

News Release

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CHARLES SCHWAB INVESTMENT MANAGEMENT ANNOUNCES ZERO CAPITAL GAINS DISTRIBUTIONS FOR SCHWAB ETFS FOR 10TH CONSECUTIVE YEAR

SAN FRANCISCO, December 19, 2019 – 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 2019 tax year by any of the 25 exchange-traded funds (ETFs) in the Schwab ETF family. Since the inception of the very first Schwab ETFs 10 years ago, CSIM has paid zero capital gains on its entire ETF lineup. Schwab is the only ETF provider among the current top 10 to have never paid any ETF capital gainsⁱ.

In early November, CSIM marked a decade since the launch of its first ETFs. Today CSIM is the fifth largest provider of ETFsⁱⁱ with more than \$150 billion in assets as of September 30, 2019ⁱⁱⁱ.

“Since their inception, Schwab ETFs have been a catalyst in helping to bring down fees dramatically across the ETF industry for the benefit of all investors,” said Jonathan de St. Paer, president of CSIM. “We understand both low fees and tax efficiency are important to investors. In addition to providing low-cost core building blocks for a portfolio, CSIM also works hard to create tax efficiency for investors with the Schwab ETFs. In a year when we’re celebrating our 10-year anniversary, this is icing on the cake.”

Schwab ETFs include both market-cap index ETFs and Fundamental Index® ETFs. For a complete list of the 25 Schwab ETFs, see [here](#).

About Charles Schwab Investment Management, Inc.

With a straightforward lineup of core products and solutions for building the foundation of a portfolio, Charles Schwab Investment Management advocates for investors of all sizes with a steadfast focus on lowering costs and reducing unnecessary complexity. As of September 30, 2019, Charles Schwab Investment Management managed approximately \$433.5 billion on a discretionary basis and approximately \$16.7 billion on a non-discretionary basis.

More information is available at www.schwabfunds.com.

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 view and download a prospectus by visiting schwabfunds.com/prospectus. 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. Unlike mutual funds, shares of ETFs are not individually redeemable directly with the ETF. 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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ⁱ Source: Morningstar Direct as of 9/30/19; based on assets under management.

ⁱⁱ Source: Strategic Insight as of 9/30/19; based on assets under management.

ⁱⁱⁱ Source: Charles Schwab Investment Management, Inc. as of 9/30/19.