

Schwab Indexed Retirement Trust Funds[®] (SIRT Funds)

Collective trust funds maintained by
Charles Schwab Bank

Performance reports as of September 30, 2018

The logo consists of a blue square containing the text "charles" in a white, lowercase, serif font, and "SCHWAB" in a white, uppercase, sans-serif font below it.

charles
SCHWAB

Own your tomorrow[®]

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Schwab Target Date Solutions

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

Schwab's target date fund solutions

	Schwab Managed Retirement Trust Funds™ (SMRT Funds)	Schwab Indexed Retirement Trust Funds® (SIRT Funds)	Schwab Target Funds	Schwab Target Index Funds
Structure	Collective Trust Funds		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 Bank as trustee for the funds		Maintained and managed by CSIM	
Investment style	Active/Passive	Passive	Active/Passive	Passive
AUM (\$MM)	\$12,325	\$2,568	\$4,201	\$774
Inception	10/1/2002	1/05/2009	7/01/2005	8/25/2016
Net expense	0.33%–0.89% Six unit classes	0.08% One unit class	0.30%–0.77% ¹ One share class	0.08% ² One share class

As of September 30, 2018.

Investment minimums may apply.

¹As 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.

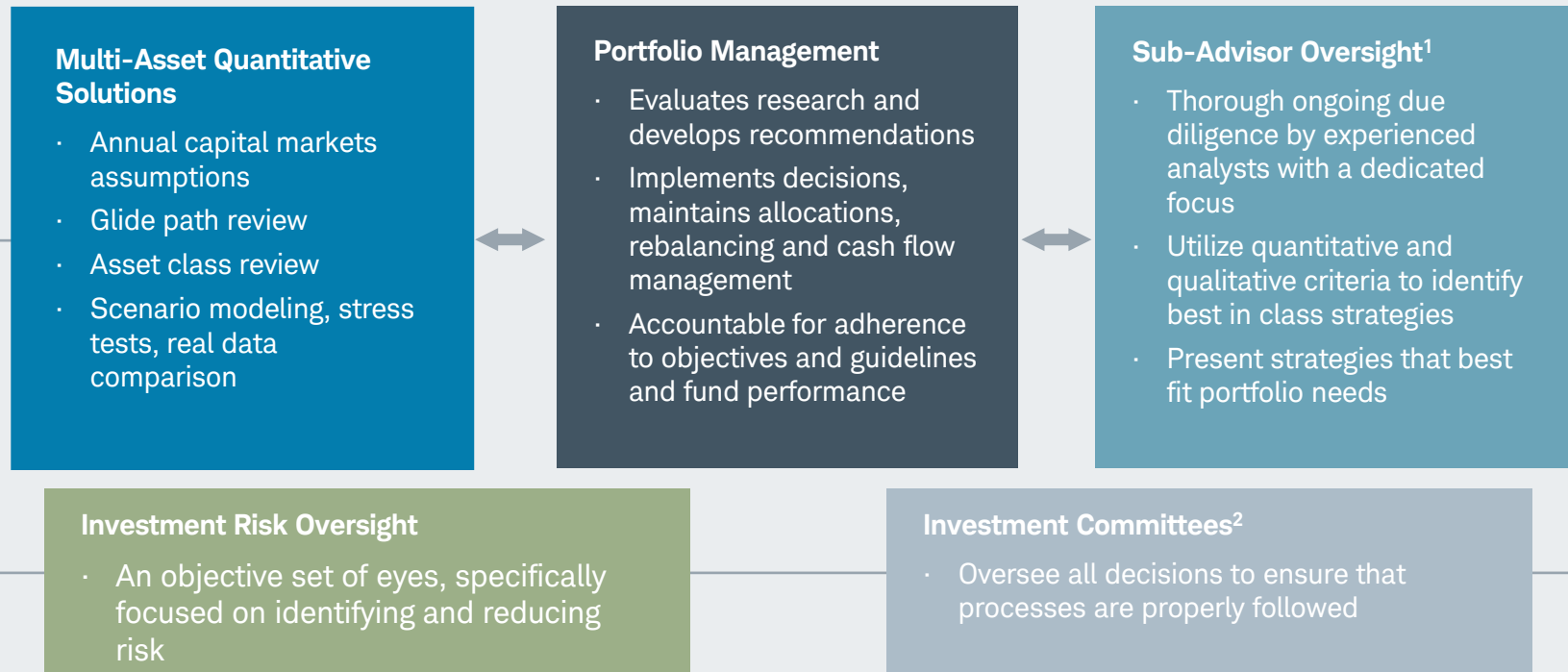
²As of the most recent prospectus, the investment adviser and its affiliates have agreed to limit the total annual fund operating expenses (including acquired fund fees and expenses (AFFEs), but excluding, taxes and certain non-routine expenses) of each of the funds 0.08% for so long as the investment 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 management teams share accountability

Collaborative management by dedicated teams coupled with institutional oversight.

CSIM Multi-Asset Strategic Leadership

- Collaborates with investment teams
- Prioritizes strategic portfolio needs and research agenda

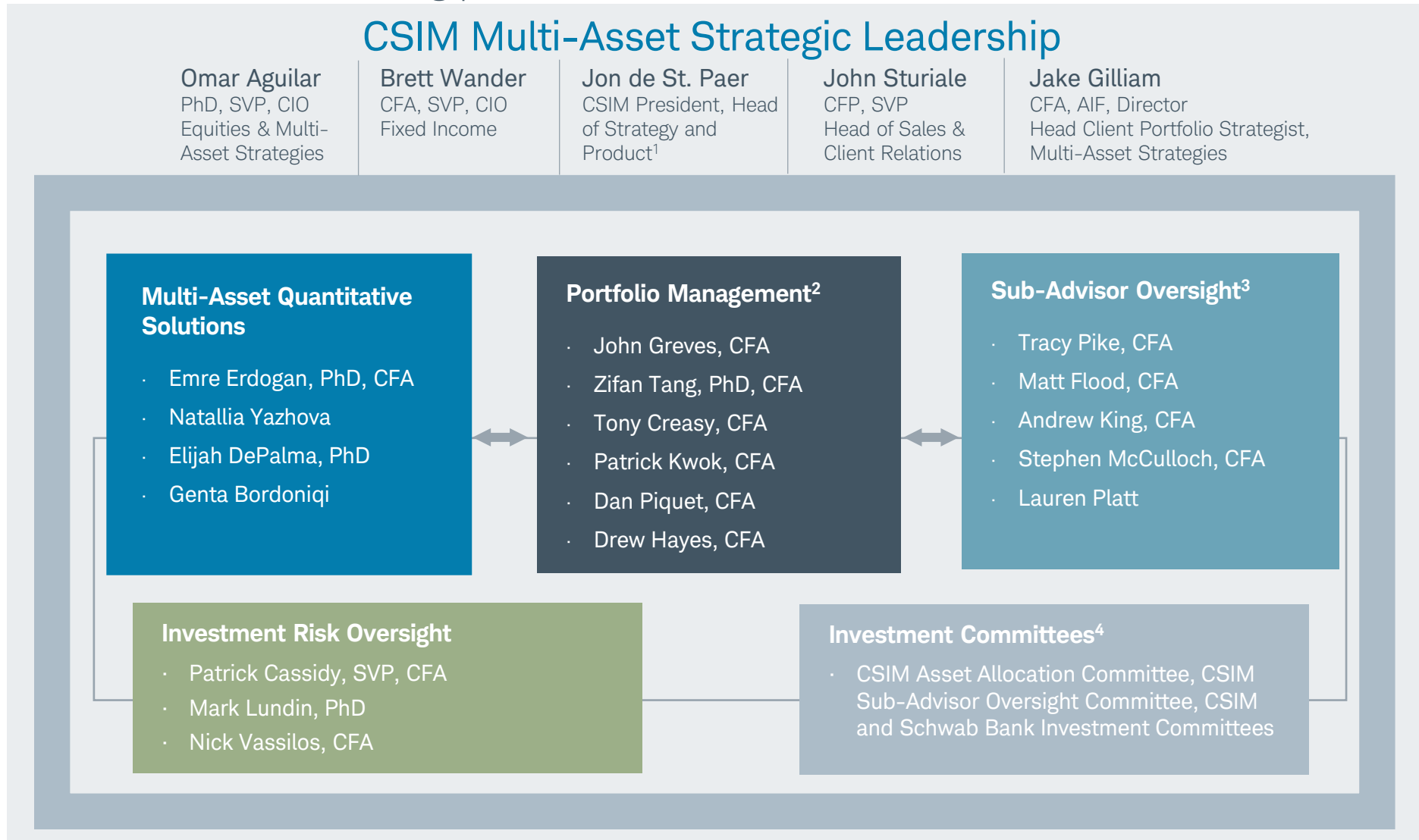


¹Sub-Advisor Oversight provides direct oversight of all sub-advised and third-party strategies.

²For collective trust funds, recommendations are given to the Charles Schwab Bank's Collective Trust Fund Administrative Committee and Investment Committee for final decision and implementation.

An experienced investment management team

Our approach combines a set of diverse perspectives that aligns your interests with a robust and scalable investing process.



¹Marie Chandoha, EVP, CEO of CSIM, has decided to retire at the end of March 2019. Jonathan de St. Paer, SVP, Head of Strategy and Product, has been named CSIM President, effective October 1, 2018, and is slated to become CEO upon Ms. Chandoha's retirement.

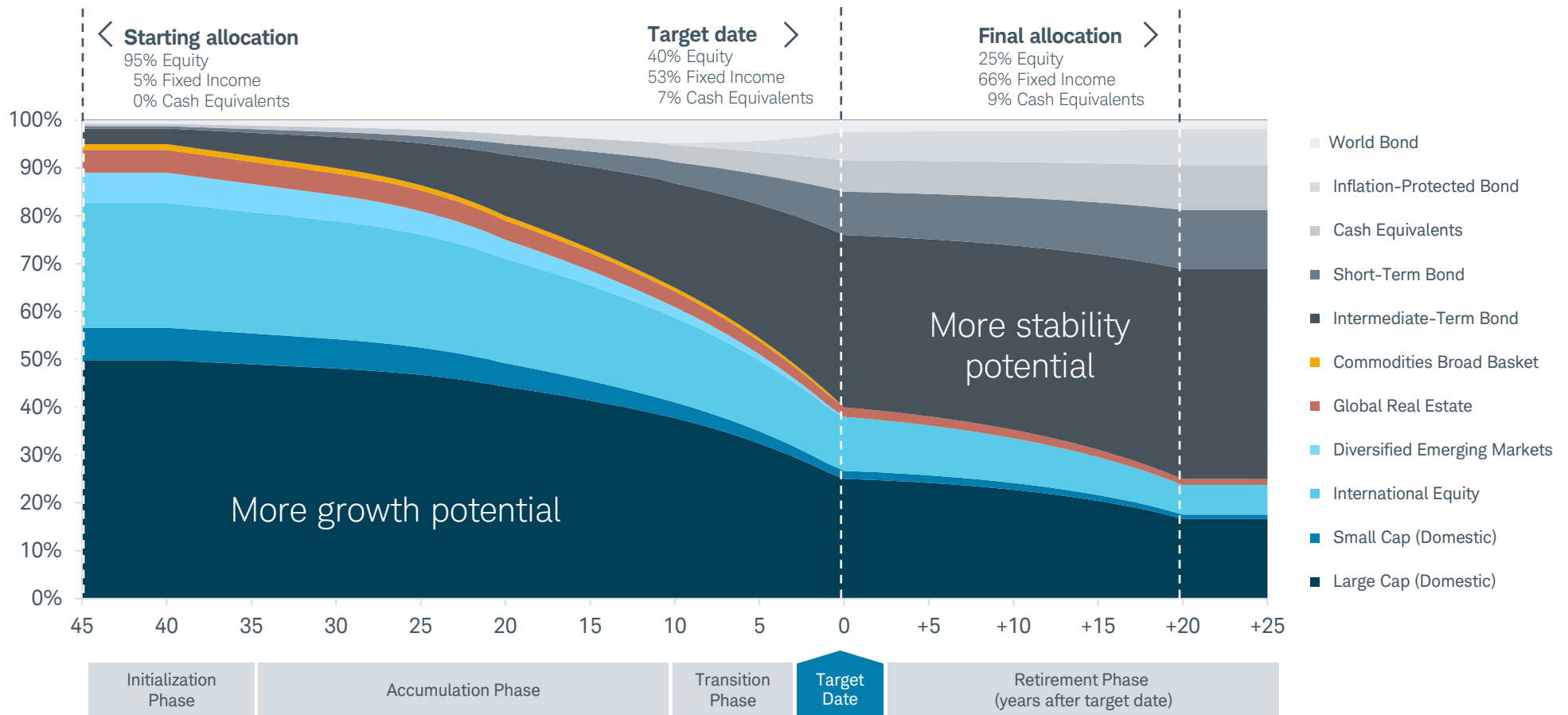
²Zifan Tang, Patrick Kwok, and Drew Hayes manage both the Schwab Target Funds and Schwab Target Index Funds. Tony Creasy and Dan Piquet manage the SMRT and SIRT Funds.

³Sub-Advisor Oversight provides direct oversight of all sub-advised and third-party strategies.

⁴For collective trust funds, recommendations are given to the Charles Schwab Bank's Collective Trust Fund Administrative Committee and Investment Committee for final decision and implementation.

Our glide path has been designed with retirement plan participants in mind

SIRT Funds glide path (and underlying asset classes)

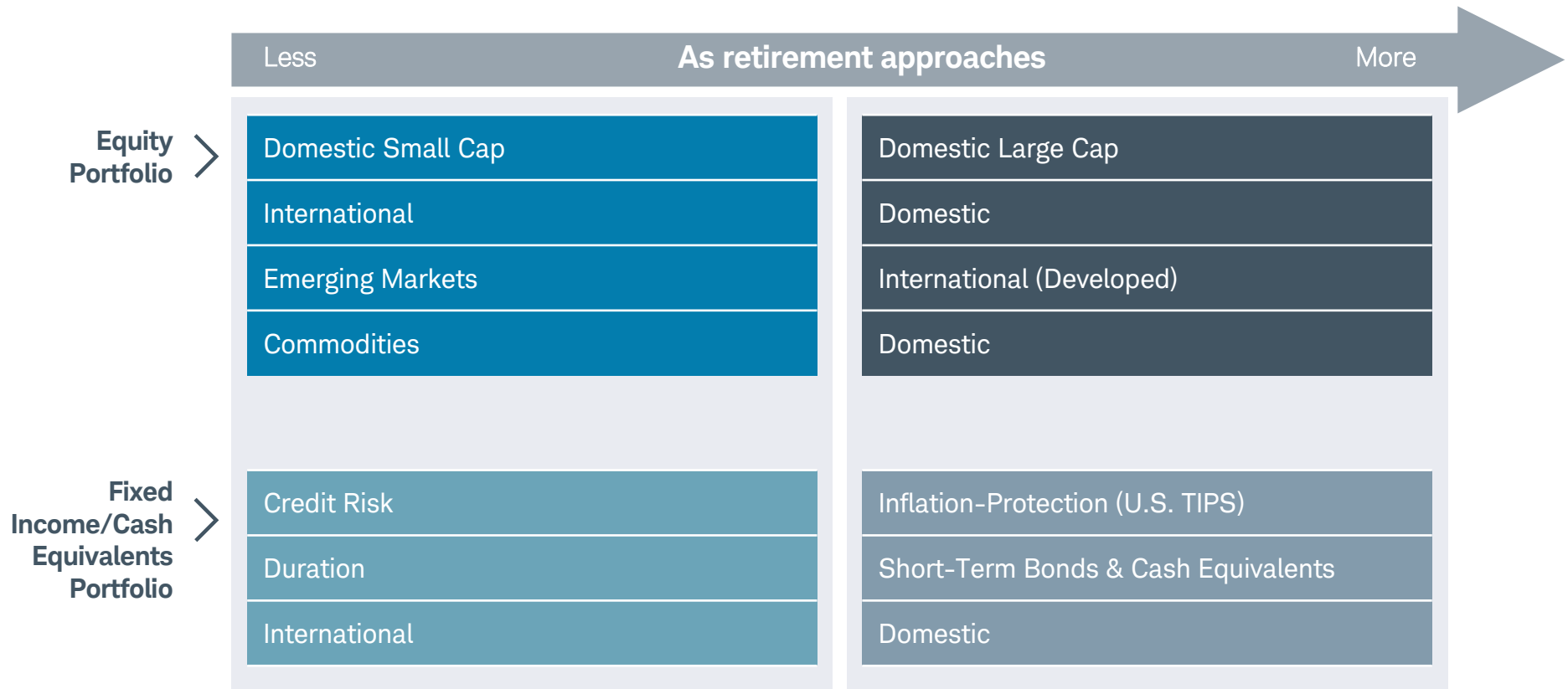


The values of the funds will fluctuate up to and after the target dates. There is no guarantee the funds will provide adequate income at or through retirement. Asset diversification and allocation strategies do not ensure a profit and cannot protect against losses in a declining market.

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.

(0218-81FH)

Key risks are potentially reduced as retirement approaches and beyond



SIRT Funds underlying asset classes

ASSET CLASS	CORRESPONDING INDEX	FUND INVESTMENT	TOTAL UNDERLYING FUND AUM (\$MM) ¹
EQUITY			
Domestic Equity (Large Cap)	Russell 1000 Index	BNY Mellon Large Cap Stock Index Fund Instl	\$14,552
Domestic Equity (Small Cap)	Russell 2000 Index	BNY Mellon Small Cap Stock Index Fund Instl	\$3,638
International Equity	MSCI EAFE Index (Net)	BNY Mellon Intl Stock Index Fund Instl	\$21,966
Diversified Emerging Markets	MSCI Emerging Markets Index (Net)	SSgA Emerging Markets Index Fund A	\$62,924
Global Real Estate	FTSE EPRA/NAREIT Developed Index (Net)	BlackRock Developed Real Estate Index Fund E	\$2,600
Commodities Broad Basket	Bloomberg Commodity Index	BlackRock Commodity Index Daily Fund E	\$1,500
FIXED INCOME			
Short-Term Bond	Bloomberg Barclays U.S. Government/Credit: 1-3 Years Index	SSgA U.S. Short-Term Government/Credit Bond Index Fund A	\$4,482
Intermediate-Term Bond	Bloomberg Barclays U.S. Aggregate Bond Index	BNY Mellon U.S. Aggregate Bond Index Fund Instl	\$28,432
Inflation-Protected Bond (U.S. TIPS)	Bloomberg Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index	BlackRock U.S. TIPS Index Fund E	\$55,000
World Bond	Bloomberg Barclays Global Aggregate Bond ex-US Hedged Index	BlackRock Global Aggregate Bond Fund Ex-USD	\$3,783
CASH EQUIVALENTS			
Cash Equivalents	Citigroup 3 Month T-Bill Index	State Street U.S. Government Short Term Investment Fund	\$11,974
Total			\$210,851

Investment Managers >

BLACKROCK

Mellon Capital
> BNY MELLON AMNA

STATE STREET GLOBAL ADVISORS | **SSgA.**

As of June 30, 2018.

¹Includes firm assets in mutual funds, collective trust funds, and separate accounts as of June 30, 2018.

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, 2013¹

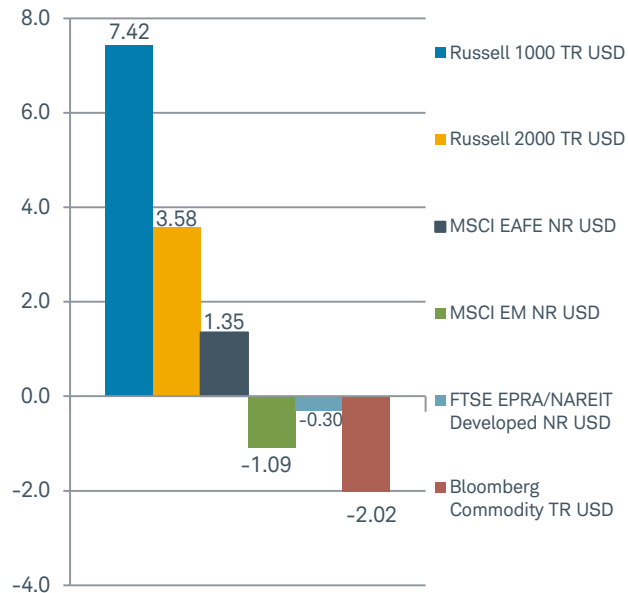
		DOL Guidance Highlights
Evaluation	Objectively comparing and selecting TDFs	✓
	Evaluating non-proprietary or custom TDFs	✓
	Using resources to evaluate the selected TDFs	✓
Plan’s TDF Investment	Understanding the TDF’s investments	✓
	Review fees and investment expenses	✓
	Periodic review of selected TDFs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

¹Source: U.S. Department of Labor, “Target Date Retirement Funds – Tips for ERISA Plan Fiduciaries,” February 2013. The complete fact sheet is available at www.dol.gov/ebsa/newsroom/fstdf.html.

Capital Markets Review

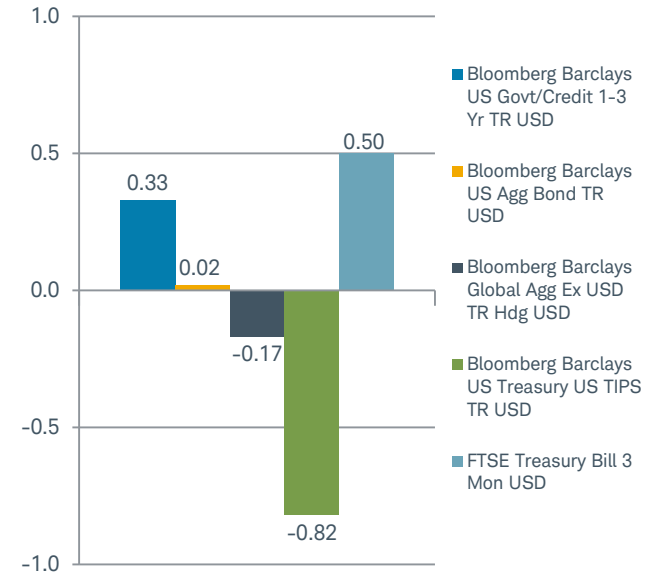
Capital markets summary—3rd quarter 2018

Equity >



Source: Morningstar, Inc.

Fixed Income >



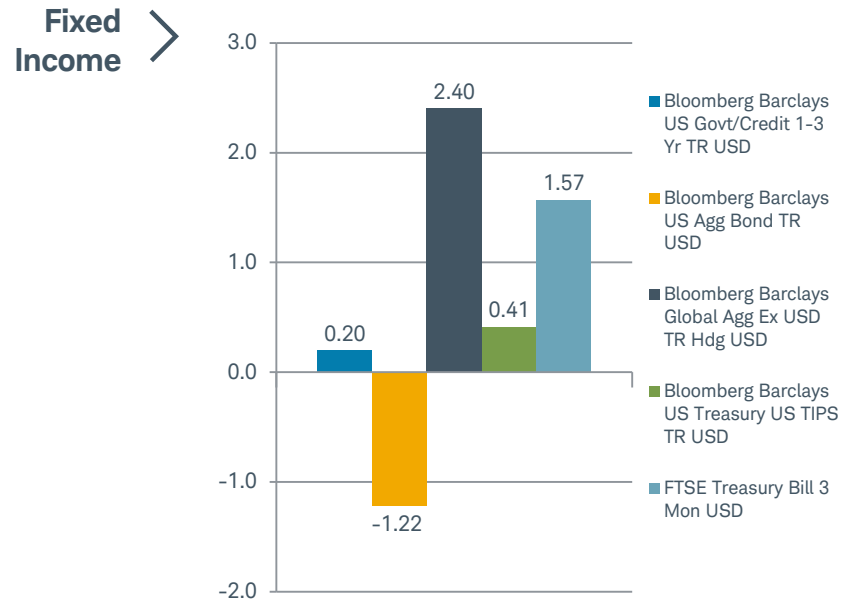
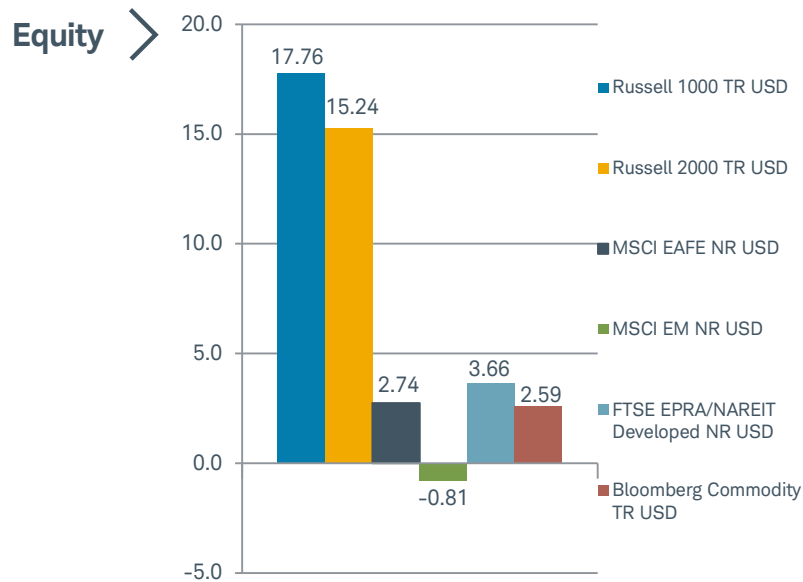
U.S. equities continued to hit record highs, delivering strong returns in the third quarter. Growth and large cap equities outperformed value and small cap equities. Developed international equities ended the quarter slightly up while emerging markets equities ended the quarter slightly down. International markets improved during the quarter due to the stabilization in the traded U.S. dollar, global economic data meeting expectations and ease in some trade tensions. Global REITs and commodities ended the quarter in negative territory. Within domestic sectors, all ten sectors ended the quarter in positive territory with healthcare being the top performer and materials being the bottom performer. Within international sectors, health care was also the top performer followed by information technology and industrial. Conversely, materials, utilities and consumer staples ended the quarter in the bottom three. Within fixed income, rising interest rates negatively impacted longer term bonds while having less of an effect on shorter term bonds.

Past performance is no guarantee of future results. Indexes are unmanaged, do not incur management fees, costs and expenses, and cannot be invested in directly.

Source: Return data provided by Morningstar, Inc. Content comes from a variety of sources including, but not limited to, Morningstar, CSIM, external investment managers. See Disclosures for additional detail.

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Capital markets summary—1 year 2018



Source: Morningstar, Inc.

For the 1-year period, U.S. equities strongly outperformed international equities and fixed income. U.S. large cap equities ended the period in the top spot posting over a 17% return, followed by U.S. small cap equities. Growth outperformed value. Within U.S. sectors; consumer discretionary, information technology and health care were the top performers. Conversely, consumer staples, utilities and materials underperformed. Internationally, information technology, energy and consumer discretionary were the top performers while telecom services, utilities and consumer staples landed in the bottom three. Commodities and global REITs posted positive returns for the 1-year period; however, they continued to lag domestic equities. Within fixed income, the Bloomberg Barclays Global Aggregate ex-US Hedged Index outperformed the Bloomberg Barclays Aggregate Bond Index which ended the period in negative territory as U.S. interest rates continued to rise sharply over this time period compared with international rates.

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Performance and Attribution Review

Performance summary: 3Q2018

Fund	Performance	Performance vs. Custom Index ¹ (+/-) %	Category Percentile Ranking ²	Key Comments
SIRT 2010 Fund Cl I	1.90	-0.02	15	<p>For the 3rd quarter, the funds ranked in the 21st percentile on average versus peers. Performance versus custom blended indices was in line with expectations.</p> <p>Dispersion for the funds was primarily a result of fair value pricing and ranged from -2 bps to 6 bps during the quarter. On a non-fair value pricing basis, dispersion was within tracking error expectations for the period.</p> <p>Glide Path Impact: Impact from the glide path was positive for quarter due to a higher overall allocation to equities which outperformed fixed income. Longer dated funds benefitted the most from the higher allocation to equity versus fixed income.</p> <p>Asset Allocation: Impact from the funds' strategic asset allocation was positive. Relative to peers, a higher allocation to domestic equity, which outperformed international equities, and a lower allocation to emerging markets equity, which was negative for the quarter, benefited all of the funds in the suite.</p>
SIRT 2015 Fund Cl I	2.03	0.01	27	
SIRT 2020 Fund Cl I	2.31	0.00	28	
SIRT 2025 Fund Cl I	2.87	0.00	21	
SIRT 2030 Fund Cl I	3.27	0.02	16	
SIRT 2035 Fund Cl I	3.56	0.02	19	
SIRT 2040 Fund Cl I	3.81	0.02	18	
SIRT 2045 Fund Cl I	3.98	0.02	27	
SIRT 2050 Fund Cl I	4.09	0.04	18	
SIRT 2055 Fund Cl I	4.17	0.04	20	
SIRT 2060 Fund Cl I	4.24	0.06	17	

As of September 30, 2018.

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. The values of the target date fund will fluctuate up to and after the target date. There is no guarantee the funds will provide adequate income at or through retirement.

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

²The percentile rank is the fund'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.
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Performance summary: 1-year

Fund	Performance	Performance vs. Custom Index ¹ (+/-) %	Category Percentile Ranking ²	Key Comments
SIRT 2010 Fund Cl I	4.37	-0.06	12	<p>For the year, the funds ranked in the 19th percentile on average versus peers. Performance versus the funds' custom blended indices was in line with expectations.</p> <p>Dispersion for the 2010 to 2060 funds ranged from -6 bps to 5 bps.</p> <p>Glide Path Impact: Relative performance from the glide path was mixed along the glide path. Longer dated funds, which have a higher allocation to equities, benefited from the strong equity markets. Conversely, shorter dated funds lagged due to a lower allocation to equities. Returns for Unit Class IV ranged from 10.59% in the later dated funds to 4.37% in the nearer dated funds.</p> <p>Asset Allocation: Results from the funds' strategic asset allocation were positive for the period as an overweight to domestic equity, which outperformed international equity, was beneficial. Additionally, relative to peers, a higher allocation to domestic small cap equity and a lower allocation to emerging market equity also contributed positively to performance. In the shorter dated funds, relative to peers, a higher allocation to short term fixed income was positive.</p>
SIRT 2015 Fund Cl I	4.66	-0.02	32	
SIRT 2020 Fund Cl I	5.73	-0.05	20	
SIRT 2025 Fund Cl I	7.18	-0.01	9	
SIRT 2030 Fund Cl I	8.16	-0.01	12	
SIRT 2035 Fund Cl I	8.93	-0.01	22	
SIRT 2040 Fund Cl I	9.62	-0.01	21	
SIRT 2045 Fund Cl I	10.07	0.01	20	
SIRT 2050 Fund Cl I	10.33	0.02	19	
SIRT 2055 Fund Cl I	10.59	0.05	18	
SIRT 2060 Fund Cl I	10.59	-0.03	22	

As of September 30, 2018.

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Source: Charles Schwab Investment Management, Inc. and Morningstar, Inc.
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SIRT Funds' performance vs. Morningstar category peers

Morningstar Percentile Ranks vs. Peers								
As of September 30, 2018(Net of fees)								
FUND	% EQUITY ¹	% PEER EQUITY	RANK IN MORNINGSTAR CATEGORY ^{2,3}			FUNDS IN CATEGORY		
			1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
SIRT 2010 Morningstar Category: Target-Date 2000-2010 MF	37	36	12	69	38	137	113	91
SIRT 2015 Morningstar Category: Target-Date 2015 MF	39	42	32	78	51	139	111	77
SIRT 2020 Morningstar Category: Target-Date 2020 MF	46	45	20	49	30	253	205	171
SIRT 2025 Morningstar Category: Target-Date 2025 MF	59	56	9	40	19	223	180	141
SIRT 2030 Morningstar Category: Target-Date 2030 MF	68	66	12	41	22	242	195	161
SIRT 2035 Morningstar Category: Target-Date 2035 MF	76	75	22	46	22	218	175	136
SIRT 2040 Morningstar Category: Target-Date 2040 MF	83	81	21	39	20	242	195	161
SIRT 2045 Morningstar Category: Target-Date 2045 MF	88	86	20	37	19	218	175	136
SIRT 2050 Morningstar Category: Target-Date 2050 MF	91	87	19	30	12	238	190	156
SIRT 2055 Morningstar Category: Target-Date 2055 MF	94	88	18	19	2	218	173	112
SIRT 2060 Morningstar Category: Target-Date 2060+ MF	95	87	22	--	--	190	--	--

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.

¹% Equity represents the 2018 Policy Allocation and includes all assets not classified as cash or fixed income.

²The percentile rank is the fund'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.

³Ranks are for Unit Class I. Dashed indicate performance and rank data is not available.

Source: Morningstar, Inc.

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1-25	Top quartile
26-50	Second quartile
51-75	Third quartile
76-100	Bottom quartile

SIRT Funds – Rankings Summary

Average 3 and 5 Year Category Rankings as of September 30, 2018.



Ranks are for Unit Class I.

SIRT Funds Performance

As of September 30, 2018	Annualized Returns (%) (not annualized if less than 1 year)									
	3 Month	3 Month %	YTD	YTD %	1 Year	1 Year %	3 Year	3 Year %	5 Year	5 Year %
SIRT 2010	1.90	15	1.99	7	4.37	12	6.08	69	5.10	38
2010 Custom Index	1.92	--	2.02	--	4.43	--	6.18	--	5.20	--
Morningstar Category: Target-Date2000-2010 MF	1.43	--	1.09	--	3.40	--	6.33	--	4.87	--
SIRT 2015	2.03	27	2.18	21	4.66	32	6.38	78	5.39	51
2015 Custom Index	2.02	--	2.15	--	4.68	--	6.46	--	5.48	--
Morningstar Category: Target-Date 2015 MF	1.76	--	1.55	--	4.24	--	7.04	--	5.34	--
SIRT 2020	2.31	28	2.69	8	5.73	20	7.67	49	6.24	30
2020 Custom Index	2.31	--	2.69	--	5.78	--	7.76	--	6.35	--
Morningstar Category: Target-Date 2020 MF	1.93	--	1.68	--	4.70	--	7.51	--	5.59	--
SIRT 2025	2.87	21	3.45	7	7.18	9	9.17	40	7.19	19
2025 Custom Index	2.87	--	3.42	--	7.19	--	9.25	--	7.29	--
Morningstar Category: Target-Date 2025 MF	2.37	--	2.30	--	5.85	--	8.80	--	6.39	--
SIRT 2030	3.27	16	3.95	9	8.16	12	10.25	41	7.88	22
2030 Custom Index	3.25	--	3.90	--	8.17	--	10.33	--	7.96	--
Morningstar Category: Target-Date 2030 MF	2.72	--	2.76	--	6.89	--	9.88	--	7.06	--
SIRT 2035	3.56	19	4.31	16	8.93	22	11.16	46	8.44	22
2035 Custom Index	3.54	--	4.26	--	8.94	--	11.22	--	8.51	--
Morningstar Category: Target-Date 2035 MF	3.17	--	3.47	--	8.03	--	11.01	--	7.74	--
SIRT 2040	3.81	18	4.62	16	9.62	21	11.96	39	8.90	20
2040 Custom Index	3.79	--	4.57	--	9.63	--	12.05	--	8.99	--
Morningstar Category: Target-Date 2040 MF	3.34	--	3.67	--	8.60	--	11.56	--	8.07	--
SIRT 2045	3.98	27	4.82	18	10.07	20	12.50	37	9.21	19
2045 Custom Index	3.96	--	4.75	--	10.06	--	12.57	--	9.28	--
Morningstar Category: Target-Date 2045 MF	3.59	--	4.10	--	9.22	--	12.14	--	8.42	--
SIRT 2050	4.09	18	4.92	16	10.33	19	12.78	30	9.38	12
2050 Custom Index	4.05	--	4.85	--	10.31	--	12.88	--	9.47	--
Morningstar Category: Target-Date 2050 MF	3.55	--	3.98	--	9.23	--	12.16	--	8.45	--
SIRT 2055	4.17	20	5.03	18	10.59	18	13.11	19	10.08	2
2055 Custom Index	4.13	--	4.94	--	10.54	--	13.18	--	9.62	--
Morningstar Category: Target-Date 2055 MF	3.68	--	4.25	--	9.51	--	12.41	--	8.71	--
SIRT 2060	4.24	17	5.04	19	10.59	22	--	--	--	--
2060 Custom Index	4.18	--	4.96	--	10.62	--	--	--	--	--
Morningstar Category: Target-Date 2060+ MF	3.76	--	4.33	--	9.74	--	--	--	--	--

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.

SIRT Fund returns reflect Unit Class I.

Source: Morningstar, Inc.

1-25	Top quartile
26-50	Second quartile
51-75	Third quartile
76-100	Bottom quartile

Underlying Strategy Performance

Performance of SIRT Funds underlying investment strategies

		Annualized Return Net of Fees ¹ As of September 30, 2018							
		Date Added to SIRT Funds	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year
Domestic Equity >	BNY Mellon Large Cap Stock Index Fund Instl (Inception: Fund-3/13/09)	11/21/13	0.38	7.40	10.45	17.73	17.04	13.65	--
	Russell 1000® Index		0.38	7.42	10.49	17.76	17.07	13.67	12.09
	Morningstar Category: Large Blend		0.28	6.67	8.42	15.35	15.17	11.93	10.84
	BNY Mellon Small Cap Index Fund Instl (Inception: Fund-8/31/86)	11/21/13	-2.36	3.61	11.56	15.23	17.08	--	--
International Equity >	Russell 2000® Index		-2.41	3.58	11.51	15.24	17.12	11.07	11.11
	Morningstar Category: Small Blend		-2.32	2.79	8.24	12.14	14.73	9.71	10.67
	BNY Mellon International Stock Index Fund Instl (Inception: Fund-10/16/09)	11/24/09	0.78	1.47	-1.03	2.96	9.36	4.59	--
	MSCI EAFE Index (Net)		0.87	1.35	-1.43	2.74	9.23	4.42	5.38
	Morningstar Category: Foreign Large Blend		0.48	0.79	-2.30	1.55	8.71	4.05	4.98
	SSgA Emerging Markets Index Fund A	12/31/13	-0.52	-1.06	-7.96	-1.11	12.05	3.32	--
Real Assets >	MSCI Emerging Markets Index (Net)		-0.53	-1.09	-7.68	-0.81	12.36	3.61	5.40
	Morningstar Category: Diversified Emerging Markets		-0.99	-2.47	-9.37	-3.63	10.09	2.54	4.91
	BlackRock Developed Real Estate Index Fund E	7/31/09	-2.02	0.12	0.88	4.65	6.98	6.09	--
	FTSE EPRA/NAREIT Developed Index (Net)		-2.06	-0.30	0.06	3.66	6.19	5.43	6.04
	Morningstar Category: Global Real Estate		-1.86	-0.74	-0.94	3.49	6.19	5.13	5.75
	BlackRock Commodity Index Daily Fund E	6/30/10	1.89	-2.12	-2.32	2.18	-0.57	-7.55	--
Fixed Income >	Bloomberg Commodity Index		1.92	-2.02	-2.03	2.59	-0.11	-7.18	-6.24
	Morningstar Category: Commodities Broad Basket		1.84	-1.80	-0.17	5.62	1.92	-6.76	-6.81
	SSgA U.S. Short-Term Government/Credit Bond Index Fund A	1/1/15	-0.08	0.31	0.34	0.10	0.61	--	--
	Bloomberg Barclays 1-3 Year US Government Credit Index		-0.07	0.33	0.41	0.20	0.73	0.83	1.67
	Morningstar Category: Short-Term Bond		-0.02	0.50	0.45	0.43	1.36	1.24	2.52
	BNY Mellon U.S. Aggregate Bond Index Fund Instl	3/25/09	-0.64	0.01	-1.67	-1.33	1.18	2.05	--
	Bloomberg Barclays U.S. Aggregate Bond Index		-0.64	0.02	-1.60	-1.22	1.31	2.16	3.77
	Morningstar Category: Intermediate-Term Bond		-0.47	0.20	-1.37	-1.06	1.65	2.14	4.21
Cash Equivalents >	BlackRock Global Aggregate Bond Fund Ex-USD	1/1/15	-0.25	-0.20	1.19	2.27	2.93	--	--
	Bloomberg Barclays Global Aggregate Bond ex-US Hedged Index		-0.20	-0.17	1.25	2.40	3.07	3.80	4.25
	Morningstar Category: World Bond		-0.10	-0.25	-1.80	-1.23	2.53	1.05	3.52
	State Street U.S. Government Short Term Investment Fund	1/5/09	0.15	0.48	1.27	1.55	0.81	0.51	0.33
	Citigroup 3 Month T-Bill Index		0.17	0.50	1.29	1.57	0.80	0.49	0.32
	BlackRock U.S. TIPS Index Fund E	1/5/09	-1.07	-0.84	-0.86	0.40	2.05	1.33	--
Real Assets >	Bloomberg Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index		-1.05	-0.82	-0.84	0.41	2.04	1.37	3.32
	Morningstar Category: Inflation Protected Bond		-0.81	-0.63	-0.74	0.42	1.95	0.97	2.89

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.

¹Performance data is measured from the first full month following the date each strategy was added to the SIRT Funds, except for mutual funds and Schwab Bank Collective Trust Funds. Schwab Bank Collective Trust Funds data reflects the first full month following the Fund's inception date.

Sub-advised strategy returns are net of sub-advisor management fees.

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

SIRT Funds Update

News & Updates

On August 6th, it was announced that The Charles Schwab Corporation has formed a new institution, Charles Schwab Trust Bank (CSTB), a fiduciary-oriented trust bank focused on serving the retirement plan market.

Effective January 2019, Schwab Bank Collective Trust Funds will transfer from Charles Schwab Bank to Charles Schwab Trust Bank, as successor trustee of the funds:

- Schwab Managed Retirement Trust Funds™
- Schwab Indexed Retirement Trust Funds®
- Schwab Institutional Trust Funds®

There will be no changes to the investment strategy, process or daily operations of the funds as managed by CSTB and no action is required on your part.

This announcement serves as advance notice of the transition for clients, service providers and advisors.

For more information, please see the full announcement on the Charles Schwab Bank website:

[http://www.schwabbankfunds.com/public/file/P-11517073/General Notice.pdf](http://www.schwabbankfunds.com/public/file/P-11517073/General_Notice.pdf)

Organizational Update

Marie Chandoha, President and CEO of Charles Schwab Investment Management (CSIM), has decided to retire at the end of March 2019. Jonathan de St. Paer,* Senior Vice President of CSIM's Business Strategy and Product Management, was named President of CSIM, effective October 1, 2018, and will become CEO upon Marie's retirement.

*Employee of Charles Schwab & Co. Inc.

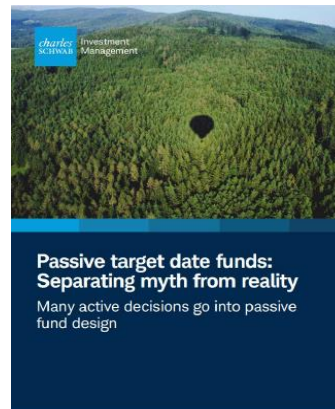
Thought leadership and insights on the target date industry.



Behavior-driven glide path design

- Discusses improving investor outcomes through a behaviorally driven asset allocation approach in target date funds.

http://www.schwabbankfund.com/public/file/P-10456249/Behavior-Driven_Glide_Path_Design.pdf



Passive target date funds: Separating myth from reality

- Reviews the many active decisions that go into passive fund design.

<http://www.schwabbankfund.com/public/file/P-11284257/Passive-target-date-fund-myths.electronic.pdf>



Are there hidden fixed income risks in your TDF?

- Provides three reasons to re-examine your fund's fixed income exposure in today's market climate

http://www.schwabbankfund.com/public/file/P-11284265/Hidden_fees_to_fixed_income.pdf

Click on each link for access to the white papers

Appendix

Glide path capital market expectations

Custom index allocation

Schwab Bank Collective Trust Funds offering

Capital market expectations

ASSET CLASS	LONG TERM FORECAST ASSUMPTIONS	
	Approx. return	Approx. standard deviation
<i>Inflation</i>	2-2.5%	--
Cash Equivalents	1.5-2%	0-0.5%
Short-Term Bond	2-2.5%	2-2.5%
World Bond ¹	1-2%	3-3.5%
Inflation-Protected Bond (US TIPS)	2-3%	5.5-7%
Intermediate-Term Bond	2.5-3%	3.5-4%
Commodities ¹	3.5-5%	17-20%
Domestic Equity (Large Cap)	5.5-7%	14-17%
Global Real Estate ²	6-7%	18-22%
International Equity	6-9%	17-19%
Domestic Equity (Small Cap)	6-8%	19-22%
Diversified Emerging Markets	7.5-10%	22-25%

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%

¹The Schwab Target Index Funds do not hold World Bond or Commodities strategies. The Schwab Target Funds do not hold a Commodities strategy.

²Global Real Estate is used as a proxy for Real Estate within the Schwab Target Index Funds.

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.

SIRT Funds 2018 policy allocation by asset class

ASSET CLASS	UNDERLYING INVESTMENT	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010
Equity		95.0	93.5	91.0	88.1	83.0	76.0	68.4	59.1	46.3	38.9	36.5
Domestic Equity	BNY Mellon Large Cap Stock Index Fund Instl	49.8	49.3	48.4	47.4	45.5	42.6	39.3	34.8	28.1	24.6	23.4
Domestic Equity	BNY Mellon Small Cap Stock Index Fund Instl	6.8	6.6	6.3	5.9	5.3	4.5	3.6	2.9	2.0	1.6	1.5
International Equity	BNY Mellon Intl Stock Index Fund Instl	26.1	25.7	24.9	24.1	22.7	20.7	18.7	16.1	12.7	10.8	9.8
Emerging Markets	SSgA Emerging Markets Index Fund A	6.3	6.1	5.6	5.2	4.4	3.5	2.6	1.7	0.7	0.0	0.0
Global Real Estate	BlackRock Developed Real Estate Index Fund E	4.8	4.7	4.5	4.4	4.2	3.8	3.4	3.0	2.3	1.9	1.8
Commodities	BlackRock Commodity Index Daily Fund E	1.2	1.2	1.2	1.1	1.1	1.0	0.8	0.7	0.5	0.0	0.0
Fixed Income		4.5	5.9	8.1	10.7	15.3	21.6	28.4	36.8	48.0	54.3	56.3
Short-Term Bond	SSgA U.S. Short-Term Government/Credit Bond Index Fund A	0.5	0.7	0.9	1.3	1.9	2.8	3.9	5.5	7.8	9.3	9.8
Intermediate-Term Bond	BNY Mellon U.S. Aggregate Bond Index Fund Instl	3.3	4.2	5.8	7.7	10.9	15.3	20.0	25.3	32.5	36.6	37.9
Inflation-Protected Bond (U.S. TIPS)	BlackRock U.S. TIPS Index Fund E	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4	4.2	6.1	6.3
World Bond	BlackRock Global Aggregate Bond Fund Ex-USD	0.8	1.0	1.3	1.8	2.5	3.5	4.5	4.6	3.4	2.4	2.3
Cash Equivalents		0.5	0.7	0.9	1.2	1.7	2.4	3.2	4.2	5.7	6.7	7.2
Cash Equivalents	State Street U.S. Government Short Term Investment Fund	0.5	0.7	0.9	1.2	1.7	2.4	3.2	4.2	5.7	6.7	7.2

Percentages may not total 100% due to rounding.

The above represent policy allocations for 2018, effective January 31, 2108; actual allocations may differ slightly from policy allocation at any point in time.

2018 custom index allocation

SMRT & SIRT Funds 2018 Custom Index Allocations	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010	Income ¹
Russell 1000 Index	49.8	49.3	48.4	47.4	45.5	42.6	39.3	34.8	28.1	24.6	23.4	17.1
Russell 2000 Index	6.8	6.6	6.3	5.9	5.3	4.5	3.6	2.9	2.0	1.6	1.5	0.9
MSCI EAFE Index (Net)	26.1	25.7	24.9	24.1	22.7	20.7	18.7	16.1	12.7	10.8	9.8	5.7
MSCI Emerging Markets Index (Net)	6.3	6.1	5.6	5.2	4.4	3.5	2.6	1.7	0.7	0.0	0.0	0.0
FTSE EPRA/NAREIT Developed Index (Net)	4.8	4.7	4.5	4.4	4.2	3.8	3.4	3.0	2.3	1.9	1.8	1.3
Bloomberg Commodity Index	1.2	1.2	1.2	1.1	1.1	1.0	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	0.9	1.3	1.9	2.8	3.9	5.5	7.8	9.3	9.8	12.4
Bloomberg Barclays US Aggregate Bond Index	3.3	4.2	5.8	7.7	10.9	15.3	20.0	25.3	32.5	36.6	37.9	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	1.4	4.2	6.1	6.3	7.5
Bloomberg Barclays Global Aggregate Bond ex-US Hedged Index	0.8	1.0	1.3	1.8	2.5	3.5	4.5	4.6	3.4	2.4	2.3	1.9
FTSE 3 Month U.S. Treasury Bill Index	0.5	0.7	0.9	1.2	1.7	2.4	3.2	4.2	5.7	6.7	7.2	9.4

The above represent target policy allocations for 2018, effective January 31, 2018. 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 fund's asset allocation glide schedule and will become more conservative as time elapses.

¹Available in the SMRT Funds.

Source: Charles Schwab Investment Management, Inc.

Schwab Bank Collective Trust Funds offering

Funds	Unit Class	Expense	Revenue Credit	Minimum Investment/ Availability
SMRT Fund Series	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
SIRT Fund Series	I	0.08%	0.00%	No minimum
Schwab Large Cap Value ITF	Select	0.42%	0.00%	No minimum
Schwab Large Cap Growth ITF	Retirement	0.74%	0.20%	No minimum
	Institutional	0.54%	0.00%	
Schwab Diversified International ITF	Retirement	1.04%	0.25%	No minimum
	Institutional	0.79%	0.00%	
Schwab Core Plus Fixed Income ITF	I	0.55%	0.20%*	No minimum
	III	0.35%	0.00%*	

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

Disclosures

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.

The values of the target fund will fluctuate up to and after the target date. There is no guarantee the funds will provide adequate income at or through retirement.

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 Bank or any of its affiliates. Please review the trust and participation agreement, Schwab Bank Fund Fact Sheet and other disclosure materials before making any decision to invest in the Funds. 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 shares, when redeemed, may be worth more or less than original cost.

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Please be advised that effective January 1, 2019, Schwab Bank is transferring its collective trust funds business, which includes the SMRT Funds, SIRT Funds and Schwab Institutional Trust Funds (the funds) to Charles Schwab Trust Bank (CSTB), a Nevada non-depository trust company subsidiary of The Charles Schwab Corporation. CSTB will serve as successor trustee of the funds pursuant to the funds' Declaration of Trust and succeed to the rights and obligations of Schwab Bank under the funds' Participation Agreement. Current participants in the funds will not be required to execute a new Participation Agreement and in all other material respects, the provisions of the Participation Agreement will remain the same. An Amended and Restated Declaration of Trust reflecting CSTB as successor trustee of the funds will be made available on or about January 1, 2019.

Collective Trust Funds Disclosures

The Schwab Managed Retirement Trust Funds™, Schwab Indexed Retirement Trust Funds® and Schwab Institutional Trust Funds® are collective trust funds maintained by Charles Schwab Bank (Schwab Bank), as trustee of the Funds. They are available for investment only by eligible retirement plans and entities. Schwab Bank Collective Trust Funds (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 Schwab Bank or any of its affiliates; and involve investment risks, including possible loss of principal invested. The Funds 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 Funds are not entitled to the protections of the 1940 Act. The decision to invest in the Funds should be carefully considered. The Funds' unit values will fluctuate and may be worth more or less when redeemed, so unit holders may lose money. The Funds are not sold by prospectus and are not available for investment by the public; Fund prices are not quoted in newspapers.

Fund Affiliations

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 (Schwab 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 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 Bank and the Funds. CSIM is an investment advisers registered with the Securities and Exchange Commission.

The Schwab 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 Bank to advise one or more separate accounts of a Fund. Exposure to some strategies may be indirect through investment in other Schwab 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.

Disclosures

Sub-Advised Strategies – Disclosures

¹Prior to April 2009, the BNY Mellon Large Cap Index Fund Insl invested in a securities-lending strategy. As of April 2009, the Fund changed to a non-lending strategy. Data reflects performance of the non-lending strategy.

²MSCI US Mid Cap 450 Index through January 30, 2013; CRSP US Mid Cap Index thereafter.

³The Schwab Institutional Small Cap Trust Fund closed to new investors effective 8/28/2013.

Significant Risks of the Funds

Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, 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 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.

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.

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.

Securities Lending Risk. Each Fund's Declaration of Trust authorizes securities lending and the Funds 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 Bank, in coordination with each Fund's underlying investment sub-advisors, actively monitors any securities lending activity to minimize any potential impact to the Funds.

Target Date Funds Risk. Diversification and asset allocation strategies do not ensure a profit and cannot protect against losses in a declining market. The Funds 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 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. There is no guarantee the funds will provide adequate income at or through retirement.

Disclosures

Definitions (continued)

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.

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, disposure 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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Charles Schwab

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Disclosures—Schwab Funds*

*Schwab Funds are the Schwab Target Funds and Schwab Target Index Funds, mutual funds maintained by Charles Schwab Investment Management, Inc.

Investors should consider carefully information contained in the prospectus, including investment objectives, risks, charges and expenses. You can request a prospectus by visiting csimfunds.com. Please read the prospectus carefully before investing.

Target date index fund asset allocations are subject to change over time in accordance with each fund's prospectus. **The principal value of the funds is not guaranteed at any time, and will continue to fluctuate up to and after the target date. There is no guarantee the funds will provide adequate income at or through retirement. The 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 investment risks of the funds will change as asset allocations change. Investors should consider risk tolerance and personal financial conditions along with age and retirement date when investing in the funds. Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost.

The funds 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, market valuations, liquidity, prepayments, and early redemption.

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

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