

Hi, I'm Rick Holland, Head Money Market Fund Portfolio Strategist at Charles Schwab Investment Management.

Ever since the SEC's announcement in July 2014, Money Market Fund Reform has been a high priority topic and the center of many discussions here at Schwab. We all agree that our highest priority is to ensure that our shareholders understand how these new regulations will impact them, so that they can make informed decisions regarding their cash investment options.

Given that there are many aspects to the new SEC regulations governing money market funds, we have created this Resource Center to address some of the most frequently asked questions regarding Money Market Fund Reform. Our goal is to keep you informed every step of the way, and we hope you'll find the information helpful.

Most recently, we've announced that the Schwab Government Money Funds do not plan to adopt a policy to implement liquidity fees or redemption gates. This includes all share classes of the Schwab Government Money Fund, the Schwab U.S. Treasury Money Fund and the Schwab Treasury Obligations Money Fund. Additionally, we announced that we will continue to offer a variety of investment options and a robust product lineup that includes Prime, Municipal and Government money market funds. Specifically, retail investors will continue to have access to a lineup of Schwab Prime, Municipal and Government money funds with a Constant NAV. And institutional investors will have access to Government money market funds with a constant NAV as well as a Variable Share Price Prime money market fund with a variable NAV. As one of the nation's largest sponsors of money market funds, we want to ensure you that we will continue to be focused on, and remain committed to, our primary money fund objectives: stability of principal, liquidity, and a competitive market-based rate of return.

Thank you for your time and for the opportunity to serve you.

## Disclosures

**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](http://csimfunds.com). Please read the prospectus carefully before investing.**

**All Funds with the exception of Schwab Variable Share Price Money Fund:** You could lose money by investing in a money market fund. All Schwab Money Funds seek to preserve the value of your investment at \$1.00 per share, but cannot guarantee they will do so. Effective October 14, 2016, all funds with the exception of Schwab Government Money Fund, Schwab U.S. Treasury Money Fund, Schwab Treasury Obligations Money Fund, Schwab Government Money Market Portfolio and Schwab Retirement Government Money Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The money market fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

**Schwab Variable Share Price Money Fund:** You could lose money by investing in a money market fund. Because the share price of the fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. Effective October 14, 2016, the fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Rick Holland is an employee of Charles Schwab & Co., Inc.

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