

Schwab Target Index Funds™

LOW COST TARGET DATE FUNDS
UTILIZING SCHWAB ETFs™

charles
SCHWAB

INVESTMENT
MANAGEMENT

0.08%*

No investment minimum.

OVERVIEW

The Schwab Target Index Funds (Funds) are target date mutual funds managed by Charles Schwab Investment Management (CSIM). The Funds are comprised of individual funds that correspond to target retirement dates (target dates) in five-year increments between 2010 and 2060.

The Funds are:

- Designed utilizing the same behavioral focused, high level glide path as the Schwab Target Funds
- Diversified through exposure to a variety of asset classes
- Low cost, composed primarily of Schwab exchange-traded funds (ETFs)
- For an investor seeking returns similar to those of the indices that the underlying ETFs track

SOPHISTICATED DIVERSIFICATION

The Schwab Target Index Funds attempt to provide broad and efficient diversification

The Schwab Target Index Funds invest in assets such as large-cap equity, small-cap equity, international equity and fixed income including intermediate-term bond, short-term bond, and cash equivalents.

Also, the Funds attempt to provide additional diversification through dedicated exposure to less traditional asset classes such as diversified emerging markets equity, U.S. real estate investment trusts (REITs) and inflation-protected bonds (U.S. TIPS).

WHY INVEST IN SCHWAB ETFs?

ETFs can provide low cost, efficient access to the underlying asset classes that make up the Schwab Target Index Funds.

Schwab ETFs are one of the largest and fastest growing families of ETFs in the marketplace.

Asset Class	Underlying Investment
Equity	
Domestic Equity	Schwab U.S. Large-Cap ETF™ (SCHX) Schwab U.S. Small-Cap ETF™ (SCHA)
International Equity	Schwab International Equity ETF™ (SCHF)
Diversified Emerging Markets	Schwab Emerging Markets Equity ETF™ (SCHE)
Real Estate	Schwab U.S. REIT ETF™ (SCHH)
Fixed Income	
Short-Term Bond	Schwab Short-Term U.S. Treasury ETF™ (SCHO)
Intermediate-Term Bond	Schwab U.S. Aggregate Bond ETF™ (SCHZ)
Inflation-Protected Bond	Schwab U.S. TIPS ETF™ (SCHP)
Cash Equivalents	
Cash Equivalents	Schwab Variable Share Price Money Fund™—Ultra Shares (SVUXX)

* As stated in the 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 to 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.

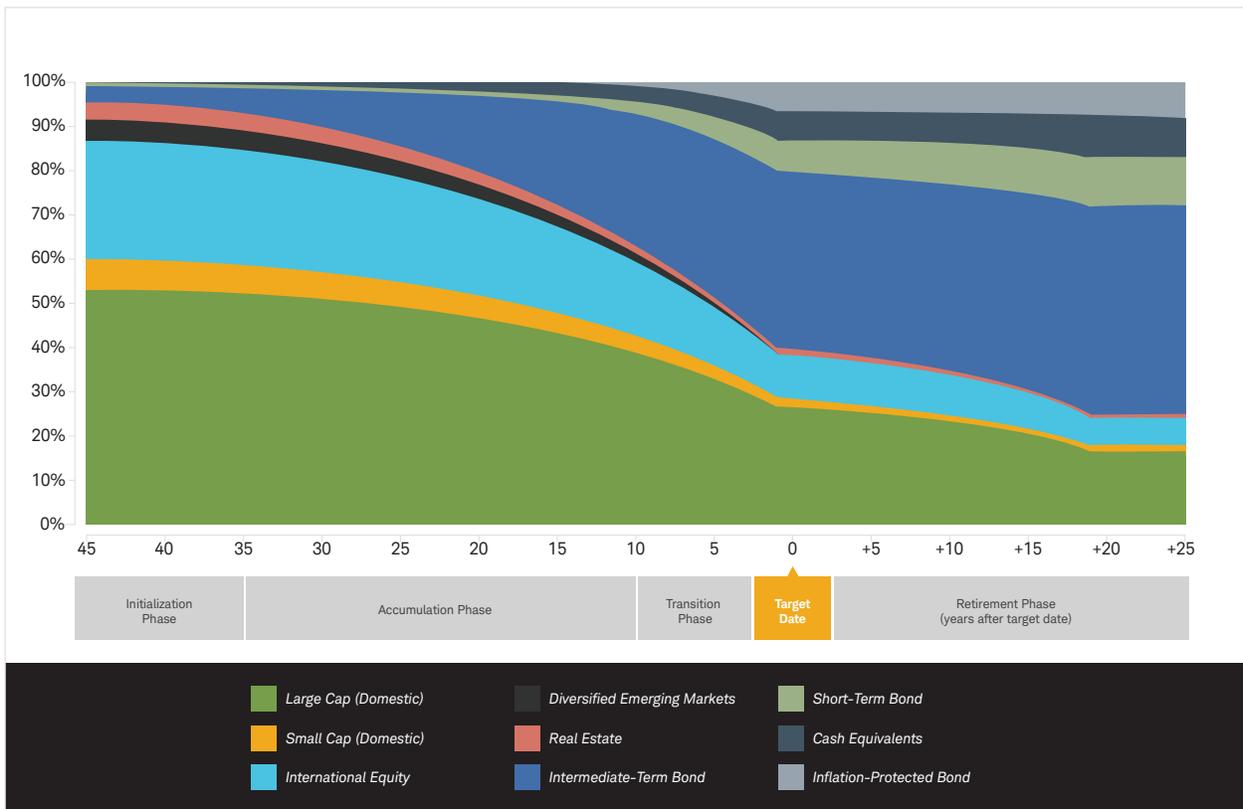
THE GLIDE PATH

Our glide path is designed to support behaviors that promote long-term investing success

Our glide path is designed to support behaviors that promote long-term investing success by recognizing and mitigating various risk factors present along the glide path. We believe that a target date fund's glide path should:

- Provide an appropriate balance between upside potential and managing risk at every stage in the investment life cycle up to and through retirement.
- Implement a risk reduction methodology that will seek to limit the possibility of an investor outliving his or her assets (longevity risk).
- Be implemented through an investment process that is systematic, objective and transparent.

Our glide path is constructed based upon the philosophy that emphasizes “value at risk” (VaR). The design assumes younger investors have lower financial capital (investable assets) and higher human capital (present value of future earnings), thus younger investors can tolerate greater short-term risk and larger allocations to riskier and more volatile asset classes. Similarly, as investors age, they are assumed to develop larger financial capital, higher VaR, with lower human capital equating to less potential recovery time from severe market downturns, and accordingly, lower risk and volatility tolerances.



The target date is the date when investors are expected to begin gradual withdrawal of fund assets. For an investor planning to retire at age 65 in 2020, for example, the target allocation for the Schwab Target 2020 Index Fund will be approximately 40% equity, 53.5% fixed income, and 6.5% cash and cash equivalents (including money market funds). The fund will continue to increase its allocation to fixed income until the year 2040. In 2040, the fund will reach its most conservative allocation of approximately 25% equity, 65.6% fixed income, and 9.4% cash investments (including money market funds).

COST MATTERS

Cost is an important part of investing success and maximizing wealth potential over time

The Funds' underlying ETF structure allows us to offer investors a product that's among the lowest target date expense ratios available in the marketplace.

- All investors can access the Schwab Target Index Funds, with expenses of 0.08%*, and no minimum initial investment.

Fund Name	Ticker	Net Expense Ratio*	Minimum Investment
Schwab Target 2010 Index Fund	SWYAX	0.08	No minimum
Schwab Target 2015 Index Fund	SWYBX		
Schwab Target 2020 Index Fund	SWY LX		
Schwab Target 2025 Index Fund	SWYDX		
Schwab Target 2030 Index Fund	SWYEX		
Schwab Target 2035 Index Fund	SWYFX		
Schwab Target 2040 Index Fund	SWYGX		
Schwab Target 2045 Index Fund	SWYHX		
Schwab Target 2050 Index Fund	SWYMX		
Schwab Target 2055 Index Fund	SWYJX		
Schwab Target 2060 Index Fund	SWYNX		

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Charles Schwab Investment Management

As one of the nation's largest asset managers, our goal is to provide investors with a diverse selection of foundational products that aim to deliver consistent performance at a competitive cost.

For more information, please call **877-824-5615** or visit www.schwabfunds.com

Investors should consider carefully information contained in the prospectus, or if available, the summary prospectus, including investment objectives, risks, charges and expenses. You can request a prospectus for Schwab Funds by visiting schwabfunds.com. Please read the prospectus carefully before investing.

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.

Target date fund asset allocations are subject to change over time in accordance with each fund's prospectus. Diversification and asset allocation strategies do not ensure a profit and do not protect against losses in declining markets.

The investment risks of the funds will change as asset allocations change. Investors should consider risk tolerance and personal finance conditions along with age and retirement date when investing in the funds.

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) is the investment advisor for Schwab Funds and Schwab ETFs. Schwab Funds are distributed by Charles Schwab & Co., Inc. (Schwab), Member SIPC. Schwab ETFs are distributed by SEI Investments Distribution Co. (SIDCO). CSIM and Schwab, are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation, and are not affiliated with SIDCO.

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