

News Release

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CHARLES SCHWAB INVESTMENT MANAGEMENT ANNOUNCES ZERO CAPITAL GAINS DISTRIBUTIONS FOR SCHWAB ETFS™ FOR EIGHTH CONSECUTIVE YEAR

SAN FRANCISCO, December 15, 2017 — Charles Schwab Investment Management (CSIM), an asset management arm of The Charles Schwab Corporation, announced today there will be no capital gains distributions for the 2017 tax year by any of the 22 exchange-traded funds (ETFs) in the Schwab ETF family. CSIM has paid zero capital gains on its ETFs for eight consecutive years, and is the only top ten ETF provider to not yet pay a capital gain on any of its ETFs.¹

“Schwab ETFs have attracted more than \$90 billion in assets and is one of the fastest-growing ETF families in the industry,” said Jonathan de St. Paer, senior vice president, strategy and product for CSIM.² “CSIM seeks to provide ETFs that have the key attributes investors are looking for, including low-costs, tight tracking error and potential tax efficiency, and we’re proud of the fact that we haven’t had to distribute any capital gains on any of our ETFs for eight straight years.”

Schwab ETFs include both market-cap index ETFs and Fundamental Index® ETFs. Schwab’s market-cap index ETFs have among the lowest operating expense ratios in the industry, and the Schwab Fundamental Index³ ETFs continue to gain traction from institutional and individual investors alike. CSIM views these strategies as complementary, and believes that an allocation to both may improve a portfolio’s risk-return characteristics and provide diversification benefits.

For more than 25 years, CSIM has provided investors with a diverse selection of foundational products that aim to deliver consistent performance at a competitive cost. As the fifth largest ETF provider with more than \$90 billion in ETF assets under management, CSIM continues to serve as an industry leader for ETF investors.⁴

About Charles Schwab Investment Management, Inc.

Founded in 1989, Charles Schwab Investment Management, Inc., a subsidiary of The Charles Schwab Corporation, is one of the nation’s largest asset management companies, with more than \$340 billion in assets under management as of 10/31/17. It is also the third largest provider of index mutual funds and the fifth largest provider of ETFs.⁵

More information is available at schwabfunds.com.

¹ Per data available on each ETF issuer’s public website as of December 13, 2017.

² Employee of Charles Schwab & Co., Inc.

³ Schwab is a registered trademark of Charles Schwab & Co., Inc. Fundamental Index is a registered trademark of Research Affiliates LLC.

⁴ Source: Strategic Insight, as of 10/31/17; based on assets under management.

⁵ Source: Strategic Insight, as of 10/31/17; based on assets under management.

About Charles Schwab

At Schwab, we believe in the power of investing to help individuals create a better tomorrow. We have a history of challenging the status quo in our industry, innovating in ways that benefit investors and the advisors and employers who serve them, and championing our clients' goals with passion and integrity.

More information is available at www.aboutschwab.com. Follow us on [Twitter](#), [Facebook](#), [YouTube](#) and [LinkedIn](#).

Disclosures

Investors should consider carefully information contained in the prospectus, or if available, the summary prospectus, including investment objectives, risks, charges and expenses. You can obtain a prospectus by visiting www.schwabfunds.com or calling 1-877-824-5615. Please read the prospectus carefully before investing.

All regulated investment companies are obliged to distribute portfolio gains to shareholders at year end. There is no guarantee that capital gains distributions will not be made in the future. Trading shares of the Funds will also generate tax consequences and transaction expenses. This material is not intended to be tax advice. The tax consequences vary by individual taxpayer. Please consult your tax professional or financial adviser for more information with regard to your specific situation.

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. Shares of ETFs are bought and sold at market price, which may be higher or lower than the net asset value (NAV).

Charles Schwab Investment Management, Inc. (CSIM), is the investment advisor for Schwab ETFs. Schwab ETFs are distributed by SEI Investments Distribution Co. (SIDCO). SIDCO is not affiliated with CSIM.

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