ThomasPartners®
STRATEGIES

How can you find steady income after your last paycheck?

A dividend growth strategy may be the right solution

The future is uncertain. Retirement income doesn't need to be.

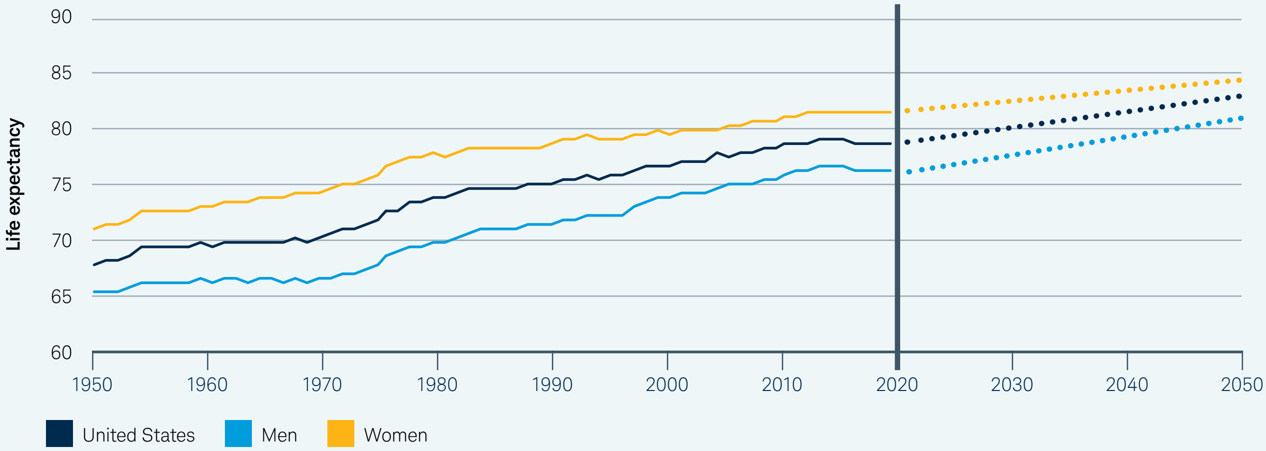
In a world with so much uncertainty, retirement can be a stressful subject to think about. For many people still working and saving toward retirement, the question isn't just, "Will I have enough?" It's also, "How will I manage my expenses, spending, and other income needs once I leave the safety of a regular paycheck?"

Many people discover that recreating their paycheck in retirement can be challenging. The retirement challenge comes from multiple unknowns: how much life they have yet to live, inflation rates in the years ahead, and the timing of their investment results (both good and bad).

The ThomasPartners® Strategies are designed to meet the retirement challenge. The right approach can help create a retirement paycheck that lasts, which can lead to greater peace of mind in retirement.

Americans are living longer

Investors should now plan to spend at least 20 years in retirement

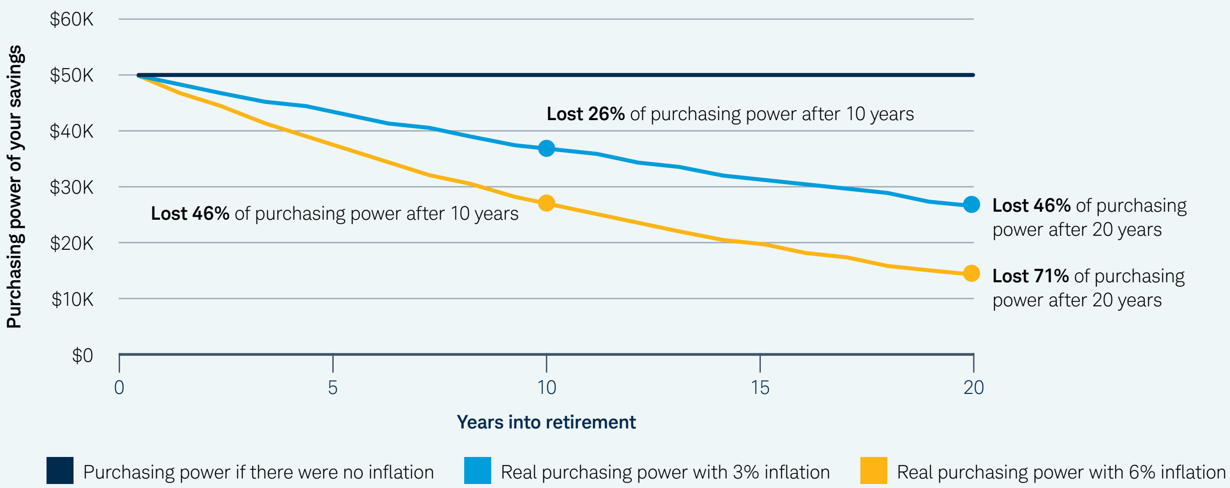


Note: Chart demonstrates the life expectancy at birth, by sex, in the United States, between 1950 and 2018. 2020–2050 data are projections.

Sources: Centers for Disease Control and Prevention, U.S. Department of Health and Human Services, National Center for Health Statistics, and United Nations. As of 2019.

Over time, inflation drains purchasing power—increasing the cost of maintaining your lifestyle

Inflation can cause your annual income needs to more than double over your retirement

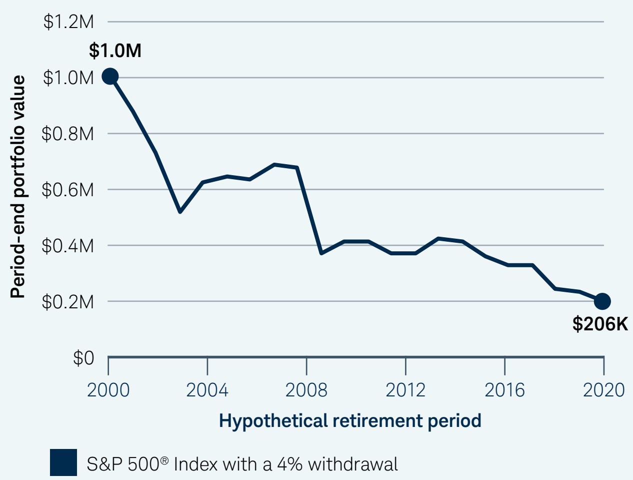


Sources: Charles Schwab Investment Management, Inc. and U.S. Bureau of Labor Statistics. The example assumes hypothetical inflation of 3% and 6% to explore how inflation may impact the purchasing power of a fixed $50,000 per year pension or annuity. Inflation is represented by the change in the Consumer Price Index for All Urban Consumers (CPI-U). Historically, 3.4% is the average inflation rate from 1948 to 2020.

A market dip around the time you retire could significantly shorten how long your savings might last

If your retirement investment strategy depends on regularly spending down your savings, your strategy also depends on regular capital gains that are sufficient enough to partially—or completely—offset these withdrawals. Poor market performance around the beginning of your retirement date could potentially lead to exhausting your nest egg before you intended.

It's hard to retire on an index



The chart is a hypothetical illustration of how sequences of portfolio returns can affect the portfolio value over a long period of time with an income withdrawal. The years selected represent a period that includes a full market cycle, with the early years showing an initial negative return to fully illustrate the impact that an early drawdown can have on the terminal value of a portfolio that includes income distributions. Assumes a hypothetical $1,000,000 initial investment in the S&P 500® Index on December 31, 1999. Beginning December 31, 2000, 4% of the initial investment ($40,000) is withdrawn from the portfolio. Subsequent annual withdrawals take place each December 31 and increase annually at an assumed 3.5% cost-of-living adjustment.

Sources: Charles Schwab Investment Management, Inc. and Morningstar. As of December 31, 2020. Past performance does not guarantee future results.

Dividend growth portfolios are designed to address these challenges

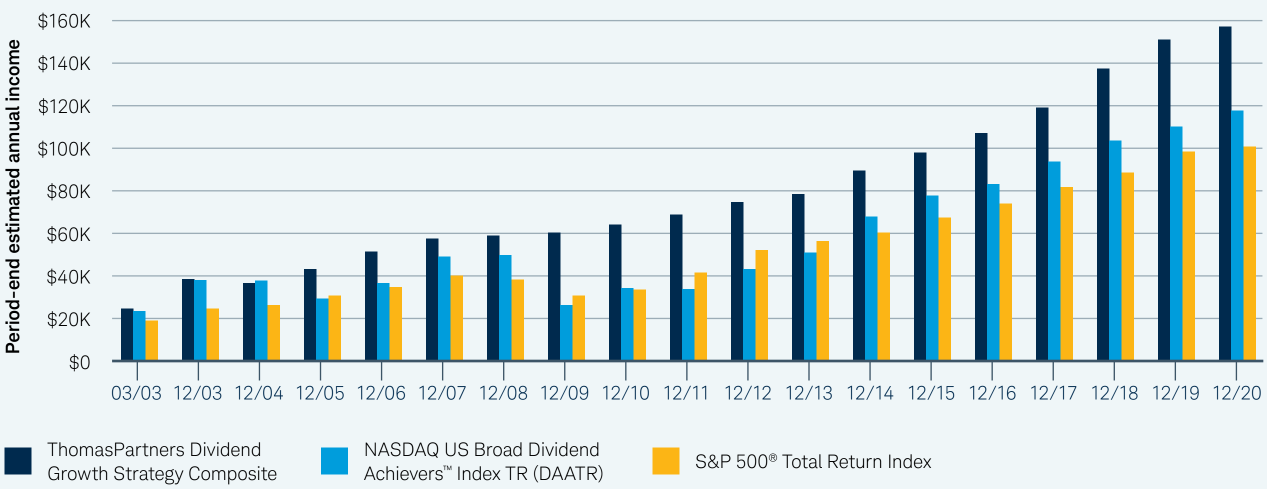
Dividend growth portfolios include stocks with a history of paying regular dividends to investors and—importantly—the ability and tendency to grow their dividend over time. The goal is to generate rising income each year whether you take the income out or reinvest it. If you take the income out, you can use it to cover your regular expenses—reducing, or perhaps even eliminating, your need to sell shares to fund withdrawals.

If you reinvest the dividends, the power of compounding adds to your future income potential year over year. At the same time, dividend stocks can appreciate over time. Taken together, this approach aims to offset inflation mostly through dividend growth, reducing the risk that you would outlive your income.

ThomasPartners® Strategies can help you get to and through retirement.

Through the power of dividend growth investing, we seek to provide monthly income, annual income growth in excess of inflation, and competitive total returns over time. For many people, an investment strategy that can create steady, reliable dividend income and reliable dividend income growth may lead to a long and financially satisfying retirement.

ThomasPartners Strategies has consistently provided a growing income stream



The Estimated Income Growth Since Inception chart assumes that a client invested $1 million in the ThomasPartners Dividend Growth Strategy on March 31, 2003 (the strategy's inception date). Each period's estimated annual income shown is the product of that initial $1 million investment and the accumulation of capital appreciation plus reinvestment of all distributions of income since the inception date, multiplied by the annualized current strategy yield. Please see additional explanatory notes and disclosures at the end of this document for information regarding the strategy, benchmark, and portfolio information. **Past performance does not guarantee future results.**

Give yourself a more enjoyable retirement.

Talk to a Schwab financial professional today about ThomasPartners® Strategies.

Call **877-566-1032** or visit **schwab.com/thomaspartners**.

The Estimated Income Growth Since Inception chart assumes that a client invested $1 million in the strategy on March 31, 2003 (the strategy's inception date). The period-end estimated annual income shown is hypothetical. Each period's estimated annual income shown is the product of that initial $1 million investment times the composite's cumulative total return, net of actual fees, since the inception date times the dividend yield. The dividend yield for the strategy is based on the model portfolio. The dividend yield for the strategy, the S&P 500® Index, and the DAATR is the weighted average trailing 12-month yield. Dividend yields for the strategy and indexes are obtained from Bloomberg. Strategy yields are based on the ThomasPartners Dividend Growth Strategy (Non K-1 Generating).

Prior to 2019, the dividend yield at each listed measurement date was derived by annualizing the last dividend paid for each security in the composite, and then dividing that dollar amount by the price of the security. Beginning in 2019, the strategy's annualized dividend yield is derived using the model portfolio as noted above. The pre-2019 methodology for strategy yield could have resulted in a higher or lower yield than the new methodology because the last dividend paid could have been higher or lower than dividends paid over the trailing 12 months. For the indexes, prior to 2014, the S&P 500 yield was calculated using data from Dow Jones S&P Indices and the DAATR was calculated using data from the historical index data provided by NASDAQ OMX.

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.

Portfolio Management for the ThomasPartners® Strategies is provided by Charles Schwab Investment Management, Inc. ("CSIM"). CSIM is a registered investment adviser and an affiliate of Charles Schwab & Co., Inc. ("Schwab"). Both CSIM and Schwab are separate entities and subsidiaries of The Charles Schwab Corporation.

Please refer to the ThomasPartners Strategies Disclosure Brochure for additional information.

All expressions of opinion are subject to change without notice in reaction to shifting market conditions. Information provided herein is for informational purposes only and should not be considered an individualized recommendation or personalized investment advice. The investment strategies mentioned may not be suitable for everyone. Each investor needs to review an investment strategy for their own particular situation before making any investment decisions.

There are risks associated with any investment approach, and the ThomasPartners Strategies have their own set of risks. First, there are the risks associated with investing in dividend-paying stocks, including but not limited to the risk that stocks in the Strategies may reduce or stop paying dividends, affecting that Strategy's ability to generate income. Second, investor sentiment could cause dividend-paying equities to fall out of favor and decrease in price. Third, there are risks associated with investing in fixed income asset classes, including through the use of exchange-traded funds (ETFs), that include, but are not limited to, interest rate risk, credit risk, high yield risk, and government security risk. Please discuss these and other potential risks with your Financial Consultant or investment advisor prior to investing.

Data contained herein from third-party providers is obtained from what are considered reliable sources. However, its accuracy, completeness, or reliability cannot be guaranteed, and CSIM expressly disclaims any liability, including incidental or consequential damages, arising from errors or omissions in this publication.

Indexes are unmanaged, do not include fees, and cannot be invested in directly.

AHA (0621-1MHR) MKT115234-00 (06/21)

THOMASPARTNERS®
STRATEGIES