



FUTURES
AND FOREX

Charles Schwab Futures and Forex LLC FDM-Specific Disclosure Document

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INTRODUCTION

The National Futures Association (“NFA”) requires each Forex Dealer Member (“FDM”), including Charles Schwab Futures and Forex LLC (“Schwab Futures and Forex”), to make the following information readily available on its website. Unless otherwise noted, the information set out in this document is as of September 2021. Schwab Futures and Forex will update this information annually and as necessary to take account of any material change to its business operations, financial condition, or other factors that Schwab Futures and Forex believes may be material to a customer’s decision to do business with Schwab Futures and Forex. Nonetheless, Schwab Futures and Forex’s business activities and financial data are not static and will change in non-material ways frequently throughout any 12-month period.

[Schwab Futures and Forex is a subsidiary of The Charles Schwab Corporation. Information that may be material with respect to Schwab Futures and Forex and for purposes of the NFA’s disclosure requirements may not be material to The Charles Schwab Corporation for purposes of applicable securities laws.]

FIRM AND ITS PRINCIPALS

Charles Schwab Futures and Forex LLC
600 West Chicago Ave.
Suite 800
Chicago, IL 60654
866-839-1100 phone
773-435-3232 fax
Futures@Schwab.com

Schwab Futures and Forex’s Designated Self-Regulatory Organization (DSRO) is the National Futures Association (NFA) nfa.futures.org. Prior to a name change in September 2021, Charles Schwab Futures and Forex LLC was known as TD Ameritrade Futures & Forex LLC.

The following is a list of Schwab Futures and Forex’s Principals along with their title, business address, business background, areas of responsibility, and the nature of the duties of each principal as defined in CFTC § 3.1(a):

James Mackenzie, President and Chief Executive Officer, Charles Schwab Futures and Forex LLC

Business Address: 600 West Chicago Ave, Suite 800, Chicago, IL 60654

Background: James Mackenzie has worked in the financial industry since 2005. Prior to coming to Schwab Futures and Forex, he worked at MF Global, Penson Futures, and Goldenberg Hehmyer where his main focus was with technology and trading. James holds a Series 3 and 34, has a Bachelor of Arts in Biology and Psychology from Middlebury College, and an MBA from the University of Notre Dame.

Areas of Responsibility: Futures and Forex Operations

Duties: James Mackenzie is responsible for the Futures and Forex business at Schwab Futures and Forex.

Michael Asmus, Treasurer, Charles Schwab Futures and Forex LLC

Business Address: 200 South 108th Avenue, Omaha, NE 68154

Background: Michael has 20+ years’ experience in the banking and brokerage industries. Michael joined TD Ameritrade in 2010 where he has been responsible for balance sheet management and investments for the futures entities. Previously, he worked for a multi-charter bank holding company where he was responsible for liquidity, capital, asset liability management, and investments. He holds a Bachelor of Science in Business Administration and an MBA from the University of Nebraska at Omaha.

Areas of Responsibility: Treasury

Duties: Michael Asmus oversees treasury functions for Schwab Futures and Forex.

Gregg Fuesel, Chief Financial Officer, Charles Schwab Futures and Forex LLC, Director, Regulatory Reporting

Business Address: 200 South 108th Avenue, Omaha, NE 68154

Background: Gregg Fuesel is Director of Regulatory Reporting at Schwab Futures and Forex. He started at TD Ameritrade in March of 2011. He has worked at multiple broker-dealers along with ten years at the Options Clearing Corporation. Regulatory Reporting is responsible for filing multiple regulatory reports and adhering to regulations of the SEC, FINRA, CFTC, and the NFA along with coordinating the monthly Regulatory Reporting Committee which is responsible for overseeing the regulatory reporting requirements of certain subsidiaries of the Company. He is also a member of the SIFMA Regulatory Capital and Margin Committee. He holds Series 3, 4, 7, 27, 34, and 63 licenses.

Areas of Responsibility: Regulatory Reporting

Duties: Gregg Fuesel oversees the 1-FR-FCM Report, Segregation Computation, and Regulatory Reporting for Schwab Futures and Forex

Ben Miller, Director, Charles Schwab Futures and Forex LLC
Business Address: 3000 TD Ameritrade Lane, Southlake, TX 76092

Background: Ben Miller has worked in the financial industry since 1996. Prior to coming to Schwab Futures and Forex, he worked for Penson Futures for more than 10 years and he has experience with Coquest (a registered IB) and ED&F Man where his main focus was with operations. Ben holds a Series 3 and 30, and has a Bachelor of Business Administration from the University of Oklahoma.

Areas of Responsibility: Futures & Forex Operations

Duties: Ben Miller oversees futures and forex operations for Schwab Futures and Forex.

Lynn Konop, Chief Compliance Officer, Charles Schwab Futures and Forex LLC
Business Address: 2309 Gracy Farms Lane, Austin, TX 78758

Background: Lynn Konop is the designated Chief Compliance Officer ("CCO") for Schwab Futures and Forex. In addition to her responsibilities as the futures CCO, Lynn Konop is responsible for managing the development, implementation, maintenance and administration of reasonably designed and effective compliance programs that meet Corporate Compliance standards and the requirements of the functional regulators of the Schwab Futures and Forex FCM, including, but not limited to, the CFTC and the NFA. Lynn attended St. Peter's College where she received a degree in Marketing with a minor in Economics. Lynn Konop holds Series 4, 7, 9/10[8], 24 and 63 licenses.

Areas of Responsibility: Compliance

Duties: Lynn Konop oversees the compliance functions of Schwab Futures and Forex.

Barry S. Metzger, Director of Charles Schwab Futures and Forex LLC
Business Address: 150 S. Wacker Dr., 12th Floor, Chicago, IL 60606.

Background: Barry Metzger is a Director on the Board of Charles Schwab Futures and Forex LLC. Mr. Metzger is currently a Managing Director at Charles Schwab & Co., Inc. and has been the head of Trading and Education since November 2014. He also oversees Schwab's Planning and Portfolio Group. He was also the CEO of optionsXpress from November 2014 until October 2017, when optionsXpress changed its name to Schwab Futures. Mr. Metzger has also been the Chief Operating Officer of optionsXpress where he was responsible for the daily operations of the Firm, overseeing operations, futures, and international. Before that, Mr. Metzger was the CEO of brokersXpress, Inc., an affiliate of optionsXpress which was a broker-dealer that provided independent Registered Representatives, Financial Planners, and Registered Investment Advisors with a trading and clearing platform to service their clients. Prior to brokersXpress, Mr. Metzger worked in several roles at Morgan Stanley. Mr. Metzger is a graduate of the University of Illinois in Urbana-Champaign. He has an MBA degree from the Kellogg School of Management at Northwestern University. Mr. Metzger holds Series 7, 24, 27, 31, and 66 licenses.

Areas of Responsibility: Head of Trading and Education within the firm's Integration Management Office

Duties: Responsible for long-term, strategic development of Schwab's trading services offering for its clients, including equities, options and futures.

William Quinn, Director of Charles Schwab Futures and Forex LLC
Business Address: 211 Main St, San Francisco, CA 94104

Background: Bill Quinn is a Director on the Board of Charles Schwab Futures and Forex. Additionally, he is currently a Managing Director and Treasurer at Charles Schwab & Co., Inc. and Charles Schwab Bank. Prior to joining Schwab, Bill Quinn was Senior Vice President at Fannie Mae serving most recently as the Chief Risk Officer for the Capital Markets business unit. In that capacity, he was responsible for approvals and oversight for all risks within the business including credit risk, market risk, operational risk, and model risk. Previously, he was Senior Vice President, and head of Capital Markets Strategy where he was responsible for running portfolio strategy and asset/liability management for Fannie Mae's balance sheet. He focused on total return management subject to risk and capital constraints. Prior to joining Fannie Mae in 2000, Bill was an executive vice president and head of Collateralized Strategies for Smith Breeden Associates, responsible for managing fixed-income portfolio for pension funds, corporations, and financial institutions. He also was part of a 4-member group responsible for asset allocation for all client portfolios. He was also head of the firm's Consulting Division where he assisted clients, mostly banking institutions, in the formulation and implementation of investment and risk management policies and procedures. Education: Bill has a Master of Science and a Bachelor of Science from the Massachusetts Institute of Technology. He is also a chartered financial analyst (CFA).

Areas of Responsibility: Treasury

Duties: Leads the functional areas of investments, balance sheet management including capital and liquidity, banking services, and securities lending.

Faris Matalaka, Director of Charles Schwab Futures and Forex LLC
Business Address: 150 south Wacker Dr. Chicago, IL, 60606.

Background: Faris Matalaka is a Director on the Board of Charles Schwab Futures and Forex. Additionally, Mr. Matalaka is a Managing Director at Charles Schwab & Co., Inc. and heads up the Trading Operations and Margin Services. Within this role, he oversees order routing in equities, equity options and futures. His role also entails overseeing all street side relationships with Market Makers and U.S. Exchanges including representing the firm on market structure issues. Mr. Matalaka also oversees the firm's Margin book intra-day risk and all operational functions in Margin Lending. Mr. Matalaka has 20+ years in trading operations that includes the last 8 years in retail brokerage. Prior to that Mr. Matalaka worked at Citadel Securities as part of the team that helped build out the Equities Wholesale and Options smart routing business that catered to all U.S. and Canadian brokerage firms. Mr. Matalaka started his career on the Chicago Board of Trade and First Options of Chicago Finance department. Mr. Matalaka hold a B.S. in Accounting and a minor in Business Administration from Jordan University in Amman, Jordan. Mr. Matalaka holds Series 7, 24, 55 and 66 licenses.

Areas of Responsibility: Head of Trading Operations and Margin Services

Duties: Faris Matalaka oversees order routing in equities, equity options and futures.

FIRM'S BUSINESS

Schwab Futures and Forex's business activity caters to self-directed retail futures and forex customers. Our customer base is more than 90% individual or joint accounts. Schwab Futures and Forex clients do not have direct market or API access to the futures markets. Schwab Futures and Forex currently offers the ability to execute orders on the CME Group (CME, CBOT, NYMEX, & COMEX) ICE US, CFE, MGEX and FairX. Schwab Futures and Forex does not trade as principal with client orders, but instead routes them for execution to certain liquidity providers who make markets in foreign exchange pairs. Current product groups offered to our customers to trade include: interest rates; metals; currency; grains; stock index; energy, softs; forest; and livestock futures contracts. Schwab Futures and Forex offers a variety of forex pairs which are outlined on the firm's website. This business activity is supported by one hundred percent (100%) of the firm's assets and capital.

FDM CUSTOMER BUSINESS

On November 25th, 2019, The Charles Schwab Corporation and The TD Ameritrade Holding Corporation announced that they entered into a definitive agreement for Schwab to acquire TD Ameritrade in a stock transaction valued at approximately \$26 billion. On October 6, 2020, TD Ameritrade Holding Corporation ("TD Ameritrade") and Charles Schwab Corporation ("CSC") reached deal close and CSC completed the acquisition of TD Ameritrade. As part of integration, on September 24, 2021, TD Ameritrade Futures & Forex LLC was renamed to Charles Schwab Futures and Forex LLC. Additionally, on October 24, 2021, the clients of the individual FCMs of each company (Schwab Futures and Forex and Charles Schwab & Co) were consolidated within Schwab Futures.

Schwab Futures and Forex is an indirect subsidiary of the Charles Schwab Corporation, a publicly-traded company using the symbol SCHW.

Schwab Futures and Forex caters to self-directed retail futures and forex customers. Our customer base is more than 90% individual or joint accounts.

Schwab Futures and Forex offers a variety of forex pairs which are outlined on the firm's website.

Schwab Futures and Forex utilizes JP Morgan Chase Bank N.A. as its forex prime broker and JP Morgan, Citadel Securities, XTX Markets, and Virtu Financial as forex liquidity providers. Schwab Futures and Forex is not involved directly or indirectly in taking proprietary trading positions other than error correction trades in listed in futures or commodity interests or engaging in arbitrage activities of any kind. However, Schwab Futures and Forex is an investor in both the FairX and ErisX exchanges. Schwab Futures and Forex is not involved in swaps or engaged in over-the-counter derivatives trading.

PERMITTED DEPOSITORIES AND COUNTERPARTIES

Charles Schwab Futures and Forex will hold forex customer funds in cash at US Bank in an omnibus account titled "Charles Schwab Futures and Forex LLC CFTC Regulation 5.80 Retail Forex Obligation Account."

Schwab Futures and Forex maintains and adheres to a separate Depository Selection Policy. Schwab Futures and Forex performs regular reviews of their bank depositories, counterparties, and vendors to insure that they can support the futures and forex business. The reviews include, but are not limited to:

- A yearly review of the operational capabilities, ideally via a SOC1 or external audit.
- A quarterly operational review focused on any issues or concerns raised during the prior quarter.
- A quarterly review of any regulatory actions or fines as well as any major changes in personnel supporting Schwab Futures and Forex's business with the depository, counterparty, or vendor.

The results of each of these reviews are shared during the quarterly Schwab Futures and Forex Risk Committee meeting. An appropriate action plan, if needed, will be put in place. It is important to note that additional reviews may take place outside of the listed formal reviews. Depending on the depth of the review, it may or may not be reported to the Risk Committee.

Client funds held in the Regulation 5.80 Retail Forex Obligation Account do not receive any protection or guarantee from the Securities Investor Protection Corporation (SIPC), nor do they receive a preference in any bankruptcy proceeding pursuant to Part 190 of the CFTC's regulations.

MATERIAL RISKS

While Schwab Futures and Forex does not believe any of the following risks to be material, Schwab Futures and Forex recognizes that customers may be subject to liquidity, credit, and/or counterparty risks by entrusting funds with Schwab Futures and Forex. Schwab Futures and Forex attempts to limit these risks by maintaining excess capital and investments in cash or highly liquid, readily accessible products.

Schwab Futures and Forex routes and executes only retail forex transactions for self-directed customers. Customers are not permitted to route a trade unless sufficient funds are available in their forex account. Schwab Futures and Forex executes forex trades on a Riskless Principal basis. Schwab Futures and Forex does not act in the capacity of a market maker or dealer. Regarding debit or unsecured risk, Schwab Futures and Forex requires margin deposits pursuant to NFA minimums, but reserves the right to raise in excess of NFA minimums, place an account in closing only status, liquidate the account wholly or in part, and employ an automatic liquidation feature.

In order to assure that it is in compliance with its regulatory capital requirements and that it has sufficient liquidity to meet its ongoing business obligations, Schwab Futures and Forex holds a significant portion of its firm owned liquid assets in cash, highly liquid money market mutual funds, and/or U.S. Treasury securities guaranteed as to principal and interest. As of the date of this disclosure, all firm owned liquid funds are held in either 1) cash in a bank account or 2) highly liquid money market mutual funds, both of which are in the name of Charles Schwab Futures and Forex, LLC. Therefore, all firm owned liquid assets are available on demand.

Schwab Futures and Forex carries no debt on the balance sheet and is therefore not financially leveraged. Schwab Futures and Forex currently has approximately US\$208 million of net capital as of August 31, 2021. Schwab Futures and Forex holds 100% of firm investments in overnight cash or cash equivalents, and therefore has adequate available liquidity at all times. As of the date of this document, the cash equivalent documents includes firm investments in overnight money market funds, which has a S&P rating of AAAM, a Moody's rating of Aaa-mf, and a weighted average maturity of 33 days. Principal liabilities are payables to clients, accounts payable, and deferred income taxes.

Schwab Futures and Forex holds forex customer funds in cash; therefore, the weighted average maturity is .003 years and the weighted average yield is 0.0 percent. Forex customer funds are not invested in any affiliated entity.

Schwab Futures and Forex parent corporation, Charles Schwab Corporation., is rated A and A2 by S&P and Moody's, respectively.

Schwab Futures and Forex has no material commitments.

Schwab Futures and Forex does act as a counterparty to eligible contract participants (ECP) as defined in Section 1a(18) of the Act. These clients are treated identically to self-directed retail customers.

MATERIAL COMPLAINTS OR ACTIONS

Material administrative, civil, enforcement, or criminal complaints or actions filed against Schwab Futures and Forex can be accessed on the NFA BASIC system, accessible on the NFA's website at: <https://www.nfa.futures.org/basicnet> (Schwab Futures and Forex LLC Firm NFA ID # 477394);

Other Legal and Regulatory Matters – Schwab Futures and Forex may be subject to a number of other lawsuits, arbitrations, claims, and other legal proceedings in connection with its business. Some of these legal actions include claims for substantial or unspecified compensatory and/or punitive damages. In addition, in the normal course of business, Schwab Futures and Forex discusses matters with its regulators raised during regulatory examinations or otherwise subject to their inquiry. These matters could result in censures, fines, penalties, or other sanctions. In light of the uncertainties involved in such matters, Schwab Futures and Forex is unable to predict the outcome or the timing of the ultimate resolution of these matters, or the potential losses, fines, penalties, or equitable relief, if any, that may result, and it is possible that the ultimate resolution of one or more of these matters may be material to Schwab Futures and Forex's results of operations for a particular reporting period.

This Disclosure Document was first used on October 24, 2021.