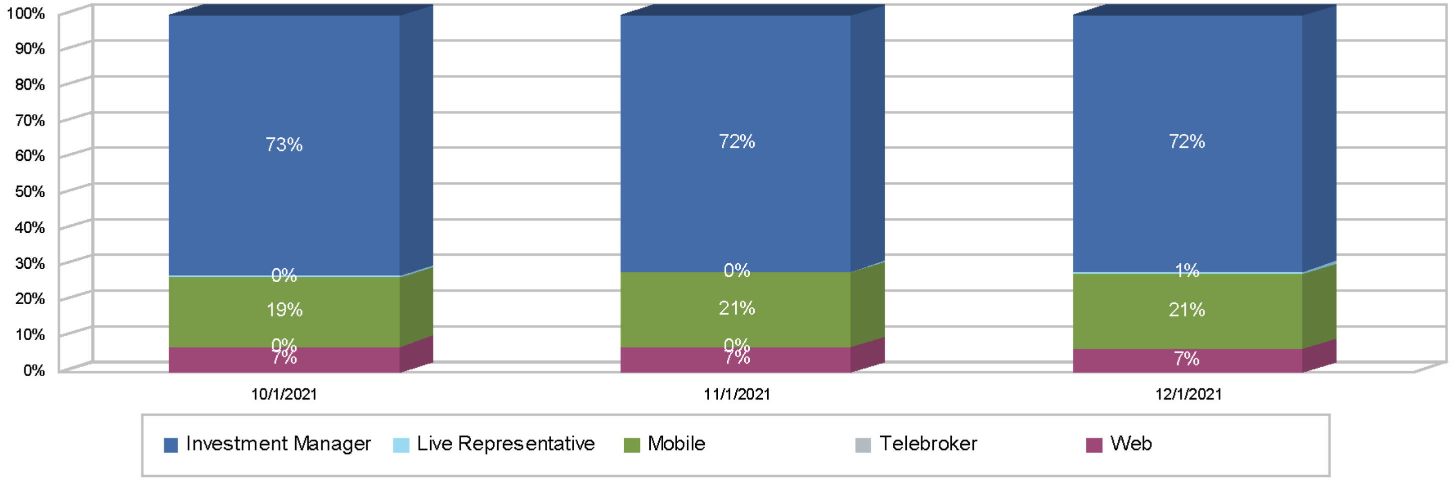
The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report
CITY OF LA 457 DEFERRED COMP as of 12/31/2021

Average Monthly Trades Per Account (3-Month Period Ending 12/31/2021)



Trading Channel Mix (Month over Month)



The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report
CITY OF LA 457 DEFERRED COMP as of 12/31/2021

Important Disclosures

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

For participants who utilize the Personal Choice Retirement Account (PCRA), the following fees and conditions may apply: Schwab's shortterm redemption fee of $49.95 will be charged on redemption of funds purchased through Schwab's Mutual Fund OneSource® service (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.

Trades in no-load mutual funds available through Mutual Funds 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.

Charles Schwab & Co., Inc., member SIPC, receives remuneration from fund companies for record keeping, shareholder services and other administrative services for shares purchased through its Mutual Fund OneSource service. Schwab also may receive remuneration from transaction fee fund companies for certain administrative services.

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