

# Schwab Managed Retirement Trusts™ (SMRT)

Collective investment trusts maintained by Charles Schwab Trust Bank

Performance  
reports as of  
December 31, 2019

Consultant Reporting Package

FOR INSTITUTIONAL USE ONLY - NOT FOR DISTRIBUTION

*charles*  
SCHWAB

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# Schwab Target Date Solutions\*

Multi-Asset Products

\*Includes Schwab Managed Retirement Trusts ("SMRT") and Schwab Indexed Retirement Trusts ("SIRT"), collective investment trusts maintained by Charles Schwab Trust Bank, and Schwab Target Funds and Schwab Target Index Funds, managed by Charles Schwab Investment Management, Inc.

# Schwab's target date solutions

	Schwab Managed Retirement Trusts™ (SMRT)	Schwab Indexed Retirement Trusts® (SIRT)	Schwab Target Funds	Schwab Target Index Funds
Structure	Collective Investment Trusts		Mutual Funds	
Target market	Designed exclusively for qualified retirement plans		Designed for retail investors and employer-sponsored retirement plans	
Underlying investments	Sub-Advised		Proprietary and Sub-Advised/Third Party	Proprietary
Oversight structure	Maintained by Schwab Trust Bank as trustee		Maintained and managed by CSIM	
Investment style	Active/Passive	Passive	Active/Passive	Passive
AUM (\$MM)	\$13,518	\$3,841	\$4,362	\$1,834
Inception	10/1/2002	1/5/2009	7/1/2005	8/25/2016
Net expense	0.33%–0.89% Six unit classes	0.07%* One unit class	0.33%–0.75% <sup>1</sup> One share class	0.08% <sup>2</sup> One share class

As of December 31, 2019

\*The expense ratio for SIRT Unit Class I was 0.08%; effective 12/06/2019 the OER is 0.07%

**The values of target date funds will fluctuate up to and after the target dates. There is no guarantee the funds will provide adequate income at or through retirement. Target date funds are built for investors who expect to start gradual withdrawals of fund assets on the target date, to begin covering expenses in retirement. The principal value of the funds is not guaranteed at any time, and will continue to fluctuate up to and after the target date.**

Target date funds asset allocations are subject to change over time in accordance with each fund's prospectus.

Investment minimums may apply.

<sup>1</sup>As of the most recent prospectus, the investment adviser and its affiliates have agreed to limit the total annual fund operating expenses (excluding interest, taxes, and certain non-routine expenses) of each of the funds to 0.00% for so long as the investment advisor serves as the advisor to the fund. This agreement may only be amended or terminated with the approval of a fund's Board of Trustees. This agreement to limit the total annual fund operating expenses is limited to the fund's direct operating expenses and, therefore, does not apply to acquired fund fees and expenses (AFFE), which are indirect expenses incurred by the fund through its investments in the underlying funds.

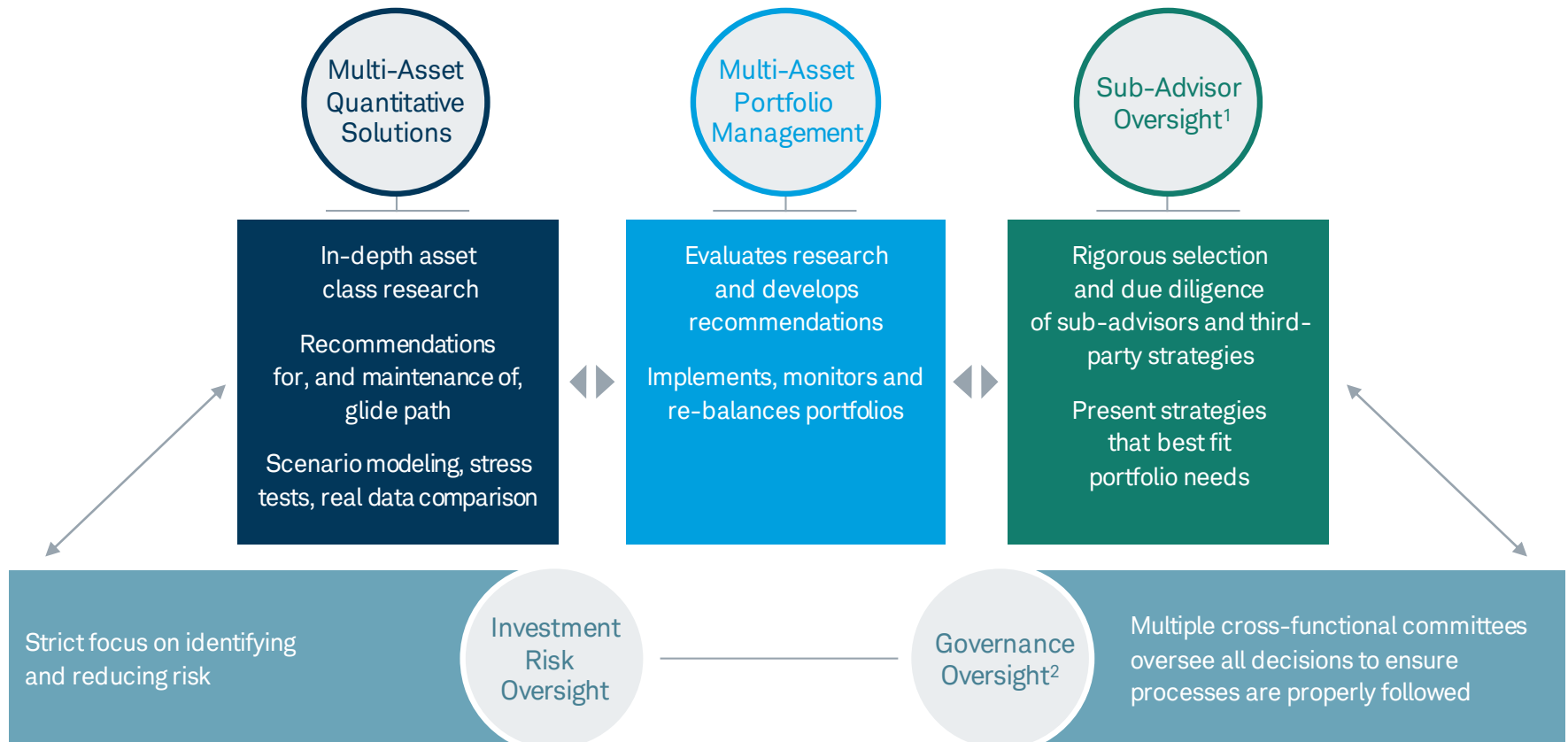
<sup>2</sup>As of the most recent prospectus, the investment adviser and its affiliates have agreed to limit the total annual fund operating expenses (including acquired fund fees and expenses (AFFEs), but excluding taxes and certain non-routine expenses) of each of the funds to 0.08% for so long as the investment adviser serves as adviser to the funds. This agreement may only be amended or terminated with the approval of a fund's Board of Trustees. AFFEs are indirect expenses incurred by the fund through its investments in the underlying funds.

# Investment Team: Collaborative teams focused on investor needs coupled with institutional oversight...

24 professionals, including 5 PhDs and 15 CFA charterholders, averaging 17 years of experience

## Multi-Asset Strategic Leadership

Prioritizes strategic portfolio needs and research agenda



<sup>1</sup> Sub-Advisor Oversight provides direct oversight of all sub-advised and third-party strategies.

<sup>2</sup> CSIM provides non-discretionary advisory services and recommendations for the Charles Schwab Trust Bank Collective Investment Trusts and third party strategies; Charles Schwab Trust Bank CTF Administrative and Investment Committees maintain final decision and implementation authority.

# Investment Team: ...to offer diverse perspectives that are aligned on optimizing results

## Multi-Asset Strategic Leadership

**Omar Aguilar**  
PhD, SVP, CIO  
Passive Equity &  
Multi-Asset  
Strategies

**Brett Wander**  
CFA, SVP, CIO  
Fixed Income

**John Sturiale**  
CFP®, SVP  
Head of Sales &  
Client Relations

**Jake Gilliam**  
CFA, Director  
Head Client Portfolio  
Strategist, Multi-  
Asset Strategies

**David Botset**  
SVP  
Head of Strategy and  
Product

**John Greves**  
CFA, VP  
Head of Multi-Asset  
Strategies

Multi-Asset  
Quantitative  
Solutions

Multi-Asset  
Portfolio  
Management

Sub-Advisor  
Oversight<sup>1</sup>

Emre Erdogan, PhD, CFA  
Natallia Yazhova  
Elijah DePalma, PhD  
Genta Bordoniqi  
Skander Soltani

Zifan Tang, PhD, CFA  
Tony Creasy, CFA  
Patrick Kwok, CFA  
Dan Piquet, CFA  
Drew Hayes, CFA

Andrew King, CFA  
Matt Flood, CFA  
Ed Nickel, CFA  
Stephen McCulloch, CFA  
Lauren Platt

### Investment Risk Oversight

Patrick Cassidy, CFA  
Nick Vassilos, CFA  
Mark Lundin, PhD

Investment  
Risk  
Oversight

Governance  
Oversight<sup>2</sup>

CSIM Asset Allocation Committee, CSIM  
Sub-Advisor Oversight Committee, CSIM  
Investment Committee and Schwab  
Trust Bank CTF Investment Committee

<sup>1</sup> Sub-Advisor Oversight provides direct oversight of all sub-advised and third-party strategies.

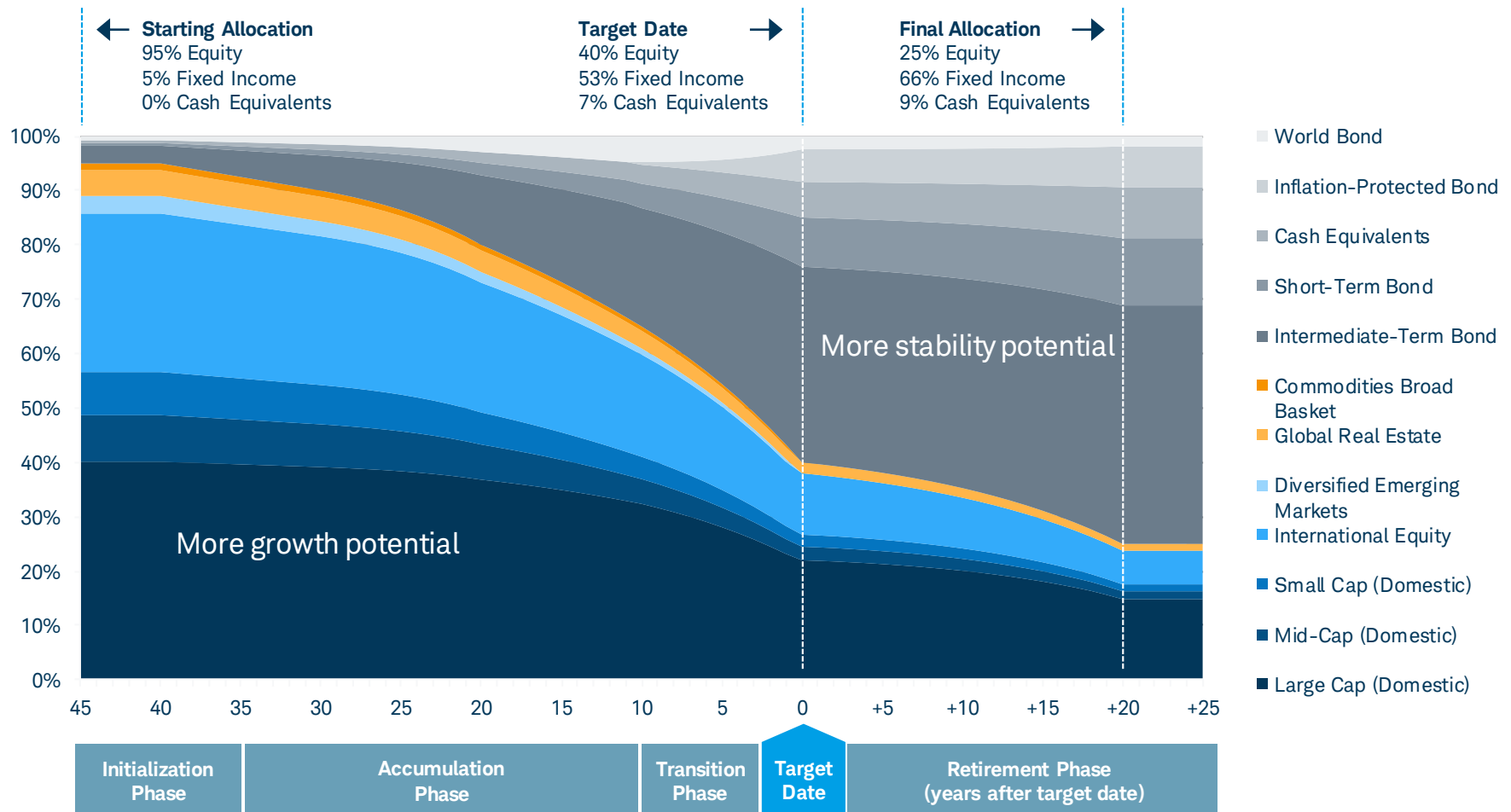
<sup>2</sup> CSIM provides non-discretionary advisory services and recommendations for the Charles Schwab Trust Bank Collective Investment Trusts and third party strategies; Charles Schwab Trust Bank CTF Administrative and Investment Committees maintain final decision and implementation authority.

# Schwab Managed Retirement Trusts™

Multi-Asset Products

# Holistic Portfolio Construction designed to result in an optimal mix to meet participant needs

Example: SMRT glide path with underlying asset classes



The values of the trusts will fluctuate up to and after the target dates. There is no guarantee the trusts will provide adequate income at or through retirement. Asset diversification and allocation strategies do not ensure a profit and cannot protect against losses in a declining market.

Equity asset classes include Domestic Equity, International Equity, Diversified Emerging Markets, Global Real Estate and Commodities. Fixed Income asset classes include Intermediate-Term Bond, Short-Term Bond, Cash Equivalents, Inflation-Protected Bond and World Bond.



# Holistic Portfolio Construction: Unconstrained approach enables ability to fine tune asset class and style exposures as retirement approaches...



<sup>1</sup>Represents dedicated emerging markets exposure only. Indirect emerging markets exposure may be present through other underlying international strategies.

<sup>2</sup>As the glide path progresses, the allocation to direct emerging markets rolls into international (developed) markets, resulting in higher international (developed) equity exposure, including the emerging markets allocation. Additionally, international allocation declines relative to total equity to reduce risk.

## Access to premier investment strategies



DODGE & COX®



*William Blair*



**BLACKROCK**



WELLINGTON  
MANAGEMENT®

STATE STREET  
GLOBAL ADVISORS | SSGA.

As of December 31, 2019.

SMRT may invest in other Schwab Trust Bank Collective Investment Trusts to gain exposure to underlying third-party sub-advised strategies. See [schwabtrustbankcollectives.com](http://schwabtrustbankcollectives.com) for additional information.

# Schwab Managed Retirement Trusts (SMRT):

## Portfolio Holdings and Sub-Advisors

Multi-Asset

	Trust Investment	Manager(s)	Category
Domestic Equity	Schwab Instl Large Cap Value Trust*	Dodge & Cox	Large Value
	<b>BNY Mellon Large Cap Stock Index Fund</b>	<b>Mellon Investments Corp.</b>	<b>Large Blend</b>
	Schwab Instl Large Cap Growth Trust*	Wellington Mgmt.	Large Growth
	<b>Vanguard Mid-Cap Index Fund</b>	<b>Vanguard</b>	<b>Mid-Cap Blend</b>
	<b>BNY Mellon Small Cap Stock Index Fund</b>	<b>Mellon Investments Corp.</b>	<b>Small Blend</b>
	Schwab Instl Small Cap Trust*	Macquarie	Small Value
		Wellington Mgmt.	Small Value
AllianceBernstein		Small Growth	
Brown Advisory		Small Growth	
International Equity	Schwab Instl International Diversified Trust*	Franklin Templeton	Foreign Large Value
		American Funds	Foreign Large Growth
		DFA	Foreign Sm/Mid Value
		William Blair	Foreign Sm/Mid Growth
Diversified Emerging Markets	<b>SSgA Emerging Markets Index Fund</b>	<b>SSgA</b>	<b>Diversified Emerging Markets</b>
Real Assets	<b>BlackRock Developed Real Estate Index Fund</b>	<b>BlackRock</b>	<b>Global Real Estate</b>
	<b>BlackRock Commodity Index Daily Fund</b>	<b>BlackRock</b>	<b>Commodities Broad Basket</b>
Short-Term Bond	Mellon Investments Corporation Active 1-5 Gov/Credit Bond Fund	Mellon Investments Corp.	Short-Term Bond
Intermediate Core-Plus Bond	Schwab Instl Core Plus FI Trust III*	<b>BNY Mellon U.S. Aggregate Bond Index Fund</b>	<b>Mellon Investments Corp.</b>
		<b>Mellon Investments Corp.</b>	Intermediate-Term Bond (Core)
		Baird Advisors	Intermediate-Term Bond (Core)
		TCW MetWest	Intermediate-Term Bond (Core Plus)
Loomis Sayles			
World Bond-USD Hedged	<b>BlackRock Global Aggregate Bond Fund Ex-USD</b>	<b>BlackRock</b>	<b>World Bond</b>
Real Assets	<b>BlackRock U.S. TIPS Index Fund</b>	<b>BlackRock</b>	<b>Inflation-Protected Bond (U.S. TIPS)</b>
Cash Equivalents	State Street U.S. Government Short Term Investment Fund	SSgA	Cash Equivalents

# The DOL has provided general guidance for selecting and monitoring TDFs

“**Non-proprietary TDFs** could also offer advantages by including component funds that are managed by fund managers other than the TDF provider itself, thus **diversifying participants’ exposure** to one investment provider.” *-U.S. DOL, 2013<sup>1</sup>*

	DOL Guidance Highlights	
Evaluation	Objectively comparing and selecting TDFs	✓
	Evaluating non-proprietary or custom TDFs	✓
	Using resources to evaluate the selected TDFs	✓
Plan’s TDF Investment	Understanding the TDF’s investments	✓
	Review fees and investment expenses	✓
	Periodic review of selected TDFs	✓
Communications	Develop effective employee communications	✓
Recordkeeping	Documenting the process	✓

# Performance and Attribution Review

## Performance summary: 4Q2019

Trust	Unit Class IV Performance	Unit Class IV Performance vs. Custom Index <sup>1</sup> (+/-) %	Unit Class IV Category Percentile Ranking <sup>2</sup>	Key Comments
SMRT Income	2.42	0.10	58	For the 4 <sup>th</sup> quarter, the trusts ranked in the 36 <sup>th</sup> percentile on average versus peers, and all of the trusts outperformed their custom blended indices.
SMRT 2010	3.37	0.19	52	
SMRT 2015	3.60	0.21	59	<b>Glide Path Impact:</b> It was a risk-on market during the 4th quarter, while both equities and fixed income ended strongly, equities outperformed fixed income. Additionally, volatility was tame throughout the quarter. Impact from the glide path was mixed with later dated trusts benefitting from a higher allocation to equities while earlier dated trusts lagged due to a lower allocation to equities.
SMRT 2020	3.99	0.23	49	
SMRT 2025	5.15	0.30	36	<b>Asset Allocation:</b> Impact from the trusts' strategic asset allocation was slightly negative. A lower allocation to strong performing emerging markets and a higher allocation to global REITs which did not perform as well detracted from performance across all vintages.
SMRT 2030	6.02	0.35	26	
SMRT 2035	6.72	0.36	32	<b>Manager Selection Impact:</b> Overall impact from actively managed strategies was positive for the quarter. 71% of the actively managed strategies outperformed. Passively managed strategies performed within tracking error expectations to their respective indices. Within actively managed strategies, Schwab Institutional Diversified International Trust (sub-advised by Franklin Templeton Investments, American Funds, DFA and William Blair) and Schwab Institutional Large Cap Value Trust (sub-advised by Dodge & Cox) were the largest contributors to performance.
SMRT 2040	7.37	0.39	31	
SMRT 2045	7.88	0.38	29	
SMRT 2050	8.18	0.39	23	
SMRT 2055	8.39	0.38	21	
SMRT 2060	8.58	0.38	17	

Past performance is no guarantee of future results. Investment return and principal value will fluctuate, and units, when redeemed, may be worth more or less than original cost. Trust performance includes the reinvestment of all income and is presented net of all fees. Current performance may be lower or higher than performance data quoted. Effective January 1, 2019, Charles Schwab Bank transferred trusteeship of its CITs to its affiliate CSTB, as successor trustee of the Trusts. For additional performance information please visit [www.schwabtrustbankcollectives.com](http://www.schwabtrustbankcollectives.com). The values of the target date trust will fluctuate up to and after the target date. There is no guarantee the trusts will provide adequate income at or through retirement.

<sup>1</sup>The custom indices are composite blended indices developed by Charles Schwab Investment Management, Inc. based on each trust's asset allocation. The components that make up a custom index may vary over time. See Disclosures for more detail.

<sup>2</sup>The percentile rank is the trust's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) is 100.

Source: Charles Schwab Investment Management, Inc. and Morningstar, Inc.

# Performance summary: 1 Year as of December 31, 2019

Trust	Unit Class IV Performance	Unit Class IV Performance vs. Custom Index <sup>1</sup> (+/-) %	Unit Class IV Category Percentile Ranking <sup>2</sup>	Key Comments
SMRT Income	12.16	-0.08	63	For the year, the trusts ranked in the 47 <sup>th</sup> percentile on average versus peers. Later dated trusts outperformed their custom blended indices while earlier dated trusts underperformed their custom blended indices.
SMRT 2010	14.49	-0.11	43	
SMRT 2015	15.03	-0.09	57	<b>Glide Path Impact:</b> 2019 was a bull market year for both equities and fixed income, strong returns in the 4th quarter overcame losses in the 2nd and 3rd quarters. In general, while both equities and fixed income ended the year in positive territory, equities outperformed fixed income. Like the 4th quarter, absolute performance from the glide path was mixed, later dated trusts benefitted from a higher allocation to equities while earlier dated trusts lagged due to a lower allocation to equities.
SMRT 2020	16.06	-0.10	59	
SMRT 2025	18.73	-0.06	44	<b>Asset Allocation:</b> Results from the trusts' strategic asset allocation were mostly positive for the year due to an overweight to domestic equities which outperformed most international and emerging markets equities.
SMRT 2030	20.65	-0.03	46	
SMRT 2035	22.25	0.09	49	<b>Manager Selection Impact:</b> Overall impact from actively managed strategies was positive for the year. 64% of the actively managed strategies outperformed. Passively managed strategies performed within tracking error expectations to their respective indices.
SMRT 2040	23.58	0.11	52	
SMRT 2045	24.61	0.14	53	The Schwab Institutional Large Cap Growth Trust (sub-advised by Wellington Management) and the Schwab Institutional Small Cap Trust (sub-advised by Macquarie Investment Management, Wellington Management, AllianceBernstein and Brown Advisory) contributed the most to performance.
SMRT 2050	25.20	0.18	38	
SMRT 2055	25.64	0.16	31	
SMRT 2060	25.93	0.14	30	

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Source: Charles Schwab Investment Management, Inc. and Morningstar, Inc.

# SMRT performance vs. Morningstar category peers

As of December 31, 2019 (Net of fees)

Morningstar Percentile Ranks vs. Peers									
		Rank in Morningstar Category <sup>1,2</sup>				Funds in Category			
Trust		1 YR	3 YR	5 YR	10 YR	1 YR	3 YR	5 YR	10 YR
<b>Income</b>	Morningstar Category: Target-DateRetirement MF	63	56	51	59	183	157	131	88
<b>2010</b>	Morningstar Category: Target-Date2000-2010 MF	43	39	45	56	140	102	83	62
<b>2015</b>	Morningstar Category: Target-Date2015 MF	57	58	62	80	128	99	73	47
<b>2020</b>	Morningstar Category: Target-Date2020 MF	59	40	36	38	233	198	156	93
<b>2025</b>	Morningstar Category: Target-Date2025 MF	44	32	23	26	232	196	157	83
<b>2030</b>	Morningstar Category: Target-Date2030 MF	46	39	29	27	241	206	164	95
<b>2035</b>	Morningstar Category: Target-Date2035 MF	49	46	33	27	229	193	154	80
<b>2040</b>	Morningstar Category: Target-Date2040 MF	52	44	36	26	241	206	164	95
<b>2045</b>	Morningstar Category: Target-Date2045 MF	53	47	33	20	229	193	154	79
<b>2050</b>	Morningstar Category: Target-Date2050 MF	38	43	37	18	241	206	164	77
<b>2055</b>	Morningstar Category: Target-Date2055 MF	31	43	28	--	229	191	149	15
<b>2060</b>	Morningstar Category: Target-Date2060+ MF	30	48	--	--	216	147	34	--

■ 1-25: Top Quartile   
 ■ 26-50: Second Quartile   
 ■ 51-75: Third Quartile   
 ■ 76-100: Bottom Quartile

**Past performance is no guarantee of future results.** Investment return and principal value will fluctuate, and units, when redeemed, may be worth more or less than original cost. Performance includes the reinvestment of all income and is presented net of all fees. **The value of the Trusts will fluctuate up to an after the target date. There is no guarantee the Trusts will provide adequate income at or through retirement.**

<sup>1</sup>The percentile rank is the trust's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) is 100. The top-performing fund in a category will always receive a rank of 1%.

Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges.

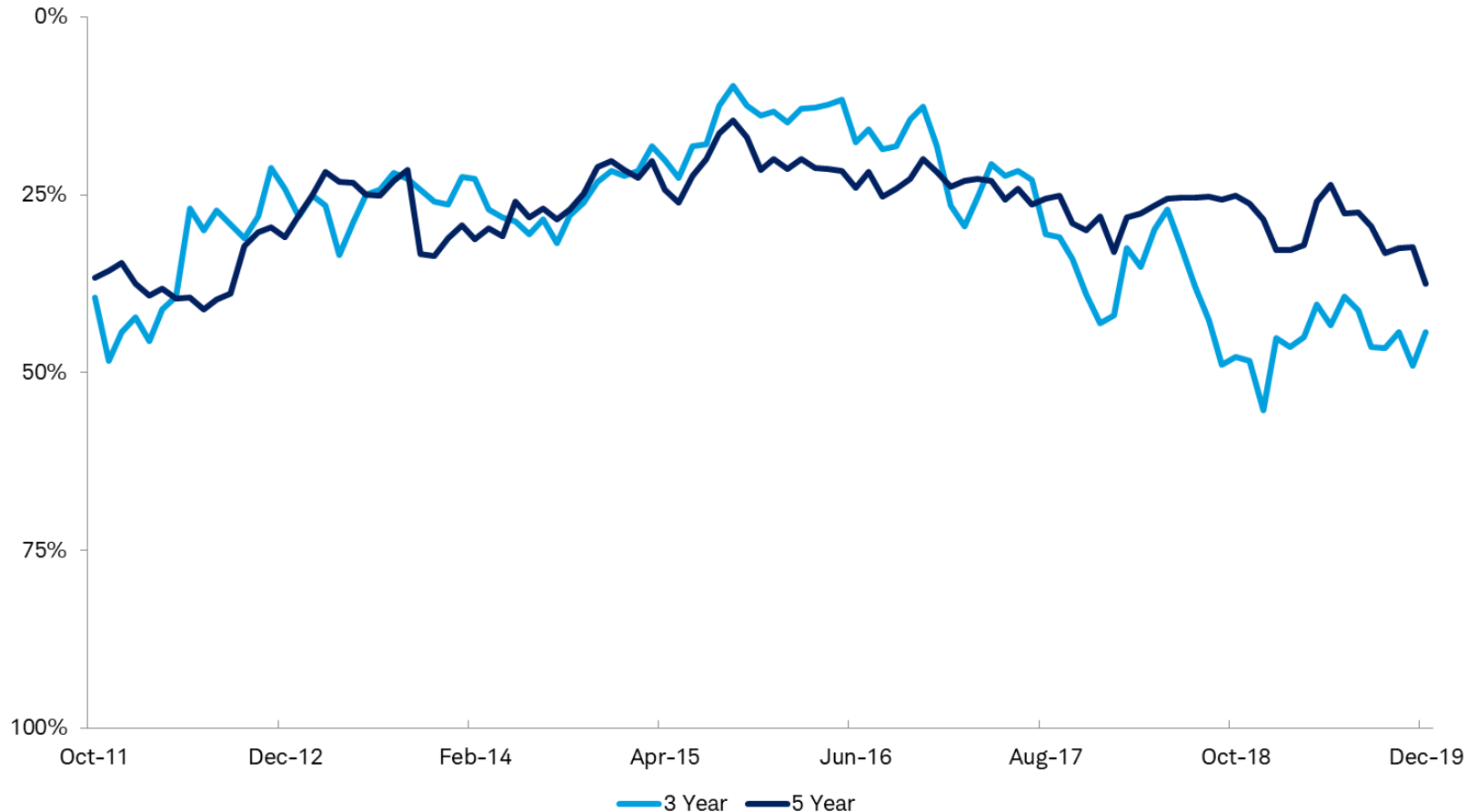
<sup>2</sup>Ranks are for Unit Class IV. Ranks for 10 year periods are ranks for Unit Class III. Dashed indicate performance and rank data is not available.

Source: Morningstar, Inc.



# SMRT – Rankings Summary

Average 3 and 5 Year Category Rankings (Unit Class IV) as of December 31, 2019.



3-Year ranks are extended Class IV ranks from 4/30/2010 to 3/31/2013, sourced from Zephyr Associates, Inc. From 4/30/2013 forward, ranks are sourced from Morningstar, Inc.

5-Year ranks are extended Class IV ranks from 4/30/2010 to 3/31/2015, sourced from Zephyr Associates, Inc. From 4/30/2015 forward, ranks are sourced from Morningstar, Inc.

# SMRTs' performance vs. Morningstar category peers

As of December 31, 2019 (Net of fees)

Morningstar Percentile Ranks vs. Peers <sup>2</sup>																						
As of December 31, 2019		RANK IN MORNINGSTAR CATEGORY 1 YR					RANK IN MORNINGSTAR CATEGORY 3 YR					RANK IN MORNINGSTAR CATEGORY 5 YR					FUNDS IN CATEGORY					
TRUST		UNIT CLASS					UNIT CLASS					UNIT CLASS					1 YR	3 YR	5 YR			
		I	II	III	IV	V	VI	I	II	III	IV	V	VI	I	II	III				IV	V	VI
<b>SMRT Income</b>		71	66	64	63	63	63	79	68	60	56	54	--	78	71	59	51	48	--	183	157	131
Morningstar Category: Target-Date Retirement																						
<b>SMRT 2010</b>		55	53	50	43	35	35	67	50	44	39	31	--	81	67	51	45	38	--	140	102	83
Morningstar Category: Target-Date 2000-2010																						
<b>SMRT 2015</b>		77	72	62	57	53	53	83	78	69	58	56	--	84	81	75	62	54	--	128	99	73
Morningstar Category: Target-Date 2015																						
<b>SMRT 2020</b>		69	63	59	59	57	55	62	53	45	40	36	--	64	54	43	36	34	--	233	198	156
Morningstar Category: Target-Date 2020																						
<b>SMRT 2025</b>		60	55	49	44	42	42	57	47	35	32	29	--	57	40	29	23	22	--	232	196	157
Morningstar Category: Target-Date 2025																						
<b>SMRT 2030</b>		59	53	47	46	42	42	62	49	41	39	35	--	60	46	35	29	28	--	241	206	164
Morningstar Category: Target-Date 2030																						
<b>SMRT 2035</b>		66	58	53	49	46	45	70	56	51	46	41	--	60	49	42	33	33	--	229	193	154
Morningstar Category: Target-Date 2035																						
<b>SMRT 2040</b>		63	58	55	52	48	48	64	56	48	44	41	--	57	49	40	36	31	--	241	206	164
Morningstar Category: Target-Date 2040																						
<b>SMRT 2045</b>		64	61	57	53	49	49	64	58	51	47	42	--	58	44	39	33	28	--	229	193	154
Morningstar Category: Target-Date 2045																						
<b>SMRT 2050</b>		57	49	41	38	36	35	61	52	45	43	39	--	58	45	41	37	23	--	241	206	164
Morningstar Category: Target-Date 2050																						
<b>SMRT 2055</b>		45	41	35	31	28	28	60	48	46	43	39	--	49	42	35	28	22	--	229	191	149
Morningstar Category: Target-Date 2055																						
<b>SMRT 2060</b>		45	39	32	30	28	28	63	54	48	48	40	--	--	--	--	--	--	--	216	147	34
Morningstar Category: Target-Date 2060+																						

1-25: Top Quartile

26-50: Second Quartile

51-75: Third Quartile

76-100: Bottom Quartile

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<sup>1</sup>The percentile rank is the trust's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) is 100. The top-performing fund in a category will always receive a rank of 1%. Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges.

Dashed indicate performance and rank data is not available. Source: Morningstar, Inc.

# Performance attribution

TRUST As of December 31, 2019	3 MONTH			1 YEAR			3 YEAR		
	Sector & Asset Allocation	Manager Selection	Active Return	Sector & Asset Allocation	Manager Selection	Active Return	Sector & Asset Allocation	Manager Selection	Active Return
<b>SMRT Income</b>	0.02	0.20	0.17	-0.12	0.56	0.20	-0.03	0.46	0.17
<b>SMRT 2010</b>	0.04	0.27	0.25	-0.15	0.58	0.16	-0.04	0.51	0.18
<b>SMRT 2015</b>	0.04	0.29	0.27	-0.13	0.58	0.16	-0.03	0.52	0.18
<b>SMRT 2020</b>	0.04	0.31	0.29	-0.15	0.61	0.16	-0.01	0.58	0.23
<b>SMRT 2025</b>	0.02	0.41	0.35	-0.11	0.66	0.19	-0.04	0.65	0.21
<b>SMRT 2030</b>	-0.01	0.47	0.38	-0.14	0.70	0.16	-0.04	0.68	0.20
<b>SMRT 2035</b>	-0.03	0.52	0.39	-0.04	0.73	0.26	-0.04	0.69	0.18
<b>SMRT 2040</b>	-0.05	0.56	0.41	-0.04	0.74	0.24	-0.06	0.69	0.12
<b>SMRT 2045</b>	-0.08	0.59	0.41	0.00	0.75	0.27	-0.07	0.68	0.08
<b>SMRT 2050</b>	-0.09	0.60	0.41	0.01	0.77	0.28	-0.08	0.68	0.05
<b>SMRT 2055</b>	-0.11	0.62	0.40	0.02	0.77	0.28	-0.06	0.69	0.07
<b>SMRT 2060</b>	-0.10	0.63	0.42	0.06	0.77	0.32	-0.06	0.67	0.05

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher. Visit [schwabtrustbankcollectives.com](http://schwabtrustbankcollectives.com) for month-end performance information. Investment value will fluctuate, and units, when redeemed, may be worth more or less than their original cost.

Allocation effects on performance may be overstated due to the T+1 settlement reporting of ETF allocations during large cash flow equalizations.

Sector & Asset Allocation Attribution measures the impact of sector and asset allocation decisions based on Fund returns versus custom benchmarks. Manager Selection Attribution measures the impact of manager decisions based on Fund returns versus custom benchmark returns.

Attribution reported above is gross of SMRTs' operating expense and net of the underlying strategies' fees.

Each SMRT's custom index is a blend of broad based market indices used to measure Trust performance. The composition of the custom index is adjusted to align similarly with each Trust's strategic policy allocation in each asset class. A Trust will not attempt to replicate the index. See the Disclosures for underlying custom index components.

<sup>1</sup>The SMRT Income Fund's Sector & Asset Allocation and Active Return for 3 Month, 1 Year, and 3 Year were -0.02, -0.16, -0.19, -0.38, -0.03, and 0.07, respectively, and not -0.03, -0.17, -0.22, -0.40, -0.06, and 0.04 as previously reported. This tracking error resulted from an over-allocation to large cap equities with a corresponding under-allocation to International equities in the benchmark's composition and understated the Fund's performance against its benchmark.

Source: Charles Schwab Investment Management, Inc.

# SMRT Performance

Multi-Asset

## SMRT Performance

As of December 31, 2019	Exp. Ratio	Inception Date	Extended Performance Inception Date <sup>1</sup>	1 Month %	1 Month Rank	3 Month %	3 Month Rank	YTD %	YTD Rank	1 Year %	1 Year Rank	3 Year %	3 Year Rank	5 Year %	5 Year Rank	10 Year %	10 Year Rank	Since Incep	3 Year Sharpe Ratio	3 Year Std. Dev	Mnth End Net Asset Value (NAV) \$
<b>SMRT Income</b>																					
Unit Class I	0.89	12/17/2004	--	0.79	93	2.31	66	11.66	71	11.66	71	5.30	79	3.81	78	4.78	71	4.31	1.13	3.22	18.87
Unit Class II	0.69	9/2/2005	12/31/2004	0.80	90	2.36	64	11.89	66	11.89	66	5.51	68	4.02	71	4.99	67	4.46	1.20	3.23	19.41
Unit Class III	0.54	1/3/2007	12/31/2004	0.81	90	2.40	59	12.05	64	12.05	64	5.67	60	4.18	59	5.14	59	4.46	1.25	3.22	19.78
Unit Class IV	0.45	1/5/2010	12/31/2004	0.82	90	2.42	58	12.16	63	12.16	63	5.77	56	4.27	51	5.24	--	5.19	1.28	3.23	19.97
Unit Class V <sup>2</sup>	0.35	6/19/2014	12/31/2004	0.83	90	2.45	58	12.27	63	12.27	63	5.87	54	4.37	48	5.34	--	4.22	1.31	3.23	20.08
Unit Class VI <sup>3</sup>	0.33	9/25/2018	12/31/2004	0.84	90	2.46	56	12.30	63	12.30	63	5.90	--	4.40	--	5.37	--	7.12	--	--	20.09
Income Custom Index <sup>4</sup>				0.75	--	2.32	--	12.24	--	12.24	--	5.87	--	4.44	--	5.05	--	--	1.37	3.07	--
Morningstar Category: Retirement Income MF				1.07	--	2.51	--	12.85	--	12.85	--	5.89	--	4.28	--	5.13	--	--	1.06	3.90	--
<b>SMRT 2010</b>																					
Unit Class I	0.89	10/1/2002	--	1.13	76	3.26	57	13.98	55	13.98	55	6.46	67	4.69	81	5.87	73	5.71	1.09	4.39	26.08
Unit Class II	0.69	9/2/2005	10/31/2002	1.15	71	3.31	53	14.21	53	14.21	53	6.67	50	4.90	67	6.08	69	4.87	1.14	4.39	26.86
Unit Class III	0.54	1/3/2007	10/31/2002	1.16	71	3.35	52	14.38	50	14.38	50	6.83	44	5.06	51	6.24	56	4.69	1.18	4.40	27.40
Unit Class IV	0.45	1/5/2010	10/31/2002	1.17	70	3.37	52	14.49	43	14.49	43	6.93	39	5.15	45	6.33	--	6.26	1.20	4.39	27.66
Unit Class V <sup>2</sup>	0.35	6/19/2014	10/31/2002	1.18	67	3.40	48	14.60	35	14.60	35	7.04	31	5.26	38	6.44	--	5.07	1.22	4.40	27.81
Unit Class VI <sup>3</sup>	0.33	9/25/2018	10/31/2002	1.18	66	3.41	48	14.62	35	14.62	35	7.05	--	5.28	--	6.46	--	7.26	--	--	27.81
2010 Custom Index				1.05	--	3.18	--	14.60	--	14.60	--	7.02	--	5.32	--	6.18	--	--	1.29	4.17	--
Morningstar Category: Target Date 2000-2010 MF				1.35	--	3.26	--	13.86	--	13.86	--	6.66	--	5.03	--	6.19	--	--	1.14	4.25	--
<b>SMRT 2015</b>																					
Unit Class I	0.89	8/2/2007	--	1.21	81	3.48	66	14.54	77	14.54	77	6.70	83	4.86	84	6.29	89	4.34	1.08	4.67	16.95
Unit Class II	0.69	10/2/2007	--	1.23	77	3.54	66	14.75	72	14.75	72	6.90	78	5.06	81	6.51	82	4.27	1.13	4.66	16.69
Unit Class III	0.54	8/30/2007	--	1.24	75	3.58	65	14.92	62	14.92	62	7.06	69	5.22	75	6.66	80	4.69	1.16	4.66	17.61
Unit Class IV	0.45	4/5/2010	8/31/2007	1.25	74	3.60	59	15.03	57	15.03	57	7.16	58	5.32	62	6.77	--	6.58	1.18	4.66	17.79
Unit Class V <sup>2</sup>	0.35	6/19/2014	8/31/2007	1.26	71	3.63	59	15.15	53	15.15	53	7.27	56	5.42	54	6.87	--	5.20	1.20	4.66	17.89
Unit Class VI <sup>3</sup>	0.33	9/25/2018	8/31/2007	1.26	71	3.63	59	15.16	53	15.16	53	7.30	--	5.45	--	6.89	--	7.36	--	--	17.89
2015 Custom Index				1.13	--	3.39	--	15.12	--	15.12	--	7.23	--	5.48	--	6.64	--	--	1.26	4.41	--
Morningstar Category: Target Date 2015 MF				1.50	--	3.73	--	15.45	--	15.45	--	7.33	--	5.39	--	6.83	--	--	1.09	5.04	--
<b>SMRT 2020</b>																					
Unit Class I	0.89	10/1/2002	--	1.39	69	3.88	54	15.55	69	15.55	69	7.46	62	5.42	64	7.11	53	6.65	1.08	5.39	30.35
Unit Class II	0.69	9/2/2005	10/31/2002	1.41	67	3.93	52	15.78	63	15.78	63	7.68	53	5.63	54	7.33	43	5.49	1.12	5.39	31.28
Unit Class III	0.54	1/3/2007	10/31/2002	1.42	64	3.97	52	15.95	59	15.95	59	7.84	45	5.79	43	7.49	38	5.07	1.15	5.39	31.89
Unit Class IV	0.45	1/5/2010	10/31/2002	1.43	64	3.99	49	16.06	59	16.06	59	7.94	40	5.88	36	7.58	--	7.46	1.17	5.39	32.18
Unit Class V <sup>2</sup>	0.35	6/19/2014	10/31/2002	1.43	63	4.02	48	16.18	57	16.18	57	8.05	36	5.99	34	7.70	--	5.71	1.19	5.39	32.36
Unit Class VI <sup>3</sup>	0.33	9/25/2018	10/31/2002	1.44	63	4.03	48	16.20	55	16.20	55	8.07	--	6.01	--	7.72	--	7.15	--	--	32.37
2020 Custom Index				1.29	--	3.76	--	16.16	--	16.16	--	7.97	--	5.99	--	7.48	--	--	1.24	5.10	--
Morningstar Category: Target Date 2020 MF				1.56	--	3.90	--	16.14	--	16.14	--	7.59	--	5.51	--	6.94	--	--	1.03	5.56	--

Past performance is no guarantee of future results. Investment return and principal value will fluctuate, and units, when redeemed, may be worth more or less than original cost. Trust performance includes the reinvestment of all income and is presented net of all fees. Current performance may be lower or higher than performance data quoted. Effective January 1, 2019, Charles Schwab Bank transferred trusteeship of its CITs to its affiliate CSTB, as successor trustee of the Trusts. For additional performance information visit [schwabtrustbankcollectives.com](http://schwabtrustbankcollectives.com).

<sup>1</sup>Unit Class III (0.54% OER), Unit Class IV (0.45% OER) and Unit Class V (0.35% OER) extended performance is based upon actual Unit Class I (0.89% OER) performance, adjusted for difference in unit class expense.

<sup>2</sup>To invest in Unit Class V a minimum of \$100MM mapping into the Trusts or plans with greater than \$400MM in total plan assets is required.

<sup>3</sup>To invest in Unit Class VI a minimum of \$1B mapping is required.

<sup>4</sup>The SMRT Income Fund's Custom Index benchmark performance for 1 Month, 3 Month, YTD 2019, 1 Year, 3 Year, 5 Year, and 10 Year % were 0.72%, 1.74%, 11.41%, 10.28%, 5.83%, 4.24%, and 4.95%, respectively, and not 0.73%, 1.74%, 11.45%, 10.30%, 5.86%, 4.26%, and 4.96% as previously reported. This tracking error resulted from an over-allocation to large cap equities with a corresponding under-allocation to International equities in the benchmark's composition and understated the Fund's performance against its benchmark.

Target Date Custom Indices are composed of the Russell 1000 Index, Russell 2000 Index, MSCI EAFE Index (Net), MSCI Emerging Markets Index (Net), FTSE EPRA/NAREIT Developed Index (Net), Bloomberg Commodity Index, Barclays 1-3 Year Government Credit Index, Barclays U.S. Aggregate Bond Index, Barclays Global Aggregate Bond ex-US Hedged Index, Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index, and Citigroup U.S. 3-month Treasury Bill Index.

SMRT invest in other Schwab Trust Bank Collective Investment Trusts to gain exposure to the underlying third-party sub-advised strategies. See [schwabtrustbankcollectives.com](http://schwabtrustbankcollectives.com) for additional information.

# SMRT Performance

Multi-Asset

## SMRT Performance

As of December 31, 2019	Exp. Ratio	Inception Date	Extended Performance Inception Date <sup>1</sup>	1 Month %	1 Month Rank	3 Month %	3 Month Rank	YTD %	YTD Rank	1 Year %	1 Year Rank	3 Year %	3 Year Rank	5 Year %	5 Year Rank	10 Year %	10 Year Rank	Since Incept	3 Year Sharpe Ratio	3 Year Std. Dev	Mnth End Net Asset Value (NAV) \$
<b>SMRT 2025</b>																					
Unit Class I	0.89	8/2/2007	--	1.82	56	5.03	41	18.20	60	18.20	60	8.60	57	6.23	57	7.88	50	5.19	1.02	6.84	18.74
Unit Class II	0.69	10/2/2007	--	1.84	51	5.09	36	18.45	55	18.45	55	8.82	47	6.44	40	8.10	33	4.98	1.05	6.84	18.13
Unit Class III	0.54	8/30/2007	--	1.85	49	5.13	36	18.63	49	18.63	49	8.97	35	6.59	29	8.26	26	5.54	1.07	6.84	19.45
Unit Class IV	0.45	4/5/2010	8/31/2007	1.86	47	5.15	36	18.73	44	18.73	44	9.08	32	6.70	23	8.37	--	7.99	1.09	6.84	19.63
Unit Class V <sup>2</sup>	0.35	6/19/2014	8/31/2007	1.87	46	5.18	35	18.85	42	18.85	42	9.19	29	6.80	22	8.47	--	6.44	1.10	6.84	19.74
Unit Class VI <sup>3</sup>	0.33	9/25/2018	8/31/2007	1.87	46	5.19	32	18.88	42	18.88	42	9.20	--	6.82	--	8.49	--	7.33	--	--	19.74
2025 Custom Index				1.71	--	4.85	--	18.79	--	18.79	--	9.09	--	6.78	--	8.28	--	--	1.15	6.49	--
Morningstar Category: Target Date 2025 MF				1.85	--	4.75	--	18.25	--	18.25	--	8.64	--	6.17	--	7.70	--	--	1.02	6.65	--
<b>SMRT 2030</b>																					
Unit Class I	0.89	10/1/2002	--	2.14	56	5.90	38	20.12	59	20.12	59	9.38	62	6.75	60	8.44	44	7.57	0.97	7.94	35.23
Unit Class II	0.69	9/2/2005	10/31/2002	2.16	54	5.95	33	20.36	53	20.36	53	9.60	49	6.97	46	8.66	31	6.17	1.00	7.94	36.28
Unit Class III	0.54	1/3/2007	10/31/2002	2.17	53	5.99	29	20.54	47	20.54	47	9.77	41	7.13	35	8.82	27	5.64	1.02	7.94	36.99
Unit Class IV	0.45	1/5/2010	10/31/2002	2.18	50	6.02	26	20.65	46	20.65	46	9.87	39	7.23	29	8.92	--	8.77	1.03	7.94	37.32
Unit Class V <sup>2</sup>	0.35	6/19/2014	10/31/2002	2.19	48	6.05	24	20.77	42	20.77	42	9.98	35	7.33	28	9.04	--	6.91	1.05	7.94	37.53
Unit Class VI <sup>3</sup>	0.33	9/25/2018	10/31/2002	2.19	48	6.05	24	20.79	42	20.79	42	10.00	--	7.35	--	9.05	--	7.38	--	--	37.54
2030 Custom Index				2.02	--	5.67	--	20.68	--	20.68	--	9.87	--	7.31	--	8.88	--	--	1.09	7.55	--
Morningstar Category: Target Date 2030 MF				2.12	--	5.49	--	20.07	--	20.07	--	9.43	--	6.75	--	8.12	--	--	0.98	7.73	--
<b>SMRT 2035</b>																					
Unit Class I	0.89	8/2/2007	--	2.41	62	6.61	45	21.71	66	21.71	66	9.98	70	7.16	60	8.89	46	5.63	0.94	8.85	19.74
Unit Class II	0.69	10/2/2007	--	2.43	62	6.66	42	21.95	58	21.95	58	10.20	56	7.38	49	9.11	43	5.41	0.97	8.85	19.07
Unit Class III	0.54	8/28/2007	--	2.44	57	6.70	33	22.14	53	22.14	53	10.36	51	7.53	42	9.28	27	6.13	0.98	8.85	20.84
Unit Class IV	0.45	4/5/2010	8/31/2007	2.45	57	6.72	32	22.25	49	22.25	49	10.47	46	7.64	33	9.37	--	9.17	1.00	8.85	21.01
Unit Class V <sup>2</sup>	0.35	6/19/2014	8/31/2007	2.45	55	6.75	30	22.37	46	22.37	46	10.58	41	7.74	33	9.48	--	7.27	1.01	8.85	21.12
Unit Class VI <sup>3</sup>	0.33	10/1/2018	8/31/2007	2.46	55	6.76	29	22.39	45	22.39	45	10.60	--	7.76	--	9.51	--	7.53	--	--	21.13
2035 Custom Index				2.30	--	6.36	--	22.16	--	22.16	--	10.46	--	7.72	--	9.37	--	--	1.05	8.42	--
Morningstar Category: Target Date 2035 MF				2.45	--	6.41	--	22.04	--	22.04	--	10.30	--	7.28	--	8.75	--	--	0.96	8.82	--
<b>SMRT 2040</b>																					
Unit Class I	0.89	10/18/2002	--	2.65	63	7.25	40	23.04	63	23.04	63	10.49	64	7.51	57	9.25	40	8.04	0.91	9.69	37.84
Unit Class II	0.69	9/2/2005	10/31/2002	2.67	59	7.31	35	23.29	58	23.29	58	10.71	56	7.72	49	9.46	27	6.66	0.93	9.69	39.15
Unit Class III	0.54	1/3/2007	10/31/2002	2.68	59	7.35	32	23.47	55	23.47	55	10.87	48	7.88	40	9.63	26	6.01	0.95	9.69	39.79
Unit Class IV	0.45	1/5/2010	10/31/2002	2.69	58	7.37	31	23.58	52	23.58	52	10.98	44	7.98	36	9.72	--	9.56	0.96	9.70	40.15
Unit Class V <sup>2</sup>	0.35	6/19/2014	10/31/2002	2.70	57	7.40	28	23.71	48	23.71	48	11.09	41	8.09	31	9.84	--	7.58	0.97	9.70	40.37
Unit Class VI <sup>3</sup>	0.33	9/25/2018	10/31/2002	2.70	56	7.40	28	23.73	48	23.73	48	11.11	--	8.11	--	9.86	--	7.27	--	--	40.38

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<sup>1</sup>Unit Class III (0.54% OER), Unit Class IV (0.45% OER) and Unit Class V (0.35% OER) extended performance is based upon actual Unit Class I (0.89% OER) performance, adjusted for difference in unit class expense.

<sup>2</sup>To invest in Unit Class V a minimum of \$100MM mapping into the Trusts or plans with greater than \$400MM in total plan assets is required.

<sup>3</sup>To invest in Unit Class VI a minimum of \$1B mapping is required.

<sup>4</sup>The SMRT Income Fund's Custom Index benchmark performance for 1 Month, 3 Month, YTD 2019, 1 Year, 3 Year, 5 Year, and 10 Year % were 0.72%, 1.74%, 11.41%, 10.28%, 5.83%, 4.24%, and 4.95%, respectively, and not 0.73%, 1.74%, 11.45%, 10.30%, 5.86%, 4.26%, and 4.96% as previously reported. This tracking error resulted from an over-allocation to large cap equities with a corresponding under-allocation to International equities in the benchmark's composition and understated the Fund's performance against its benchmark.

Target Date Custom Indices are composed of the Russell 1000 Index, Russell 2000 Index, MSCI EAFE Index (Net), MSCI Emerging Markets Index (Net), FTSE EPRA/NAREIT Developed Index (Net), Bloomberg Commodity Index, Barclays 1-3 Year Government Credit Index, Barclays U.S. Aggregate Bond Index, Barclays Global Aggregate Bond ex-US Hedged Index, Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index, and Citigroup U.S. 3-month Treasury Bill Index.

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# SMRT Performance

Multi-Asset

## SMRT Performance

As of December 31, 2019	Exp. Ratio	Inception Date	Extended Performance Inception Date <sup>1</sup>	1 Month %	1 Month Rank	3 Month %	3 Month Rank	YTD %	YTD Rank	1 Year %	1 Year Rank	3 Year %	3 Year Rank	5 Year %	5 Year Rank	10 Year %	10 Year Rank	Since Incept	3 Year Sharpe Ratio	3 Year Std. Dev	Mnth End Net Asset Value (NAV) \$
<b>SMRT 2045</b>																					
Unit Class I	0.89	8/2/2007	--	2.86	66	7.76	38	24.06	64	24.06	64	10.81	64	7.73	58	9.45	29	5.55	0.89	10.32	19.56
Unit Class II	0.69	10/2/2007	--	2.87	63	7.81	34	24.31	61	24.31	61	11.04	58	7.95	44	9.67	22	5.72	0.91	10.32	19.77
Unit Class III	0.54	8/30/2007	--	2.89	59	7.86	31	24.50	57	24.50	57	11.22	51	8.12	39	9.83	20	6.07	0.93	10.31	20.70
Unit Class IV	0.45	4/5/2010	8/31/2007	2.89	58	7.88	29	24.61	53	24.61	53	11.31	47	8.22	33	9.94	--	9.76	0.94	10.32	20.89
Unit Class V <sup>2</sup>	0.35	6/19/2014	8/31/2007	2.90	57	7.91	28	24.73	49	24.73	49	11.42	42	8.32	28	10.05	--	7.77	0.95	10.32	21.01
Unit Class VI <sup>3</sup>	0.33	9/27/2018	8/31/2007	2.90	57	7.91	28	24.75	49	24.75	49	11.45	--	8.35	--	10.07	--	7.31	--	--	21.03
2045 Custom Index				2.75	--	7.50	--	24.47	--	24.47	--	11.34	--	8.31	--	9.99	--	--	0.99	9.83	--
Morningstar Category: Target Date 2045 MF				2.88	--	7.53	--	24.35	--	24.35	--	11.17	--	7.83	--	9.20	--	--	0.93	10.19	--
<b>SMRT 2050</b>																					
Unit Class I	0.89	2/20/2007	--	2.97	48	8.06	28	24.65	57	24.65	57	10.99	61	7.85	58	9.60	27	5.59	0.87	10.69	20.14
Unit Class II	0.69	1/8/2007	--	2.99	44	8.11	25	24.90	49	24.90	49	11.21	52	8.07	45	9.82	23	6.05	0.89	10.69	21.43
Unit Class III	0.54	1/3/2007	--	3.00	43	8.15	23	25.09	41	25.09	41	11.37	45	8.23	41	9.98	18	6.14	0.91	10.70	21.70
Unit Class IV	0.45	1/5/2010	1/31/2007	3.01	41	8.18	23	25.20	38	25.20	38	11.48	43	8.33	37	10.08	--	9.90	0.92	10.69	21.91
Unit Class V <sup>2</sup>	0.35	6/19/2014	1/31/2007	3.02	37	8.21	22	25.33	36	25.33	36	11.60	39	8.44	23	10.19	--	7.88	0.93	10.69	22.03
Unit Class VI <sup>3</sup>	0.33	9/25/2018	1/31/2007	3.02	37	8.21	22	25.35	35	25.35	35	11.61	--	8.46	--	10.21	--	7.20	--	--	22.03
2050 Custom Index				2.87	--	7.79	--	25.02	--	25.02	--	11.54	--	8.44	--	10.16	--	--	0.97	10.17	--
Morningstar Category: Target Date 2050 MF				2.91	--	7.61	--	24.54	--	24.54	--	11.16	--	7.88	--	9.15	--	--	0.91	10.34	--
<b>SMRT 2055</b>																					
Unit Class I	0.89	5/3/2013	11/31/2012	3.06	39	8.27	27	25.09	45	25.09	45	11.21	60	7.98	49	--	--	9.28	0.87	10.96	20.62
Unit Class II	0.69	11/21/2012	--	3.07	33	8.32	25	25.33	41	25.33	41	11.42	48	8.20	42	--	--	10.89	0.89	10.97	20.87
Unit Class III	0.54	7/2/2013	11/31/2012	3.09	32	8.36	23	25.53	35	25.53	35	11.59	46	8.37	35	--	--	9.80	0.91	10.96	21.11
Unit Class IV	0.45	12/10/2012	11/31/2012	3.10	32	8.39	21	25.64	31	25.64	31	11.69	43	8.46	28	--	--	10.79	0.92	10.97	21.24
Unit Class V <sup>2</sup>	0.35	6/19/2014	11/31/2012	3.11	30	8.42	21	25.76	28	25.76	28	11.81	39	8.58	22	--	--	8.00	0.93	10.97	21.36
Unit Class VI <sup>3</sup>	0.33	9/26/2018	11/31/2012	3.11	30	8.43	20	25.79	28	25.79	28	11.83	--	8.60	--	--	--	7.06	--	--	21.37
2055 Custom Index				2.96	--	8.01	--	25.48	--	25.48	--	11.71	--	8.55	--	--	--	--	0.96	10.46	--
Morningstar Category: Target Date 2055 MF				2.98	--	7.81	--	24.91	--	24.91	--	11.38	--	8.01	--	--	--	--	0.92	10.51	--
<b>SMRT 2060</b>																					
Unit Class I	0.89	12/31/2015	--	3.13	33	8.45	24	25.39	45	25.39	45	11.25	63	--	--	--	--	10.51	0.86	11.15	15.54
Unit Class II	0.69	11/23/2015	--	3.15	31	8.51	21	25.63	39	25.63	39	11.48	54	--	--	--	--	10.08	0.88	11.15	15.67
Unit Class III	0.54	10/28/2015	--	3.16	30	8.55	18	25.82	32	25.82	32	11.64	48	--	--	--	--	10.46	0.90	11.16	15.76
Unit Class IV	0.45	9/21/2015	--	3.17	30	8.58	17	25.93	30	25.93	30	11.75	48	--	--	--	--	11.33	0.91	11.15	15.83
Unit Class V <sup>2</sup>	0.35	12/7/2015	--	3.18	29	8.60	15	26.06	28	26.06	28	11.85	40	--	--	--	--	10.44	0.91	11.15	15.87
Unit Class VI <sup>3</sup>	0.33	9/27/2018	9/30/2015	3.18	29	8.61	15	26.07	28	26.07	28	11.88	--	--	--	--	--	7.20	--	--	15.88
2060 Custom Index				3.04	--	8.20	--	25.79	--	25.79	--	11.79	--	--	--	--	--	--	0.95	10.65	--

Past performance is no guarantee of future results. Investment return and principal value will fluctuate, and units, when redeemed, may be worth more or less than original cost. Trust performance includes the reinvestment of all income and is presented net of all fees. Current performance may be lower or higher than performance data quoted. Effective January 1, 2019, Charles Schwab Bank transferred trusteeship of its CITs to its affiliate CSTB, as successor trustee of the Trusts. For additional performance information visit [schwabtrustbankcollectives.com](http://schwabtrustbankcollectives.com).

<sup>1</sup>Unit Class III (0.54% OER), Unit Class IV (0.45% OER) and Unit Class V (0.35% OER) extended performance is based upon actual Unit Class I (0.89% OER) performance, adjusted for difference in unit class expense.

<sup>2</sup>To invest in Unit Class V a minimum of \$100MM mapping into the Trusts or plans with greater than \$400MM in total plan assets is required.

<sup>3</sup>To invest in Unit Class VI a minimum of \$1B mapping is required.

<sup>4</sup>The SMRT Income Fund's Custom Index benchmark performance for 1 Month, 3 Month, YTD 2019, 1 Year, 3 Year, 5 Year, and 10 Year % were 0.72%, 1.74%, 11.41%, 10.28%, 5.83%, 4.24%, and 4.95%, respectively, and not 0.73%, 1.74%, 11.45%, 10.30%, 5.86%, 4.26%, and 4.96% as previously reported. This tracking error resulted from an over-allocation to large cap equities with a corresponding under-allocation to International equities in the benchmark's composition and understated the Fund's performance against its benchmark.

Target Date Custom Indices are composed of the Russell 1000 Index, Russell 2000 Index, MSCI EAFE Index (Net), MSCI Emerging Markets Index (Net), FTSE EPRA/NAREIT Developed Index (Net), Bloomberg Commodity Index, Barclays 1-3 Year Government Credit Index, Barclays U.S. Aggregate Bond Index, Barclays Global Aggregate Bond ex-US Hedged Index, Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index, and Citigroup U.S. 3-month Treasury Bill Index.

SMRT invest in other Schwab Trust Bank Collective Investment Trusts to gain exposure to the underlying third-party sub-advised strategies. See [schwabtrustbankcollectives.com](http://schwabtrustbankcollectives.com) for additional information.

# Underlying Strategy Performance

# Underlying active strategy performance

As of December 31, 2019	QUARTER			1 YEAR			3 YEAR			5 YEAR		
	vs. Category	vs. Comparative Index	vs. Custom Index*	vs. Category	vs. Comparative Index	vs. Custom Index*	vs. Category	vs. Comparative Index	vs. Custom Index*	vs. Category	vs. Comparative Index	vs. Custom Index*
Dodge & Cox Large Cap Value Portfolio	+	+	+	-	-	-	+	+	-	+	+	-
Wellington Large Cap Growth Portfolio	+	-	+	+	+	+	+	+	+	+	+	+
Macquarie Small Cap Value Portfolio*	+	+	-	--	--	--	--	--	--	--	--	--
Wellington Small Cap Value Portfolio	-	-	-	+	+	+	+	-	-	+	-	-
AllianceBernstein Small Cap Growth Portfolio*	+	+	+	--	--	--	--	--	--	--	--	--
Brown Advisory Small Cap Growth Portfolio	-	-	-	--	--	--	--	--	--	--	--	--
Templeton Intl Equity Fund	-	+	+	-	-	-	-	-	-	-	-	-
American Funds EuroPacific Growth Fund (REGR)	+	+	+	-	+	+	-	-	+	+	+	+
DFA Intl Small Cap Value Portfolio (DISVX)	+	+	+	+	-	-	-	-	-	+	-	+
William Blair Intl. Small Cap Growth Collective Invnt.	+	+	+	+	+	+	-	-	+	-	-	+
BNY Mellon Active 1-5 Year U.S. Agg Bond Fund	-	-	-	+	-	+	-	-	+	-	-	+
Loomis Sayles Core Plus Full Discretion Fund	+	+	+	+	-	+	+	+	+	+	+	+
Baird Core Bond	+	+	+	+	+	+	--	--	--	--	--	--
TCW MetWest Total Return Bond Fund	-	+	+	+	+	+	+	+	+	--	--	--

Actual trust, custom index, comparative index and category returns are found on the previous pages.

\*Custom index disclosures are found in the Disclosure section of the report.

Source: Charles Schwab Investment Management, Inc. and Morningstar, Inc. See the Disclosures at the end of the document for important information..



# Performance of SMRTs underlying investment strategies

	As of December 31, 2019	Date Strategy Added to SMRT	Annualized Returns (%) <sup>1</sup> (not annualized if less than 1 year)							
			1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Domestic Equity	<b>Schwab Instl Large Cap Value Trust -Instl (sub-advised by Dodge &amp; Cox)</b>		<b>3.64</b>	<b>9.70</b>	<b>24.57</b>	<b>24.57</b>	<b>11.01</b>	<b>9.49</b>	<b>12.47</b>	
	Russell 1000 Value Index		2.75	7.41	26.54	26.54	9.68	8.29	11.80	
	Morningstar Category: Large Value		2.70	7.38	25.04	25.04	9.97	7.99	10.90	
	<b>BNY Mellon Large Cap Stock Index Fund<sup>1</sup></b>		<b>2.89</b>	<b>9.04</b>	<b>31.44</b>	<b>31.44</b>	<b>15.04</b>	<b>11.47</b>	<b>13.52</b>	
	Russell 1000 Index		2.89	9.04	31.43	31.43	15.05	11.48	13.54	
	Morningstar Category: Large Blend		2.70	8.15	28.78	28.78	13.26	9.78	12.03	
	<b>Schwab Instl Large Cap Growth Trust -Instl (sub-advised by Wellington)</b>		<b>2.30</b>	<b>9.93</b>	<b>41.47</b>	<b>41.47</b>	<b>24.80</b>	<b>16.45</b>	<b>15.51</b>	
	Russell 1000 Growth Index		3.02	10.62	36.39	36.39	20.49	14.63	15.22	
	Morningstar Category: Large Growth		2.58	9.36	31.90	31.90	18.09	12.10	13.40	
	<b>Vanguard Mid-Cap Index Fund (VMCPX)</b>		<b>2.42</b>	<b>6.88</b>	<b>31.06</b>	<b>31.06</b>	<b>12.38</b>	<b>9.28</b>	<b>13.11</b>	<b>12.00</b>
	Spliced Mid-Cap Index <sup>2</sup>		2.42	6.88	31.09	31.09	12.39	9.29	13.15	
	Morningstar Category: Mid-Cap Blend		2.38	7.07	26.21	26.21	9.15	7.15	11.09	
	<b>BNY Mellon Small Cap Index Fund</b>		<b>2.88</b>	<b>9.93</b>	<b>25.51</b>	<b>25.51</b>	<b>8.60</b>	<b>8.19</b>	--	
	Russell 2000 Index		2.88	9.94	25.52	25.52	8.59	8.23	11.83	
	Morningstar Category: Small Blend		2.60	8.02	23.75	23.75	6.84	7.12	11.17	
	<b>Schwab Instl Small Cap Trust -Instl<sup>3</sup></b>		<b>2.30</b>	<b>9.38</b>	<b>26.95</b>	<b>26.95</b>	<b>6.61</b>	<b>6.69</b>	<b>10.59</b>	
	Russell 2000 Index		2.88	9.94	25.52	25.52	8.59	8.23	11.83	
	Morningstar Category: Small Blend		2.60	8.02	23.75	23.75	6.84	7.12	11.17	
	<b>Macquarie Small Cap Value Portfolio*</b>		<b>3.49</b>	<b>8.81</b>	--	--	--	--	--	
	Russell 2000 <sup>®</sup> Value Index		3.50	8.49	22.39	22.39	4.77	6.99	10.56	
	Morningstar Category: Small Value		3.33	8.02	21.43	21.43	3.66	5.40	9.82	
	<b>Wellington Small Cap Value Portfolio*</b>		<b>2.96</b>	<b>7.59</b>	<b>25.71</b>	<b>25.71</b>	<b>4.49</b>	<b>6.92</b>	<b>11.61</b>	
	Russell 2000 Value Index		3.50	8.49	22.39	22.39	4.77	6.99	10.56	
Morningstar Category: Small Value		3.33	8.02	21.43	21.43	3.66	5.40	9.82		
<b>AllianceBernstein Small Cap Growth Portfolio*</b>		<b>1.79</b>	<b>12.74</b>	--	--	--	--	--		
Russell 2000 <sup>®</sup> Growth Index		2.29	11.39	28.48	28.48	12.49	9.34	13.01		
Morningstar Category: Small Growth		1.86	9.46	27.68	27.68	13.66	9.92	12.68		
<b>Brown Advisory Small Cap Growth Portfolio*</b>		<b>0.77</b>	<b>7.91</b>	--	--	--	--	--		
Russell 2000 Growth Index		2.29	11.39	28.48	28.48	12.49	9.34	13.01		
Morningstar Category: Small Growth		1.86	9.46	27.68	27.68	13.66	9.92	12.68		

Performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate, and shares/units, when redeemed, may be worth more or less than original cost. Current performance may be lower or higher than performance data quoted. To obtain current SMRT performance please visit [www.schwabtrustbankcollectives.com](http://www.schwabtrustbankcollectives.com).  
<sup>1</sup>Performance data is measured from the first full month following the date each strategy was added to the SMRTs, except for mutual funds and Schwab Trust Bank Collective Investment Trusts. Schwab Trust Bank Collective Investment Trusts data reflects the first full month following the Trust's inception date. Mutual Fund data reflects the share class's inception date.

\*Denotes non-discretionary sub-advisor retained by Charles Schwab Trust Bank to assist with the management of the collective investment trust.

Sub-advised strategy returns are net of sub-advisor management fees, Schwab Trust Bank Collective Investment Trust returns are net of all fees, including Schwab Trust Bank's management fee.

See additional Sub-Advisor notes in the Disclosure Section for additional information

Source: Morningstar, Inc. See the Disclosures at the end of the document for important information.

# Performance of SMRTs underlying investment strategies

	As of December 31, 2019	Date Strategy Added to SMRT	Annualized Returns (%) <sup>1</sup> (not annualized if less than 1 year)							
			1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
International Equity	Schwab Instl Diversified Intl Trust-Instl		4.39	9.98	21.34	21.34	8.72	5.33	--	
	MSCI EAFE Index (Net)		3.25	8.17	22.01	22.01	9.56	5.67	5.50	
	Morningstar Category: Foreign Large Blend		3.57	8.39	21.59	21.59	9.09	5.37	5.15	
	Templeton Intl Equity Fund*		4.14	8.29	12.90	12.90	5.88	3.07	3.68	
	MSCI ACWI ex USA Value Index (Net)		4.52	8.21	15.71	15.71	6.88	3.65	3.64	
	Morningstar Category: Foreign Large Value		3.76	8.44	17.80	17.80	6.81	3.76	4.23	
	American Funds EuroPacific Growth Fund (REGRX)*		4.30	10.09	27.40	27.40	12.45	7.41	6.73	9.43
	MSCI ACWI ex USA Growth Index (Net)		4.15	9.58	27.34	27.34	12.89	7.30	6.24	
	Morningstar Category: Foreign Large Growth		3.68	9.37	27.83	27.83	12.69	7.25	6.90	
	DFA Intl Small Cap Value Portfolio (DISVX)*		5.36	11.81	21.00	21.00	5.90	5.93	7.17	7.25
	MSCI World ex USA Small Cap Value Index (Net)		4.73	11.19	22.83	22.83	8.65	6.93	7.27	
	Morningstar Category: Foreign Small/Mid Value		5.06	10.84	19.18	19.18	7.41	5.60	5.50	
	William Blair Intl. Small Cap Growth Collective Invnt.*		4.92	14.46	34.43	34.43	10.71	7.31	--	
	MSCI ACWI ex USA Small Cap Growth Index (Net)		4.84	11.19	24.61	24.61	10.82	7.64	7.27	
	Morningstar Category: Foreign Small/Mid Growth		3.84	11.37	27.78	27.78	12.71	8.42	9.22	
Real Assets	SSgA Emerging Markets Index Fund		7.44	11.77	18.20	18.20	11.43	5.48	--	
	MSCI Emerging Markets Index (Net)		7.46	11.84	18.42	18.42	11.57	5.61	3.68	
	Morningstar Category: Diversified Emerging Markets		6.41	10.33	19.25	19.25	10.49	4.84	3.75	
	BlackRock Developed Real Estate Index Fund		0.63	1.96	22.90	22.90	9.19	6.38	8.94	
	FTSE EPRA/NAREIT Developed Index (Net)		0.49	1.75	21.91	21.91	8.28	5.56	8.37	
	Morningstar Category: Global Real Estate		1.35	3.70	23.45	23.45	9.61	6.03	8.08	
	BlackRock Commodity Index Daily Fund		5.02	4.39	7.46	7.46	-1.28	-4.28	--	
	Bloomberg Commodity Index		5.04	4.42	7.69	7.69	-0.94	-3.92	-4.73	
	Morningstar Category: Commodities Broad Basket		4.88	4.93	7.87	7.87	-0.15	-3.30	-5.04	

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Source: Morningstar, Inc. See the Disclosures at the end of the document for important information.

# Performance of SMRTs underlying investment strategies

	As of December 31, 2019	Date Strategy Added to SMRT	Annualized Returns (%) <sup>1</sup> (not annualized if less than 1 year)								
			1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	
Fixed Income	<b>Mellon Investments Corporation Active 1-5 Gov/Credit Bond Fund</b>		0.16	0.41	4.84	4.84	2.37	1.85	--		
	Bloomberg Barclays US Government/Credit 1-5 Year Index Spliced Index		0.21	0.50	5.03	5.03	2.55	2.07	--		
	Morningstar Category: Short-Term Bond		0.26	0.61	4.72	4.72	2.46	2.00	2.18		
	<b>Schwab Instl Core Plus Fixed Income Trust III</b>		0.00	0.27	9.05	9.05	4.17	3.12	4.31		
	Barclays US Aggregate Bond Index		-0.07	0.18	8.72	8.72	4.03	3.05	3.75		
	Morningstar Category: Intermediate Core-Plus Bond		0.11	0.38	8.94	8.94	4.12	3.14	4.27		
	<b>BNY Mellon U.S. Aggregate Bond Index Fund*<sup>2</sup></b>		-0.09	0.14	8.60	8.60	3.93	2.94	3.64		
	Barclays US Aggregate Bond Index		-0.07	0.18	8.72	8.72	4.03	3.05	3.75		
	Morningstar Category: Intermediate Core Bond		-0.07	0.12	8.06	8.06	3.59	2.72	3.55		
	<b>Loomis Sayles Core Plus Full Discretion Fund*</b>		0.30	0.57	9.48	9.48	5.08	4.08	6.10		
	Barclays US Government/Credit Bond Index		-0.20	-0.01	9.71	9.71	4.35	3.23	3.96		
	Morningstar Category: Intermediate Core-Plus Bond		0.11	0.38	8.94	8.94	4.12	3.14	4.27		
	<b>Baird Core Bond Fund</b>		-0.01	0.37	9.86	9.86	--	--	--		
	Barclays US Aggregate Bond Index		-0.07	0.18	8.72	8.72	4.03	3.05	3.75		
	Morningstar Category: Intermediate Core Bond		-0.07	0.12	8.06	8.06	3.59	2.72	3.55		
	<b>TCW MetWest Total Return Bond Fund</b>		0.00	0.26	9.29	9.29	4.28	--	--		
	Barclays US Aggregate Bond Index		-0.07	0.18	8.72	8.72	4.03	3.05	3.75		
	Morningstar Category: Intermediate Core-Plus Bond		0.11	0.38	8.94	8.94	4.12	3.14	4.27		
	Cash Equiv.	<b>BlackRock Global Aggregate Bond Fund Ex-USD</b>		-0.38	-1.12	7.40	7.40	4.21	3.69	--	
Barclays Global Aggregate ex-US Hedged Index		-0.35	-1.11	7.57	7.57	4.38	3.87	4.29			
Morningstar Category: World Bond-USD Hedged		-0.13	-0.46	8.73	8.73	4.12	3.10	3.68			
<b>State Street U.S. Government Short Term Investment Fund</b>		0.14	0.44	2.16	2.16	1.62	1.04	0.55			
Real Assets		FTSE 3 Month U.S. Treasury Bill Index		0.14	0.46	2.25	2.25	1.65	1.05	0.56	
		<b>BlackRock U.S. TIPS Index Fund</b>		0.37	0.78	8.37	8.37	3.28	2.60	3.29	
		Barclays US Treasury Inflation-Linked Bond Index (Series L)		0.38	0.79	8.43	8.43	3.32	2.62	3.36	
		Morningstar Category: Inflation Protected Bond		0.55	0.89	7.92	7.92	2.90	2.15	2.80	

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<sup>1</sup>Performance data is measured from the first full month following the date each strategy was added to the SMRTs, except for mutual funds and Schwab Trust Bank Collective Investment Trusts. Schwab Trust Bank Collective Investment Trusts data reflects the first full month following the Trust's inception date. Mutual Fund data reflects the share class's inception date.

\*Denotes non-discretionary sub-advisor retained by Charles Schwab Trust Bank to assist with the management of the collective investment trust.

<sup>2</sup> BNY Mellon U.S. Aggregate Bond Index Fund is held directly by SMRTs and within the Schwab Instl Core Plus Fixed Income Trust

Sub-advised strategy returns are net of sub-advisor management fees, Schwab Trust Bank Collective Investment Trust returns are net of all fees, including Schwab Trust Bank's management fee.

See additional Sub-Advisor notes in the Disclosure Section for additional information

Source: Morningstar, Inc. See the Disclosures at the end of the document for important information.

# SMRT Update

## News & Updates

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Charles Schwab Trust Bank announced a price reduction to 0.07% for the Schwab Indexed Retirement Trusts® (SIRT) effective December 6, 2019. Please see the link below for more information.

<https://www.schwabtrustbankcollectives.com/public/file/P-12377580>

We are pleased to announce the Schwab Target Index Funds (mutual funds managed by CSIM) celebrated their 3-year milestone on August 26, 2019. With over \$1.8 billion in assets under management at the end of 2019, the funds' have established a strong track record, ranking on average in the top median of their respective Morningstar categories for the three year period ending December, 2019. See the link below for more information on the funds available at 0.08% with no minimum for retirement plans.

<https://www.schwabfunds.com/public/csim/home/products/target-date-multi-asset>

For white papers, please see the News and Insight section of the Charles Schwab Trust Bank website.

[https://www.schwabtrustbankcollectives.com/public/sbf/about\\_us/news](https://www.schwabtrustbankcollectives.com/public/sbf/about_us/news)

# Appendix

Glide path capital market expectations

Policy allocations

Custom index allocations

Schwab Trust Bank Collective Investment Trusts offering

Disclosures

# Capital markets expectations

ASSET CLASS	LONG TERM FORECAST ASSUMPTIONS	
	Approx. return	Approx. standard deviation
Inflation	2-2.5%	--
Cash Equivalents	2-2.5%	0.5-1%
Short-Term Bond	2-3%	2-2.5%
World Bond	1.5-2.5%	3-3.5%
Inflation-Protected Bond (US TIPS)	2-3%	5-7%
Intermediate-Term Bond	2.5-3.5%	3.5-4.5%
Commodities	3-4.5%	16-20%
Domestic Equity (Large Cap)	6.5-7.5%	15-18%
Global Real Estate	6-7%	18-22%
International Equity	6-8.5%	17-19%
Domestic Equity (Small Cap)	6.5-8.5%	19-23%
Diversified Emerging Markets	7-10%	23-26%

BASE CASE ASSUMPTIONS			
Age range	Deferral %	Employer match	Annual salary increase
25-35	4%	2%	4%
36-45	5%	2.5%	4%
46-55	6%	3%	3%
56-65	7%	3.5%	2%

Expected returns are compounded annual returns. Actual returns may be higher or lower.

Employer match contribution is assumed to be 50% of employee deferral. Social Security and post-retirement income is not included in base case assumptions.

Assumptions are reviewed and revised at least annually.

Source: Charles Schwab Investment Management, Inc.

# SMRT 2019 policy allocation by asset class

Multi-Asset

ASSET CLASS	UNDERLYING INVESTMENT	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010	Income
<b>Equity</b>		<b>95.0</b>	<b>93.0</b>	<b>90.5</b>	<b>87.3</b>	<b>81.6</b>	<b>74.6</b>	<b>66.7</b>	<b>56.8</b>	<b>43.3</b>	<b>38.5</b>	<b>35.9</b>	<b>25.0</b>
Large Value	Schwab Instl Large Cap Value Trust-Instl (Dodge & Cox)	13.4	13.2	12.9	12.5	11.7	10.7	9.6	8.0	5.9	5.4	5.1	3.7
Large Blend	BNY Mellon Large Cap Stock Index Fund	13.2	13.4	13.5	13.6	13.8	13.9	13.7	13.0	11.3	10.7	10.2	7.4
Large Growth	Schwab Instl Large Cap Growth Trust-Instl (Wellington)	13.4	13.2	12.9	12.5	11.7	10.7	9.6	8.0	5.9	5.4	5.1	3.7
Mid-Cap Blend	Vanguard Mid-Cap Index Fund (VMCPX)	8.6	8.3	7.9	7.5	6.7	5.8	4.8	3.8	2.7	2.4	2.2	1.5
Small Value	Macquarie Small Cap Value Portfolio	1.6	1.5	1.4	1.3	1.1	0.9	0.7	0.6	0.4	0.3	0.3	0.2
Small Value	Wellington Small Cap Value Portfolio	1.6	1.5	1.4	1.3	1.1	0.9	0.7	0.6	0.4	0.3	0.3	0.2
Small Blend	BNY Mellon Small Cap Stock Index Fund	1.6	1.6	1.6	1.6	1.5	1.4	1.3	1.2	0.9	0.8	0.8	0.5
Small Growth	AllianceBernstien Small Cap Growth Portfolio	1.9	1.8	1.7	1.6	1.4	1.1	0.9	0.7	0.4	0.4	0.4	0.2
Small Growth	Brown Advisory Small Cap Growth Portfolio	1.3	1.2	1.1	1.1	0.9	0.8	0.6	0.5	0.3	0.3	0.2	0.2
Foreign Large Value	Templeton Intl Equity Fund	11.5	11.2	10.9	10.4	9.6	8.7	7.7	6.4	4.7	4.2	3.8	2.4
Foreign Large Blend	American Funds EuroPacific Growth Fund (RERGX)	11.5	11.2	10.9	10.4	9.6	8.7	7.7	6.4	4.7	4.2	3.8	2.4
Foreign Small/Mid Value	DFA Intl Small Cap Value Portfolio (DISVX)	3.1	3.0	2.9	2.8	2.6	2.3	2.0	1.7	1.2	1.1	1.0	0.7
Foreign Small/Mid Growth	William Blair Intl. Small Cap Growth Collective Invnt.	3.1	3.0	2.9	2.8	2.6	2.3	2.0	1.7	1.2	1.1	1.0	0.7
Diversified Emerging Markets	SSgA Emerging Markets Index Fund	3.2	3.0	2.8	2.5	2.1	1.6	1.2	0.9	0.5	0.0	0.0	0.0
Global Real Estate	BlackRock Developed Real Estate Index Fund	4.8	4.6	4.5	4.4	4.1	3.7	3.3	2.8	2.2	1.9	1.8	1.3
Commodities Broad Basket	BlackRock Commodity Index Fund	1.2	1.2	1.2	1.1	1.0	0.9	0.8	0.7	0.5	0.0	0.0	0.0
<b>Fixed Income</b>		<b>4.5</b>	<b>6.3</b>	<b>8.6</b>	<b>11.4</b>	<b>16.6</b>	<b>22.8</b>	<b>29.9</b>	<b>38.7</b>	<b>50.6</b>	<b>54.7</b>	<b>56.8</b>	<b>65.6</b>
Short-Term Bond	Mellon Investments Corporation Active 1-5 Gov/Credit Bond Fund	0.5	0.7	1.0	1.4	2.1	3.0	4.2	5.9	8.4	9.4	9.9	12.4
Intermediate-Term Bond (Core)	BNY Mellon U.S. Aggregate Bond Index Fund	0.7	0.9	1.3	1.8	2.7	4.0	5.6	7.8	11.1	12.3	12.7	14.6
Intermediate-Term Bond (Core)	Baird Core Bond Fund	1.1	1.5	2.0	2.6	3.7	4.9	6.2	7.6	9.4	10.0	10.3	11.9
Intermediate-Term Bond (Core Plus)	TCW MetWest Total Return Bond Fund	1.1	1.5	2.0	2.6	3.7	4.9	6.2	7.6	9.4	10.0	10.3	11.9
Intermediate-Term Bond (Core Plus)	Loomis Sayles Core Plus Full Discretion Trust Fund	0.5	0.7	0.9	1.2	1.7	2.3	2.9	3.5	4.3	4.6	4.8	5.5
Inflation-Protected Bond (U.S. TIPS)	BlackRock U.S. TIPS Index Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.8	5.0	6.1	6.4	7.5
World Bond-USD Hedged	BlackRock Global Aggregate Bond Fund Ex-USD	0.8	1.0	1.4	1.9	2.7	3.7	4.7	4.5	3.0	2.4	2.3	1.9
<b>Cash Equivalents</b>		<b>0.5</b>	<b>0.7</b>	<b>1.0</b>	<b>1.3</b>	<b>1.8</b>	<b>2.5</b>	<b>3.3</b>	<b>4.4</b>	<b>6.1</b>	<b>6.8</b>	<b>7.3</b>	<b>9.4</b>
Cash Equivalents	State Street U.S. Government Short Term Investment Fund	0.5	0.7	1.0	1.3	1.8	2.5	3.3	4.4	6.1	6.8	7.3	9.4
<b>Equity Active %</b>		<b>65.6</b>	<b>65.4</b>	<b>65.2</b>	<b>64.9</b>	<b>64.2</b>	<b>63.4</b>	<b>62.3</b>	<b>60.6</b>	<b>57.9</b>	<b>58.7</b>	<b>58.3</b>	<b>57.5</b>
<b>Fixed Income Active % (excludes Cash Equivalents)</b>		<b>68.9</b>	<b>68.6</b>	<b>68.3</b>	<b>67.9</b>	<b>67.2</b>	<b>66.3</b>	<b>65.4</b>	<b>63.6</b>	<b>62.2</b>	<b>60.0</b>	<b>62.3</b>	<b>63.4</b>

Percentages may not total 100% due to rounding.

Underlying investment name refers to the strategy and not the formal fund name.

The above represent policy allocations for 2019, effective July 16, 2019; actual allocations may differ slightly from policy allocation at any point in time.

The Schwab Managed Retirement Trust Income is designed as a single investment portfolio that maintains a policy allocation that is intended to remain static and does not seek to distribute income.



## 2019 SMRT & SIRT custom index allocations

Underlying index	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010	Income <sup>1</sup>
Russell 1000 Index	49.8	49.1	48.3	47.1	44.9	42.0	38.5	33.6	26.4	24.4	23.1	16.6
Russell 2000 Index	6.8	6.5	6.2	5.8	5.1	4.3	3.5	2.7	1.8	1.6	1.5	0.9
MSCI EAFE Index (Net)	26.1	25.5	24.8	23.9	22.3	20.4	18.2	15.5	11.7	10.6	9.6	6.2
MSCI Emerging Markets Index (Net)	6.3	6.0	5.5	5.0	4.2	3.3	2.4	1.5	0.6	0.0	0.0	0.0
FTSE EPRA/NAREIT Developed Index (Net)	4.8	4.6	4.5	4.4	4.1	3.7	3.3	2.8	2.2	1.9	1.8	1.3
Bloomberg Commodity Index	1.2	1.2	1.2	1.1	1.0	0.9	0.8	0.7	0.5	0.0	0.0	0.0
Bloomberg Barclays US 1-3 Year Government/Credit Bond Index	0.5	0.7	1.0	1.4	2.1	3.0	4.2	5.9	8.4	9.4	9.9	12.4
Bloomberg Barclays US Aggregate Bond Index	3.3	4.5	6.1	8.2	11.8	16.2	21.0	26.5	34.2	36.8	38.2	43.9
Bloomberg Barclays US Treasury Inflation-Linked Bond Index (Series-L)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.8	5.0	6.1	6.4	7.5
Bloomberg Barclays Global Aggregate Bond ex-US Hedged Index	0.8	1.0	1.4	1.9	2.7	3.7	4.7	4.5	3.0	2.4	2.3	1.9
FTSE 3 Month U.S. Treasury Bill Index	0.5	0.7	1.0	1.3	1.8	2.5	3.3	4.4	6.1	6.8	7.3	9.4

The above represent target policy allocations for 2019, effective January 31, 2019. Percentages listed may not total 100% due to rounding.

The custom index is a custom blended index developed by Charles Schwab Investment management, Inc. based on each trust's asset allocation glide schedule and will become more conservative as time elapses.

<sup>1</sup>Available in SMRT. The SMRT Income Fund's Custom Index benchmark allocations for Russell 1000 Index and MSCI EAFE Index (Net) were 16.6% and 6.2%, respectively, and not 17.1% and 5.7% as previously reported.

Source: Charles Schwab Investment Management, Inc.

# Schwab Trust Bank Collective Investment Trusts offering

Trusts	Unit Class	Expense	Revenue Credit	Minimum Investment/ Availability
<b>SMRT Series</b>	I	0.89%	0.44%	No minimum
	II	0.69%	0.24%	
	III	0.54%	0.09%	
	IV	0.45%	0.00%	
	V	0.35%	0.00%	\$100MM initial investment or plan assets >\$400MM
	VI	0.33%	0.00%	\$1Billion
<b>SIRT Series</b>	I	0.07%	0.00%	No minimum
<b>Schwab Large Cap Value Trust</b>	Select	0.42%	0.00%	No minimum
<b>Schwab Large Cap Growth Trust</b>	Retirement	0.74%	0.20%	No minimum
	Institutional	0.54%	0.00%	
<b>Schwab Diversified International Trust</b>	Retirement	1.04%	0.25%	No minimum
	Institutional	0.79%	0.00%	
<b>Schwab Core Plus Fixed Income Trust</b>	I	0.55%	0.20%*	No minimum
	III	0.35%	0.00%*	

\*Represents revenue credit for off platform, revenue for Schwab Institutional CorePlus Fixed Income Trust on platform for both unit classes is 5 bps higher.

The expense ratio for SIRT Unit Class I was 0.08%; effective 12/06/2019 the OER is 0.07%

# Disclosures

The material in this presentation is based on information from a variety of sources we consider reliable, but we do not represent that the information is accurate or complete. Errors and omissions can occur. None of the information constitutes a recommendation or a solicitation of an offer to buy or sell any security by Schwab Trust Bank or any of its affiliates. Please review the trust and participation agreement, Schwab Trust Bank Fact Sheet and other disclosure materials before making any decision to invest in the Trusts. Performance data quoted is past performance and is no indication (or "guarantee") of future results. Current performance may be lower or higher. Investment return and principal value will fluctuate, and units, when redeemed, may be worth more or less than original cost.

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## Collective Investment Trust Disclosures

The Schwab Managed Retirement Trust Funds™, Schwab Indexed Retirement Trust Funds® and Schwab Institutional Trust Funds® (each a "Trust", collectively the "Trusts" or "Collective Investment Trusts" (CITs)) are collective investment trusts maintained by Charles Schwab Trust Bank (CSTB), as trustee. They are available for investment only by eligible retirement plans and entities. Charles Schwab Trust Bank's Collective Investment Trusts are not insured by FDIC or any other type of deposit insurance; are not deposits or other obligations of, and are not guaranteed by CSTB or any of its affiliates; and involve investment risks, including possible loss of principal invested. The Trusts are not mutual funds and are exempt from registration and regulation under the Investment Company Act of 1940 (the "1940 Act"), and their units are not registered under the Securities Act of 1933, or applicable securities laws of any state or other jurisdiction. Unit holders of the Trusts are not entitled to the protections of the 1940 Act. The decision to invest in the Trusts should be carefully considered. The Trusts' unit values will fluctuate and may be worth more or less when redeemed, so unit holders may lose money. The Trusts are not sold by prospectus and are not available for investment by the public. The Trusts' prices are not quoted in newspapers.

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# Disclosures

## Significant Risks of the Trusts

Investment returns will fluctuate and are subject to market volatility, so that an investor's units, when redeemed or sold, may be worth more or less than their original cost.

**Cash Equivalents Risk.** Cash Equivalents investments are cash management strategies that seek to prevent the loss of an investment's total value. Although a cash management product may seek to maintain a stable or constant net asset value, there can be no assurance it will do so.

**Commodities Risk.** Since a commodity fund is typically not diversified and focuses its investments in a single commodity or basket of commodities, the fund may involve a greater degree of risk than an investment in other mutual funds with greater diversification.

**Diversified Funds Risk.** Diversification strategies do not ensure a profit and do not protect against losses in declining markets. Schwab Trust Bank's portfolio management process includes an effort to monitor and manage risk, but should not be confused with and does not imply either low risk or the ability to control risk.

**Fixed Income Risk.** Fixed income securities are subject to increased loss of principal during periods of rising interest rates and to various other risks including changes in credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, and tax ramifications.

**Global Real Estate Risk.** International investing does pose special risks including currency fluctuation, economic and political risks not found in investments that are solely domestic. Risks of the REIT's are similar to those associated with direct ownership of real estate, such as changes in real estate values and property taxes, interest rates, cash flow of underlying real estate assets, supply and demand, and the management skill and credit worthiness of the issuer.

**Inflation-Protected Security Risk.** Treasury Inflation Protected Securities (TIPS) are inflation-linked securities issued by the U.S. Government whose principal value is adjusted periodically in accordance with the rise and fall in the inflation rate. Thus, the dividend amount payable is also impacted by variations in the inflation rate as it is based upon the principal value of the bond. It may fluctuate up or down. Repayment at maturity is guaranteed by the U.S. Government and may be adjusted for inflation to become the greater of either the original face amount at issuance or that face amount plus an adjustment for inflation.

**Interest Rate Risk.** Interest rates will rise and fall over time. During periods when interest rates are low, an underlying strategy's yield and total return also may be low. Changes in interest rates also may affect the strategy's share price: a sharp rise in interest rates could cause the strategy's share price to fall. The longer the strategy's duration, the more sensitive to interest rate movements its share price is likely to be.

**International Risk.** International investments involve additional risks, which 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.

**Securities Lending Risk.** Each Trust's Declaration of Trust authorizes securities lending and the Trusts may invest in underlying funds that participate in securities lending. There are various risks associated with securities lending including but not limited to the risk that a borrower fails to return some or all of the securities in a timely manner and investments acquired with cash collateral may decline in value. Charles Schwab Trust Bank, in coordination with each Trust's underlying investment sub-advisors, actively monitors any securities lending activity to minimize any potential impact to the Trusts.

**Target Date Risk.** Diversification and asset allocation strategies do not ensure a profit and cannot protect against losses in a declining market. The Trusts are subject to market volatility and risks associated with the underlying investments. Risks include exposure to international and emerging markets, small company and sector equity securities, and fixed income securities subject to changes in inflation, interest rates, market valuations, liquidity, prepayments, and early redemption. The trusts are built for investors who expect to start gradual withdrawals of trust assets on the target date, to begin covering expenses in retirement. The principal value of the trusts is not guaranteed at any time, and will continue to fluctuate up to and after the target date. There is no guarantee the trusts will provide adequate income at or through retirement.

# Disclosures

## Schwab Funds

**Investors should consider carefully information contained in the prospectus of if available summary prospectus, including investment objectives, risks, charges and expenses. You can request a prospectus by visiting [schwabfunds.com/prospectus](https://www.schwabfunds.com/prospectus). Please read the prospectus carefully before investing.**

Charles Schwab Investment Management, Inc. (CSIM), the investment advisor for Schwab Funds, and Charles Schwab & Co., Member SIPC, the distributor for Schwab Funds, are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation.

## Definitions

**Beta:** A measure of the volatility of a portfolio relative to its comparative index. A beta of less than one typically indicates lower historical volatility than the index; a beta of more than one typically indicates higher historical volatility than the index.

**Information Ratio:** A measure of the consistency of a portfolio manager's performance. It is calculated by taking the average excess return over the benchmark and dividing by the standard deviation of the excess returns.

**Sharpe Ratio:** Developed by Professor William F. Sharpe, a measure of reward per unit of risk - the higher the Sharpe Ratio, the higher return per unit of risk. It is a portfolio's excess return over the risk-free rate divided by the portfolio's standard deviation. The portfolio's excess return is its geometric mean return minus the geometric mean return of the risk-free instrument (by default, t-bills).

**Standard Deviation (%):** A widely recognized measure of volatility of an investment portfolio, or how widely monthly returns vary from a portfolio's long-term average annual total return.

**Tracking Error:** The divergence between the performance of an investment portfolio and its benchmark index, positive or negative.

## Index Descriptions

Indexes are unmanaged, do not incur management expenses and cannot be invested in directly.

**Bloomberg Barclays US Aggregate Bond Index:** An index representing securities that are SEC registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset backed securities.

**Bloomberg Barclays US Treasury Inflation-Linked Bond Index (Series-L):** A market value-weighted index that tracks inflation-protected securities issued by the U.S. Treasury. To prevent the erosion of purchasing power, TIPS are indexed to the non-seasonally adjusted Consumer Price Index for All Urban Consumers, or the CPI-U (CPI).

**Bloomberg Barclays Global Aggregate ex-US Hedged Index:** A subset of the flagship Global Aggregate Index that measures multi-currency global investment grade debt but excludes those denominated in USD. This multi-currency benchmark includes fixed-rate treasury, government-related, corporate and securitized bonds from both developed and emerging markets issuers. The Global Aggregate ex USD Index is largely comprised of the regional Pan-European Aggregate and Asian-Pacific Aggregate Indices. In addition to securities from these two benchmarks, the index also includes investment grade Euro-Yen and Canadian securities.

**Bloomberg Barclays US Government/Credit 1-3 Year Index:** A subset of US Government/Credit Index that is the non-securitized component of the US Aggregate Index. The index includes US Treasuries, Government-Related issues (e.g., US agency, sovereign, supranational, and local authority debt), and USD Corporates with a remaining maturity of 1-3 years.

**Bloomberg Commodity Index:** The Index is calculated on an excess return basis and composed of futures contracts on 22 physical commodities. It reflects the return of underlying commodity futures price movements.

**FTSE 3 Month U.S. Treasury Bill Index:** An index that measures monthly total return equivalents of yield averages that are not marked to market. The Three-Month Treasury Bill Index consists of the last three three-month Treasury bill issues.

# Disclosures

## Index Descriptions (continued)

**FTSE World Government Bond Index:** 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 remaining maturity of at least one year.

**FTSE EPRA/NAREIT Developed Index (Net):** An index designed to represent general trends in eligible real estate equities worldwide. Relevant real estate activities are defined as the ownership, disposal and development of income-producing real estate. This series approximates the minimum possible dividend reinvestment.

**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.

**MSCI EAFE® Index (Europe, Australasia, Far East) (Net):** A free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. This series approximates the minimum possible dividend reinvestment.

**MSCI Emerging Markets Index (Net):** An index that captures large and mid cap representation across approximately 20 Emerging Markets countries.

The **Russell indices** are market-capitalization weighted and subsets of the Russell 3000® Index, which contains the largest 3,000 companies incorporated in the United States and represents approximately 98% of the investable U.S. equity market. The **Russell 2000®** Index is composed of the 2000 smallest companies in the Russell 3000 Index. The **Russell 1000®** Index is composed of the 1000 largest companies in the Russell 3000® Index.

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