Schwab Target Index Funds

The lowest-cost target date mutual funds that are accessible to any investor with no minimum

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

- Low cost, composed primarily of Schwab exchange-traded funds (ETFs) with no investment minimums
- Diversified through exposure to Schwab ETFs™ utilizing eight underlying asset classes
- Designed utilizing behavior-driven glide path

Schwab Target Index Funds offerings

<table>
<thead>
<tr>
<th>Fund name</th>
<th>Ticker investment</th>
<th>Net expense ratio*</th>
<th>Minimum investment</th>
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</thead>
<tbody>
<tr>
<td>Schwab Target 2010 Index Fund</td>
<td>SWYAX</td>
<td>0.08%</td>
<td>No minimum</td>
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<tr>
<td>Schwab Target 2015 Index Fund</td>
<td>SWYBX</td>
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<td>Schwab Target 2020 Index Fund</td>
<td>SWYLYX</td>
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<td>Schwab Target 2025 Index Fund</td>
<td>SWYDX</td>
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<td>Schwab Target 2030 Index Fund</td>
<td>SWYEXX</td>
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<td>Schwab Target 2035 Index Fund</td>
<td>SWYFX</td>
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<td>Schwab Target 2040 Index Fund</td>
<td>SWYGX</td>
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<td>Schwab Target 2045 Index Fund</td>
<td>SWYHX</td>
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<td>Schwab Target 2050 Index Fund</td>
<td>SWYMX</td>
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<td>Schwab Target 2055 Index Fund</td>
<td>SWYJX</td>
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<tr>
<td>Schwab Target 2060 Index Fund</td>
<td>SWYNX</td>
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*The investment adviser and its affiliates have agreed to limit the total annual fund operating expenses (including AFFE, but excluding taxes and certain non-routine expenses) of the fund to 0.08% for so long as the investment adviser serves as the adviser to the fund. This agreement may only be amended or terminated with the approval of the fund’s Board of Trustees.

Claim excludes competitor funds with eligibility restrictions, specifically those that are generally only available to certain wrap fee accounts.
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.

Sophisticated diversification

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

The Schwab Target Index Funds are composed primarily of Schwab ETFs™, investing in asset classes 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 seek 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).

The diversification of the funds provides an opportunity for better long-term results with potentially less volatility than self-directed investor asset allocation provides.

Schwab ETFs

Provide low-cost, passive market cap exposure across multiple asset classes for a balanced, well-diversified portfolio of equity and fixed income investments

All investors can access the Schwab Target Index Funds with expenses of 0.08%*

No minimum initial investment for any investor at any investment level
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. It seeks to minimize behavioral and investment risks throughout the investment life cycle. 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

The fundamental goal behind our target date fund design is to help investors maximize asset accumulation without unduly placing savings at risk, in order to potentially secure a safe, sustainable income source in retirement. To build a portfolio that strives to achieve this outcome, we developed our glide path using investment and behavioral research as well as our own experience in working with a wide range of retirement investors.

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).
For additional information, call 1-877-824-5615 or visit schwabfunds.com.

Charles Schwab Investment Management
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.

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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