

Schwab Institutional Core Plus Fixed Income Trust Fund

Unit Class III

As of December 31, 2018

Fund Facts

Trustee	Charles Schwab Trust Bank
Fund Type	Collective Trust Fund
Morningstar Category	Intermediate-Term Bond
Benchmark	Bloomberg Barclays U.S. Aggregate Bond Index¹
Unit Class Inception Date	10/1/2002
Fund Inception Date	5/2/2002
Net Asset Value (NAV) (Dec 31, 2018)	\$20.19
Total Fund Assets (Dec 31, 2018)	\$2.1B
Total Underlying Bond Holdings* (Sep 30, 2018)	10,941

*Does not include currencies.

Annual Fund Operating Expense

Expense Ratio	0.35%
Expense per \$1,000	\$3.50

Schwab Trust Bank charges an annual trustee fee equal to the "expense ratio" on all assets within the Fund, which includes fees charged on the underlying investments. Fees and expenses are only one of several factors participants and beneficiaries should consider when making investment decisions. The cumulative effect of fees and expenses can substantially reduce the growth of an investment. Please visit the Department of Labor's web site for an example showing the long-term effect of fees and expenses at http://www.dol.gov/ebsa/publications/401k_employee.html.

Portfolio Turnover²

42%

Sub-Advisors

Loomis Sayles & Co	Baird Advisors
BNY Mellon AMNA	TCW MetWest

About the Sub-Advisors

Charles Schwab Trust Bank uses an open-architecture sub-advised approach to investing. Fund investments are selected based on advice received from or products offered by industry recognized investment management firms ("sub-advisors"). The Fund may invest in other Schwab Trust Bank Collective Trust Funds to gain exposure to the underlying sub-advised strategies. See the "Disclosures" at the end of this document.

Objective

The Fund seeks total return.

Fund Strategy

To pursue its investment objective, the Fund invests primarily in sub-advised strategies composed primarily of dollar denominated, intermediate, investment grade fixed income securities. These securities may include U.S. government obligations, mortgage-backed securities, corporate debt securities, U.S. bank obligations, and asset-backed securities. Additionally, the Fund may contain allocations to longer duration securities and other sectors such as global developed market debt and below investment grade debt such as high-yield corporate bonds and emerging market debt. These types of investments may be more volatile and may carry more risk, see "Significant Risks of the Fund" for more information. The Bloomberg Barclays U.S. Aggregate Bond Index is the index against which the Fund will be compared; however the Fund will not attempt to replicate such index. Charles Schwab Trust Bank may use another index as the basis for making investments or for performance measurement or analyses. Underlying sub-advisors may use other fixed income indices as the basis for making investment recommendations.

Performance* as of Dec 31, 2018

Annualized	YTD	3 Month	1 Year	3 Year	5 Year	10 Year	Since Inception
Core Plus FI III	-0.13%	1.30%	-0.13%	2.34%	2.49%	5.18%	4.25%
Bloomberg Barclays US Aggregate Bond Index ¹	0.01%	1.64%	0.01%	2.06%	2.52%	3.48%	3.92%
Morningstar Category: Intermediate-Term Bond MF	-0.50%	0.87%	-0.50%	2.15%	2.27%	4.31%	-

*YTD" and "3 Month" performance are cumulative. "Since Inception" is cumulative if less than one year.

Annual	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Core Plus FI III	18.49%	9.59%	5.38%	8.57%	-1.37%	5.74%	-0.22%	3.38%	3.81%	-0.13%
Bloomberg Barclays US Aggregate Bond Index ¹	5.93%	6.54%	7.84%	4.21%	-2.02%	5.97%	0.55%	2.65%	3.54%	0.01%
Morningstar Category: Intermediate-Term Bond MF	13.97%	7.72%	5.86%	7.01%	-1.42%	5.18%	-0.26%	3.23%	3.71%	-0.50%

Past performance is no guarantee of future results. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than original cost.

Fund performance includes the reinvestment of all income and is presented net of all fees. Extended performance is based on the "Fund Inception Date" and returns are adjusted for the difference in unit class expense. "Since Inception" performance of the Fund and indices is based on the "Unit Class Inception Date." "Since Inception" is cumulative if less than one year.

*See the "Disclosures" for additional information.

Underlying Investments³ as of Dec 31, 2018

Strategy	Category	Allocation
BNY Mellon U.S. Aggregate Bond Index Fund Instl	Intermediate-Term Bond	20.11%
Loomis Sayles Core Plus Full Discretion Fund	Intermediate-Term Bond (Core Plus)	14.99%
Baird Core Bond Fund	Intermediate-Term Bond (Core)	32.57%
TCW MetWest Total Return Bond Fund	Intermediate-Term Bond (Core Plus)	32.33%

Schwab Institutional Core Plus Fixed Income Trust Fund

Unit Class III

As of December 31, 2018

Statistical Information^{3,4}

as of Dec 31, 2018

	3 Year		5 Year		10 Year	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Alpha (%)	0.36	0.00	0.09	0.00	1.65	0.00
Beta	0.92	1.00	0.93	1.00	1.01	1.00
Information Ratio	0.58	0.00	-0.07	0.00	0.87	0.00
R-Squared (%)	97.64	100.00	96.50	100.00	68.02	100.00
Sharpe Ratio	0.50	0.37	0.71	0.69	1.40	1.10
Standard Deviation (%)	2.67	2.88	2.64	2.79	3.46	2.84

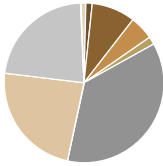
Fund Characteristics^{3,4}

as of Sep 30, 2018

	Fund	Benchmark
Weighted Average Duration	5.62	5.94

Fixed Income Sector Weightings³

as of Sep 30, 2018

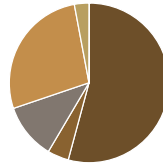


Agency Debentures	1.70%
Asset-Backed Securities	8.82%
Cash/Cash Equivalents	-0.36%
Commercial Mortgage-Backed Securities	4.83%
High-Yield Corporates	1.53%
Investment Grade Corporates	36.46%
Non-Dollar Securities	0.00%
Residential Mortgage-Backed Securities	23.65%
Treasury	22.30%
Treasury Inflation-Protected Securities	0.08%
Other	0.99%

Other includes sectors that are not defined above such as Emerging Market Debt, 144A securities, etc.

Fixed Income Credit Quality³

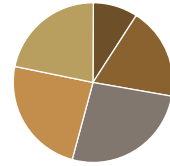
as of Sep 30, 2018



AAA	54.23%
AA	4.30%
A	11.28%
BBB	27.19%
<BBB	3.06%
Short-Term Ratings	0.00%
Unrated Securities	0.00%

Fixed Income Duration³

as of Sep 30, 2018



0-1 yrs	9.10%
1-3 yrs	18.67%
3-5 yrs	26.49%
5-7 yrs	24.02%
7+ yrs	21.72%

Top 10 Underlying Holdings³

as of Sep 30, 2018

US Treasury 05/15/43	1.67%
US Treasury 07/31/23	1.65%
US Treasury 05/15/48	1.50%
US Treasury 09/30/23	1.40%
US Treasury 08/15/48	1.19%
US Treasury 02/15/39	1.18%
US Treasury 05/15/24	1.15%
US Treasury 08/15/28	1.14%
US Treasury 11/15/25	1.05%
FREDDIE MAC GOLD POOL FG67700	0.61%

Schwab Institutional Core Plus Fixed Income Trust Fund

Unit Class III

As of **December 31, 2018**

¹The Bloomberg Barclays US Aggregate Bond Index is a market capitalization 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.

²**Portfolio Turnover:** The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs. These costs, which are not reflected in annual fund operating expenses, affect the Fund’s performance. The portfolio turnover rate shown is for the most recent fiscal year. If the Fund was not in operation for the full prior fiscal year, the turnover rate is shown for (i) the most recent 1-year trailing period, if available or (ii) from the “Fund Inception Date” to the most recent quarter-end if the Fund has been in operation for less than one year.

³**Portfolio holdings are subject to change.**

⁴**Definitions**

Alpha (%): A measure of a portfolio’s performance on a risk-adjusted basis relative to the return of the benchmark index. A positive alpha means the portfolio outperformed its benchmark, and a negative alpha indicates underperformance versus the benchmark.

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.

R-Squared (%): Indicates on a scale of 0 to 100, the percentage of a fund’s performance that is explained by movements in its benchmark index.

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.

Weighted Average Duration: A measure of the duration of all bonds in a fund’s portfolio based on the market value weighted average duration of each bond in the fund’s portfolio. Duration is a measure of an individual bond’s sensitivity to interest rates. Calculations of duration generally take into account the bond’s yield, interest payments, maturity date and call features.

Performance as of Prior Calendar Year* as of Dec 31, 2018

Annualized	1 Year	3 Year	5 Year	10 Year	Since Inception
Core Plus Fixed Income III	-0.13%	2.34%	2.49%	5.18%	4.25%
Bloomberg Barclays US Aggregate Bond Index ¹	0.01%	2.06%	2.52%	3.48%	3.92%

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Fund performance includes the reinvestment of all income and is presented net of all fees. Extended performance is based on the “Fund Inception Date” and returns are adjusted for the difference in unit class expense. “Since Inception” performance of the Fund and index is based on the “Unit Class Inception Date.” “Since Inception” is cumulative if less than one year.
*See the “Disclosures” for additional information.

Information in this fact sheet is provided by Schwab Trust Bank in order to fulfill its disclosure obligations to covered plan administrators relating to operating expenses, performance data, and benchmark information under Department of Labor (“DOL”) Regulation 404a-5 under ERISA (“Rule 404a-5”). Rule 404a-5 requires Schwab Trust Bank to provide a broad-based securities market benchmark as a tool for participants to use in assessing the various investment options available to them. Schwab Trust Bank has included the index shown but neither endorses nor recommends the index and does not manage the Fund to this index. Please note that there may be additional information required to be disclosed by covered plan administrators that is not contained in this Fund Fact Sheet because the information is not available to Schwab Trust Bank. Schwab Trust Bank will provide information or data that is within its control, or reasonably available to it, that is required for a covered plan administrator to comply with participant disclosure obligations related to an investment in the Fund.

Significant Risks of the Fund

There is no assurance that the strategy risk and return objectives stated herein can be achieved. Strategy objectives should not be construed as providing assurance or guarantee as to the performance that may be realized in the future from investments described herein. Actual returns may be lower than the target or negative and actual risk levels could be higher than the target.

The Fund is subject to risks, any of which could cause a participating investor to lose money. The Fund’s principal risks include:

Schwab Institutional Core Plus Fixed Income Trust Fund

Unit Class III

As of **December 31, 2018**

Significant Risks of the Fund (continued)

Asset Allocation Risk. The Fund is subject to asset allocation risk, which is the risk that the selection of the underlying strategies and the allocation of the portfolio's assets among the various strategies, asset classes, and market segments may cause the Fund to underperform other funds with a similar investment objective.

Direct Investment Risk. The Fund may invest directly in individual securities to maintain its allocations. The Fund's direct investment in these securities is subject to the same or similar risks as an underlying strategy's investment in the same security.

Investment Risk. An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund may experience losses with respect to its investment in underlying strategies. Further, there is no guarantee that the Fund will be able to achieve its objective.

Underlying Strategy Investment Risk. The value of a participating investor's investment in the Fund is based primarily on the prices of the underlying strategies that the Fund purchases. In turn, the price of each underlying strategy is based on the value of its securities. Before investing in the Fund, participating investors should assess the risks associated with the underlying strategies in which the Fund may invest and the types of investments made by those underlying strategies. These risks include any combination of the risks described below, although the Fund's exposure to a particular risk will be proportionate to the Fund's overall asset allocation and underlying strategy allocation.

- **Convertible Securities Risk.** Convertible securities generally are debt obligations that pay income, but which may convert into common or preferred stock under certain circumstances. These investments, which are often issued by smaller or less established companies, are subject to equity risks, but they also are subject to fixed income risks. For example, an issuer may fail to pay interest or dividends, and prices of convertible securities generally will fall when interest rates rise.
- **Credit Risk.** An underlying strategy is subject to the risk that a decline in the credit quality of an investment could cause the strategy to lose money or underperform. The strategy could lose money if the issuer or guarantor of an investment fails to make timely principal or interest payments or otherwise honor its obligations.
- **Currency Risk.** An underlying strategy's investment in securities denominated in, and/or receiving revenues in, foreign currencies may involve risks that those currencies will decline in value relative to the U.S. dollar.
- **Derivatives Risk.** An underlying strategy's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments and could cause the strategy to lose more than the principal amount invested.
- **Emerging Markets Risk.** Emerging market countries may be more likely to experience political turmoil or rapid changes in market or economic conditions than more developed countries. Such countries often have less uniformity in accounting and reporting requirements and greater risk associated with the custody of securities. In addition, the financial stability of issuers (including governments) in emerging market countries may be more precarious than in other countries. As a result, there will tend to be an increased risk of price volatility associated with the fund's investments in emerging market countries and, at times, it may be difficult to value such investments.
- **Exchange Traded Funds (ETFs) Risk.** When an underlying strategy invests in an ETF, it will bear a proportionate share of the ETF's expenses. In addition, lack of liquidity in an ETF can result in its value being more volatile than the underlying portfolio of securities.
- **Foreign Investment and Emerging Markets Risks.** An underlying strategy's investment in securities of foreign issuers involves certain risks that are greater than those associated with investments in securities of U.S. issuers. These include risks of adverse changes in foreign economic, political, regulatory and other conditions, or changes in currency exchange rates or exchange control regulations (including limitations on currency movements and exchanges); the imposition of economic sanctions or other government restrictions; differing accounting, auditing, financial reporting and legal standards and practices; differing securities market structures; and higher transaction costs. These risks may negatively impact the value or liquidity of the underlying fund's investments, and could impair the underlying fund's ability to meet its investment objective or invest in accordance with its investment strategy.
- **High Yield Risk.** High yield securities and unrated securities of similar credit quality (sometimes called junk bonds) that an underlying strategy may invest in are subject to greater levels of credit and liquidity risks. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments.
- **Index Risk.** An underlying strategy may seek to track the performance of various segments of the stock market, as measured by its respective index. The underlying strategy follows these stocks during upturns as well as downturns. Because of its indexing strategy, these underlying strategies do not take steps to reduce market exposure or to lessen the effects of a declining market. In addition, because of an underlying strategy's expenses, its performance may be below that of the index.
- **Inflation Protected Security Risk.** The value of an underlying strategy's investment in inflation protected securities, including TIPS, will generally fluctuate in response to changes in "real" interest rates, generally decreasing when real interest rates rise and increasing when real interest rates fall. In addition, interest payments on inflation-indexed securities will generally vary up or down along with the rate of 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.
- **Leverage Risk.** Certain underlying strategy transactions, such as derivatives, short sales, reverse repurchase agreements, and mortgage dollar rolls, may give rise to a form of leverage and may expose an underlying strategy to greater risk. Leverage tends to magnify the effect of any decrease or increase in the value of an underlying strategy's portfolio.
- **Liquidity Risk.** A particular investment may be difficult to purchase or sell. An underlying strategy may be unable to sell illiquid securities at an advantageous time or price.

Schwab Institutional Core Plus Fixed Income Trust Fund

Unit Class III

As of **December 31, 2018**

Significant Risks of the Fund (continued)

- **Management Risk.** An underlying strategy's investment adviser may make poor security selections. There can be no guarantee that the underlying strategy will produce the desired results.
- **Market Risk.** Bond markets rise and fall daily. As with any investment whose performance is tied to these markets, the value of the underlying strategies will fluctuate, which means the participating investor could lose money.
- **Multi-Manager Risk.** Although Schwab Trust Bank monitors and seeks to coordinate the overall management of the fund, it is possible that the investment styles of the investment managers of underlying investment strategies may not complement one another. As a result, the fund's exposure to a given stock, industry or investment style could unintentionally be smaller or larger than if the fund had a single manager.
- **Prepayment and Extension Risk.** An underlying strategy's investments are subject to the risk that the securities may be paid off earlier or later than expected. Either situation could cause the strategy to hold securities paying lower-than-market rates of interest, which could hurt the strategy's yield or share price.
- **Tracking Error Risk.** An underlying strategy may be an index strategy that seeks to track the performance of its benchmark index, although it may not be successful in doing so. The divergence between the performance of an underlying strategy and its benchmark index, positive or negative, is called "tracking error." Tracking error can be caused by many factors and it may be significant.

Schwab Institutional Core Plus Fixed Income Trust Fund

Unit Class III

As of **December 31, 2018**

Disclosures

The Schwab Managed Retirement Trust Funds™, Schwab Indexed Retirement Trust Funds® and Schwab Institutional Trust Funds® (each a “Fund”, collectively the “Funds” or “Collective Trusts Funds” (CTFs)) are collective trust funds 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 Trust Funds 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.

Effective January 1, 2019, Charles Schwab Bank transferred trusteeship of its collective trust funds to its affiliate Charles Schwab Trust Bank, as successor trustee of the Funds. This transfer resulted in no material change to the investment management, operations or structure of the Funds.

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 Bank (CSB); Charles Schwab Trust Bank (CSTB); Charles Schwab & Co., Inc.; Charles Schwab Investment Management, Inc. (CSIM); and Schwab Retirement Plan Services, Inc. Trust, custody and deposit products and service are available through CSB and CSTB, Members of FDIC. 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 CSTB and the Trusts. CSIM is an investment advisers registered with the Securities and Exchange Commission.

The Schwab Trust Bank Collective Trust Funds select investments based on advice received from, or products offered by industry-recognized investment management firms (“sub-advisors”). The Funds access investment strategies through various investment vehicles including, but not limited to, collective trust funds, mutual funds, and/or exchange-traded funds and may also access strategies through sub-advisors engaged by Charles Schwab Trust Bank to advise one or more separate accounts of a Fund. Exposure to some strategies may be indirect through investment in other Schwab Trust Bank Collective Trust Funds. The SMRT Funds invest in the Schwab Institutional Large Cap Value Trust Fund, Schwab Institutional Large Cap Growth Trust Fund, Schwab Institutional Small Cap Fund, Schwab Institutional International Diversified Trust Fund, and Schwab Institutional Core Plus Fixed Income Trust Fund.

The Funds’ Declaration of Trust authorizes securities lending and the Funds may invest in underlying strategies that participate in securities lending. There are various risks associated with securities lending including but not limited to the risks that a borrower fails to return some or all of the securities in a timely manner and investments acquired with cash collateral decline in value. Schwab Trust Bank, in coordination with the underlying strategies’ investment managers, actively monitors any securities lending activity to minimize any potential impact to the Funds.

Schwab Trust Bank is responsible for voting proxies for securities held in the Funds. Glass Lewis has been retained to provide in-depth research, global issuer analysis, and voting recommendations as well as vote execution, reporting and record keeping services on behalf of the Funds. Schwab Trust Bank may solicit recommendations from advisors or sub-advisors which it retains with respect to the Funds. Schwab Trust Bank retains oversight for proxy voting and reviews its proxy voting guidelines at least annually.

Policy allocations are subject to change. Investors should consider their risk tolerance, personal circumstances and complete financial situation prior to investing in the Funds.

The material in this fact sheet 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 its affiliates.

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