

Charles Schwab Trust Bank Collective Investment Trusts

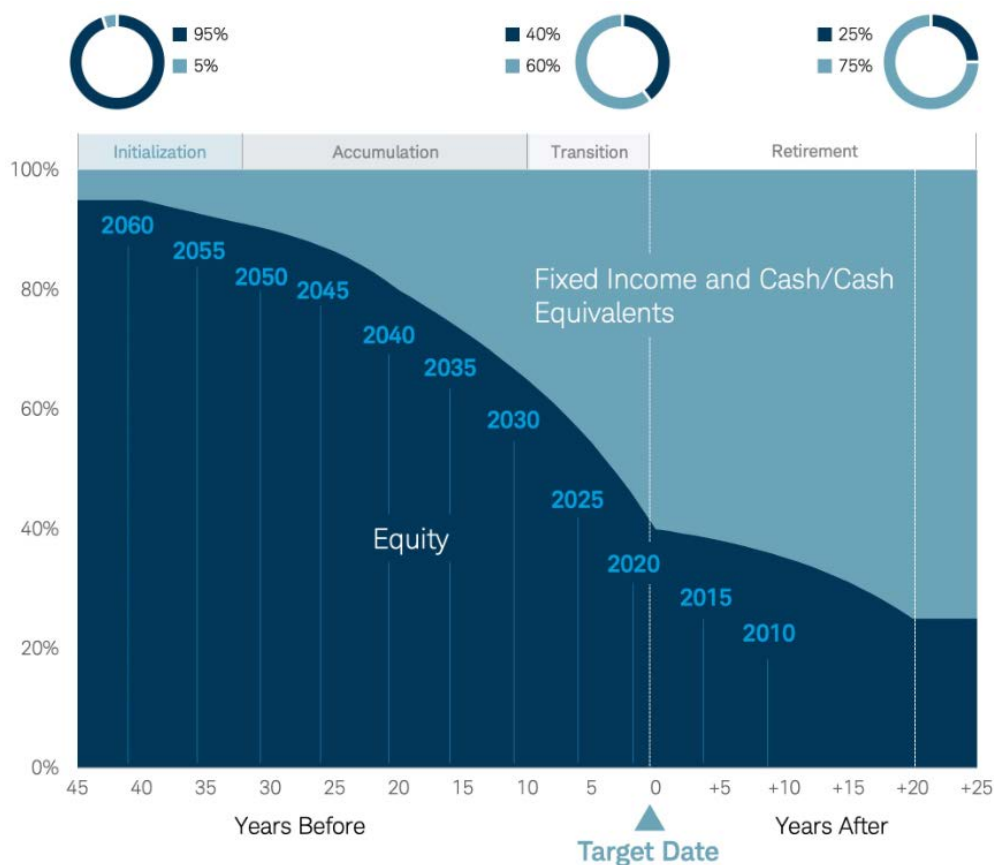
Schwab Managed Retirement Trusts (SMRT)

Schwab Indexed Retirement Trusts (SIRT)

Schwab Institutional Small Cap Trust

Charles Schwab Trust Bank announces the release of the 2019 target date policy allocations for the SMRT and SIRT Trusts as well as the addition of underlying strategies to the Schwab Institutional Small Cap Trust

Charles Schwab Trust Bank has released the 2019 policy allocations for both SMRT and SIRT as well as the custom index allocations. There are no changes to the overall glide path strategy and each of the trusts will continue to transition from equity to fixed income and cash/cash equivalents as depicted below.



Equity includes domestic equity, international equity, emerging markets equity, commodities and global real estate. Fixed income includes intermediate-term bond, world bond, short-term bond and inflation-protected bond. The Schwab Managed Retirement Income Trust available in the SMRT series only 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.

Schwab Institutional Small Cap Trust

Schwab Trust Bank's open-architecture philosophy enables the Trusts to add, replace or change sub-advisors as warranted, providing flexibility and opportunity for additional diversification compared to all-proprietary or single active manager products.

Following this philosophy, the Charles Schwab Trust Bank Investment Committee (Committee) has elected to add two additional strategies in the Schwab Institutional Small-Cap Trust, which is an underlying investment within the Schwab Managed Retirement Trusts (SMRT). The new strategies will be implemented during the 2019 SMRT glide path rolldown at the end of January 2019.

The Schwab Institutional Small Cap Trust utilizes one or more sub-advised strategies that invest in equity securities of small companies and can invest in growth and value companies. Consistent with our sub-advisor oversight process, the Committee elected to add Macquarie Small-Cap Value and AllianceBernstein Small Cap Growth to the Trust to add additional diversification and capacity with complementary managers. Wellington and Voya will remain as subadvisors within the Trust with reduced allocations.

Sub-Advisor	Style	New Policy Weight	Previous Policy Weight
Macquarie	Small/Mid Value	25%	-
Wellington	Relative Value	25%	50%
AllianceBernstein	High Growth	20%	-
Voya	Growth-At-Reasonable Price (GARP)	30%	50%

The above percentages represent Charles Schwab Trust Bank's policy allocations in the Schwab Institutional Small Cap Trust for each sub-advisor, actual allocations may differ.

Macquarie is a small/mid value manager that was selected from a universe of about 250 strategies to complement Wellington's relative value style. The Macquarie strategy is managed by a lead portfolio manager who has been in charge of the portfolio for over 20 years and is supported by an experienced team with an average of nine years on the team. Macquarie's process is primarily driven by bottom-up, fundamental research with quantitative screens to identify companies across the value spectrum.

AllianceBernstein is a high growth manager that was chosen from a universe of approximately 200 strategies to complement Voya's growth at a reasonable price style. The AllianceBernstein small cap growth strategy is managed by an experienced investment team with an average of 13 years at the firm. AllianceBernstein's process combines both fundamental and quantitative elements to identify small to mid-size companies with earnings growth potential.

The Schwab Institutional Small Cap Trust is used solely in the SMRT and is closed to new investors.

Schwab Managed Retirement Trust Allocations

The chart below represents the 2019 SMRT Policy Allocations.

SMRT 2019 Policy Allocations

ASSET CLASS	UNDERLYING INVESTMENT	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010	Income
Equity		95.0	93.0	90.5	87.3	81.6	74.6	66.7	56.8	43.3	38.5	35.9	25.0
Large Cap 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 Cap Blend	BNY Mellon Large Cap Stock Index Fund Instl	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 Cap Growth	Schwab Instl Large Cap Growth Trust-Instl	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 Instl Plus (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 Cap Blend	BNY Mellon Small Cap Stock Index Fund Instl	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 Cap Blend	Schwab Instl Small-Cap Trust-Instl	6.3	6.1	5.7	5.3	4.6	3.8	3.0	2.3	1.5	1.3	1.2	0.8
Foreign Large Blend	Schwab Instl International Diversified Trust	29.2	28.4	27.5	26.4	24.4	22.0	19.4	16.1	11.8	10.6	9.6	6.2
Diversified Emerging Markets	State Street Emerging Markets Index Fund A	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 E	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 E	1.2	1.2	1.2	1.1	1.0	0.9	0.8	0.7	0.5	0.0	0.0	0.0
Fixed Income		4.5	6.3	8.6	11.4	16.6	22.8	29.9	38.7	50.6	54.7	56.8	65.6
Short-Term Bond	BNY Mellon Active 1-5 Year U.S. Aggregate 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 U.S. Aggregate Bond Index Fund Instl	0.0	0.0	0.1	0.2	0.5	1.0	1.8	3.1	5.4	6.1	6.4	7.3
Intermediate-Term Bond (Core)	Schwab Instl Core Plus FI Trust Fund III	3.3	4.5	6.1	8.0	11.3	15.2	19.2	23.5	28.8	30.7	31.8	36.6
Inflation-Protected Bond	BlackRock U.S. TIPS Index Fund E	0.0	0.0	0.0	0.0	0.0	0.0	1.8	5.0	6.1	6.4	7.5	
World Bond	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
Cash Equivalents		0.5	0.7	1.0	1.3	1.8	2.5	3.3	4.4	6.1	6.8	7.3	9.4
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

The above percentages represent the 2019 SMRT policy allocations, effective February 1, 2019. Percentages listed may not total 100% due to rounding.

Schwab Indexed Retirement Trusts Allocations

The chart below represents the 2019 SIRT Policy Allocations.

SIRT 2019 Policy Allocations

ASSET CLASS	UNDERLYING INVESTMENT	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010
Equity		95.0	93.0	90.5	87.3	81.6	74.6	66.7	56.8	43.3	38.5	35.9
Domestic Equity	BNY Mellon Large Cap Stock Fund Instl	49.8	49.1	48.3	47.1	44.9	42.0	38.5	33.6	26.4	24.4	23.1
Domestic Equity	BNY Mellon Small Cap Stock Index Fund Instl	6.8	6.5	6.2	5.8	5.1	4.3	3.5	2.7	1.8	1.6	1.5
International Equity	BNY Mellon International Stock Index Fund Instl	26.1	25.5	24.8	23.9	22.3	20.4	18.2	15.5	11.7	10.6	9.6
Diversified Emerging Markets	State Street Emerging Markets Index Fund E	6.3	6.0	5.5	5.0	4.2	3.3	2.4	1.5	0.6	0.0	0.0
Global Real Estate	BlackRock Developed Real Estate Index Fund E	4.8	4.6	4.5	4.4	4.1	3.7	3.3	2.8	2.2	1.9	1.8
Commodities Broad Basket	BlackRock Commodity index Daily Fund E	1.2	1.2	1.2	1.1	1.0	0.9	0.8	0.7	0.5	0.0	0.0
Fixed Income		4.5	6.3	8.6	11.4	16.6	22.8	29.9	38.7	50.6	54.7	56.8
Short-Term Bond	State Street U.S. Short-Term Government/Credit Bond Index Fund A	0.5	0.7	1.0	1.4	2.1	3.0	4.2	5.9	8.4	9.4	9.9
Intermediate-Term Bond	BNY Mellon U.S. Aggregate Bond Index Fund Instl	3.3	4.5	6.1	8.2	11.8	16.2	21.0	26.5	34.2	36.8	38.2
Inflation-Protected Bond (U.S.)	BlackRock U.S. TIPS Index Fund E	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.8	5.0	6.1	6.4
World Bond	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
Cash Equivalents		0.5	0.7	1.0	1.3	1.8	2.5	3.3	4.4	6.1	6.8	7.3
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

The above percentages represent the 2019 SIRT policy allocations, effective February 1, 2019. Percentages listed may not total 100% due to rounding.

Custom Index Allocations

The chart below represents the 2019 SMRT and SIRT Custom Index Allocations

2019 SMRT and SIRT Custom Index Allocations

INDEX	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010	Income
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	17.1
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	5.7
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 Government/Credit 1-3 Year 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

Income only available in the Schwab Managed Retirement Trust (SMRT) series. The above percentages represent the 2019 SMRT and SIRT custom index allocations, effective February 1, 2019. Percentages listed may not total 100% due to rounding.

Please refer to www.schwabtrustbankcollectives.com for the full 2019 target date policy allocations.

Contact us:

schwabtrustbankcollectives@schwab.com

www.schwabtrustbankcollectives.com

The values of the trusts will fluctuate up to and after the target dates. Past performance is no guarantee of future results. There is no guarantee the trusts will provide adequate income at or through retirement. 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.

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.

Effective January 1, 2019, Charles Schwab Bank transferred its Collective Investment Trusts to CSTB, a subsidiary of The Charles Schwab Corporation. CSTB serves as successor trustee of the Trusts and succeeds to the rights and obligations of Charles Schwab Trust Bank under the Trusts' Participation Agreement. Participants were not required to execute a new Participation Agreement and an amended Declaration of Trust was made available on or about January 1, 2019.

The Charles Schwab Corporation provides services to retirement and other employee benefit plans and participants through its separate but affiliated companies and subsidiaries: Charles Schwab Trust Bank ("Schwab Trust Bank"); Charles Schwab & Co., Inc.; Charles Schwab Investment Management, Inc. ("CSIM"); and Schwab Retirement Plan Services, Inc. Trust and custody products and service are offered by Schwab Trust Bank. Brokerage products and services are offered by Charles Schwab & Co., Inc. (Member SIPC). Schwab Retirement Plan Services, Inc. provides recordkeeping and related services to retirement plans. CSIM provides investment research, advisory and fund administration services to Schwab Trust Bank and the Trusts. CSIM is an investment advisers registered with the Securities and Exchange Commission.

The Schwab Trust Bank Collective Investment Trusts select investments based on advice received from, or products offered by, industry-recognized investment management firms ("sub-advisors"). The Trusts access strategies through various investment vehicles including, but not limited to, collective investment trusts, separate accounts, mutual funds, and exchange-traded funds. Exposure to some strategies may be indirect through the investment in other Schwab Trust Bank Collective Investment Trusts. See the Trusts' Financial Statements for additional information.

©2019 Charles Schwab Trust Bank. All rights reserved.

(0119-9U3S)