
Charles Schwab PCRA Self-Directed Brokerage Account

What is PCRA?

The Schwab Personal Choice Retirement Account[®] (PCRA) is a self-directed brokerage account offered through Charles Schwab & Co., Inc. (Member SIPC). These securities are not offered through GWFS Equities, Inc.

The Wisconsin Deferred Compensation (WDC) Board approves and continually monitors the core fund lineup. The PCRA option is limited to mutual funds not offered by the WDC in the core fund lineup. Through PCRA, you can access more than 8,000 mutual funds from over 640 well-known fund families. Over 4,000 mutual funds are available with no-loads and no-transaction fees, including over 2,200 load-waived funds typically available only to institutional clients. The WDC PCRA does not permit the purchase of stocks, bonds, commodities or exchange-traded funds.

For whom is this investment option appropriate?

The Schwab PCRA is for *knowledgeable investors* who acknowledge and understand the risks associated with many of the investment choices available through PCRA. PCRA is designed for individuals who seek more flexibility, increased diversification and a greater role in managing their retirement savings.

By utilizing the PCRA, you acknowledge that *none* of the available options in the PCRA have been reviewed for suitability by your employer, the WDC or Empower Retirement, your service provider. *You are solely responsible* for determining suitability of the options that are available through PCRA. You agree to fully indemnify and hold harmless your employer, the WDC and Empower Retirement, and any and all service providers to the WDC, against any claims, damages, or other possible causes of actions resulting from your use of the PCRA.

How do I get started?

This is a web-based feature only. You can open an account by logging in to your WDC account at www.wdc457.org and clicking on the *My Accounts* tab at the top of the page. Under the *Investments* section on the left side of the page, choose *Brokerage*. You will then need to click on the *Enroll* button and complete the enrollment process online. During the enrollment process, you will immediately receive your Schwab PCRA account number. Immediately following this step, you will be able to initiate your first transfer into the PCRA. Schwab will send you a Welcome Kit. You can also view the PCRA “how-to” video with step by step instructions on how to research, trade and monitor your investments at www.schwab.com/pcrahowto.

Since the plan allows for Roth money, you may open a separate Roth PCRA account. This will allow you to track

your Roth investments and earnings or losses separately from your regular PCRA account.

If you are not already enrolled in the WDC, visit the website at www.wdc457.org and click REGISTER or call the WDC at (877) 457-WDCP (9327) and request an enrollment form. All agreement forms must be completed and signed. Once your account is processed, you will receive a Personal Identification Number (PIN) which is needed to open a PCRA.

How do I fund my self-directed account?

The WDC permits participants using the PCRA to contribute directly to their PCRA. To initiate transfers into the self-directed cash sweep feature at Schwab, go to the WDC’s website at www.wdc457.org or call the WDC at (877) 457-9327, press 0 and say “representative”. Transfers must be made into the cash sweep feature at Schwab first. Then, through Schwab, you may purchase other investments. Also, when moving money back to your WDC’s core options through Empower Retirement, Schwab assets must be liquidated and settled to the cash sweep feature first, then moved to the core options.

Transfers into the Schwab PCRA will be subject to minimum transfer restrictions. If your transfer request does not meet the minimum amount, your transfer will not be completed. You are also required to maintain a minimum balance of \$500 in your WDC’s core options. If your core balance falls below \$500, a portion of your deferrals will be deposited into the core funds before the contribution is made to your Charles Schwab account.

If you transfer more than one contribution type to the SDB, earnings (or losses) that accrue in the SDB will be allocated proportionately to each contribution type. When an amount is transferred back from the SDB, earnings (or losses) that accrued in the SDB will be allocated proportionately into the core investment options based upon the contribution types in the SDB prior to the returning transfer, regardless of whether such earnings (or losses) are attributable to investments in the SDB that were purchased with amounts originally transferred to the SDB from such contribution type.

What kind of access will I have to funds in PCRA?

When you transfer money from your core funds into the Schwab PCRA, the money will be automatically allocated to the Schwab cash sweep feature within approximately two business days. Once you see the transferred money in your Schwab cash sweep feature, you may then purchase securities in your PCRA.

What cash options are available in PCRA?

The cash sweep feature is not intended to be a long-term investment. If you desire to maintain cash balances for other than a short-term period and/or are seeking the highest yields currently available in the market, you can use alternative cash investment options, such as Schwab purchased money market funds and Certificates of Deposit (CDs) from Schwab CD OneSource®. These options are available outside of the Cash Features Program to help maximize your return potential in line with your investment objectives and risk tolerance. For additional information, contact your Schwab representative or visit www.schwab.com/cash after you log in to your account.

How do I manage and/or make changes to the fund within my self-directed account?

Place trades and manage your account through www.schwab.com and mobile applications, use Schwab's touch tone telephone service, Telebroker®, or voice activated telephone service, Schwab by Phone™ at (888) 393-7272 or call the dedicated PCRA Call Center at (888) 393-7272 to inquire about your daily account balance or change your investments in the PCRA.

How do I transfer money from PCRA back to the WDC's core funds?

Visit the Schwab Web site at www.schwab.com, use Telebroker® or Schwab by Phone™ at (888) 393-7272 to transfer money from the Schwab PCRA to your core funds. You will need to:

1. Instruct Schwab to liquidate the securities and/or mutual funds in your PCRA.
2. Wait for the proceeds to settle and be invested in your Schwab cash sweep feature.
3. Then use the WDC's website at www.wdc457.org or call the WDC at (877) 457-9327 to transfer the cash from your Schwab cash sweep feature to your core account.

Direct distributions from your PCRA account are not permitted.

- Partial transfers from your Schwab cash sweep feature will be allocated to the core fund you have indicated within approximately two business days.
- For full liquidation of your Schwab cash sweep feature, use the *Transfer All* link on the WDC website. Money transferred into a core fund will be allocated to the fund you have indicated within approximately four

business days. Additional time is needed for this transaction in order to transfer any accrued interest or dividends.

What do I do if I want to make a withdrawal?

If you are requesting a payout option, you must transfer cash from your Schwab PCRA account back to your WDC's core options. If you transfer 100% from your Schwab PCRA account back to your WDC's core options and no balance remains invested in the Schwab PCRA account, residual dividends will automatically sweep back to the core options that were used in your last full transfer request.

If additional money is deposited into the Schwab PCRA account at a later date (either via a new transfer request or payroll contribution, as applicable), the residual sweep process will discontinue.

If you have requested a voluntary payout but have insufficient money in your WDC's core options, the request will be cancelled. If the payout is due to a required distribution, such as a required minimum distribution, and you have insufficient money in your WDC's core options, your PCRA account may be liquidated and the account closed. You will be responsible for any losses or expenses associated with the liquidation.

A beneficiary is not authorized to trade and therefore unable to access the PCRA account. Beneficiaries should contact the WDC's toll-free number for assistance.

Who sends me statements?

Empower Retirement sends quarterly statements. Schwab sends you a monthly statement.

Note: The account balance on your Empower Retirement and Schwab statements may be slightly different due to different period-ending dates (for example, one may be as of the last day of the quarter while the other may be as of the last business day).

Carefully consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information prospectuses for all PCRA funds can be obtained on the website at www.schwab.com or by calling (888) 393-7272. Read them carefully before investing. An investment in the cash sweep feature is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

All Schwab Money Funds™ with the exception of Schwab Variable Share Price Money Fund™: You could lose money by investing in a money market fund. Money market funds seek to preserve the value of your investment at \$1.00 per share but cannot guarantee they will do so. All Schwab Money Funds with the exception of Schwab Government Money Fund™, Schwab U.S. Treasury Money Fund™, Schwab Treasury Obligations Money Fund™, Schwab Government Money Market Portfolio™, and Schwab Retirement Government Money Fund™ may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The money market fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Schwab Variable Share Price Money Fund: You could lose money by investing in a money market fund. Because the share price of the fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. The fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

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