

Schwab Managed Retirement Trusts™ (SMRT)

Collective investment trusts maintained by Charles Schwab Trust Bank

Performance
reports as of
June 30, 2020

Consultant Reporting Package

FOR INSTITUTIONAL USE ONLY - NOT FOR DISTRIBUTION

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Table of Contents

Schwab target date solutions overview

Schwab Managed Retirement Trusts™ (SMRT)

SMRT performance & attribution review

Underlying strategy performance

SMRT update

Appendix

The Charles Schwab logo, featuring the word "charles" in a lowercase, italicized serif font above the word "SCHWAB" in a bold, uppercase sans-serif font, all contained within a blue square.

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Schwab Target Date Solutions*

Multi-Asset Products

*Includes Schwab Managed Retirement Trusts ("SMRT") and Schwab Indexed Retirement Trusts ("SIRT"), collective investment trusts maintained by Charles Schwab Trust Bank, and Schwab Target Funds and Schwab Target Index Funds, managed by Charles Schwab Investment Management, Inc.

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Schwab's target date solutions

	Schwab Managed Retirement Trusts™ (SMRT)	Schwab Indexed Retirement Trusts® (SIRT)	Schwab Target Funds	Schwab Target Index Funds
Structure	Collective Investment Trusts		Mutual Funds	
Target market	Designed exclusively for qualified retirement plans		Designed for retail investors and employer-sponsored retirement plans	
Underlying investments	Sub-Advised		Proprietary and Sub-Advised/Third Party	Proprietary
Oversight structure	Maintained by Schwab Trust Bank as trustee		Managed by CSIM	
Investment style	Active/Passive	Passive	Active/Passive	Passive
AUM (\$MM)	\$11,991	\$4,267	\$4,044	\$2,155
Inception	10/1/2002	1/5/2009	7/1/2005	8/25/2016
Net expense	0.33%–0.89% Six unit classes	0.07%* One unit class	0.32%–0.74% ¹ One share class	0.08% ² One share class

As of June 30, 2020

The values of target date funds will fluctuate up to and after the target dates. There is no guarantee the funds will provide adequate income at or through retirement.

Target date funds are built for investors who expect to start gradual withdrawals of fund assets on the target date, to begin covering expenses in retirement. The principal value of the funds is not guaranteed at any time, and will continue to fluctuate up to and after the target date.

Target date funds asset allocations are subject to change over time in accordance with each fund's prospectus.

Investment minimums may apply.

¹As of the most recent prospectus, the investment adviser and its affiliates have agreed to limit the total annual fund operating expenses (excluding interest, taxes, and certain non-routine expenses) of each of the funds to 0.00% for so long as the investment advisor serves as the advisor to the fund. This agreement may only be amended or terminated with the approval of a fund's Board of Trustees. This agreement to limit the total annual fund operating expenses is limited to the fund's direct operating expenses and, therefore, does not apply to acquired fund fees and expenses (AFFE), which are indirect expenses incurred by the fund through its investments in the underlying funds.

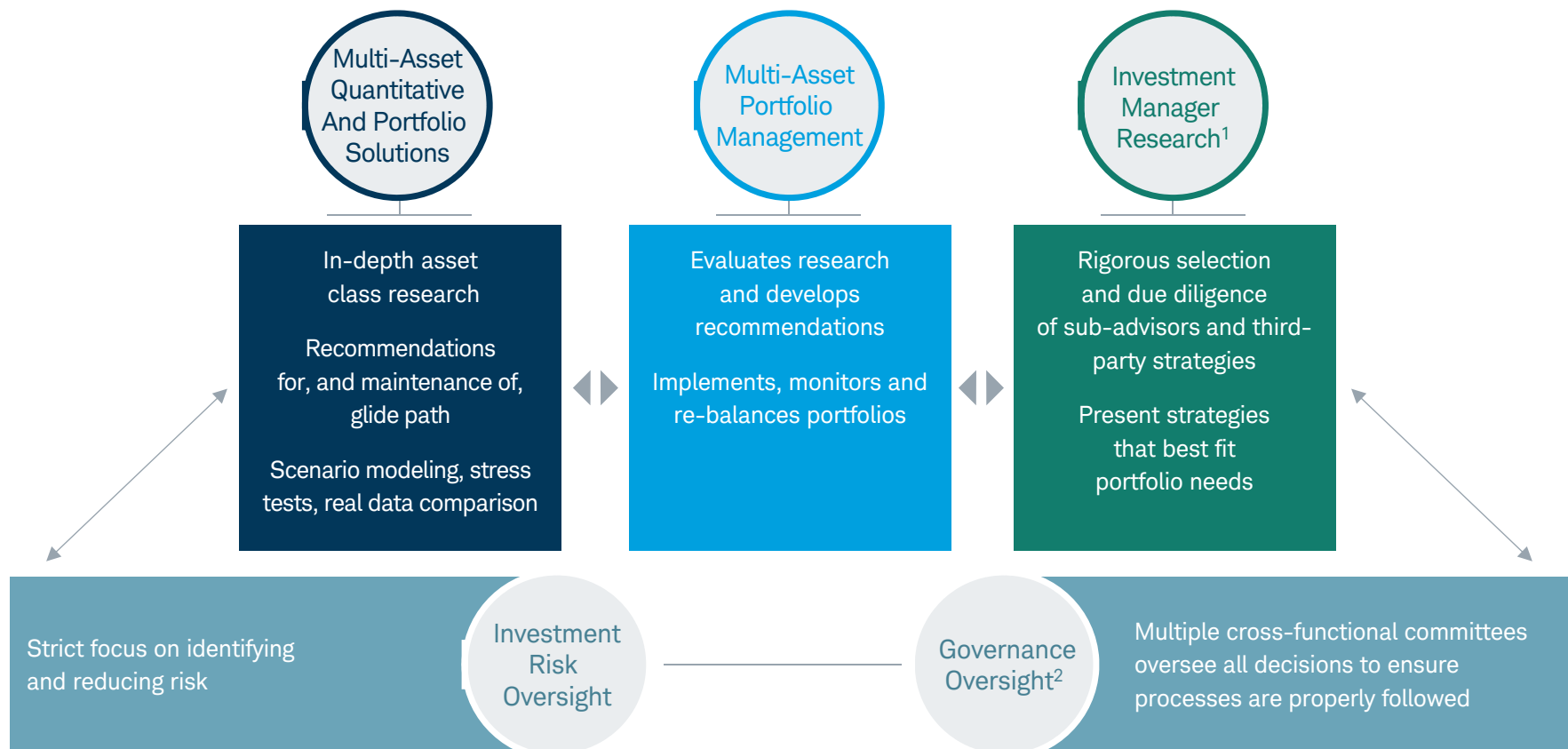
²As of the most recent prospectus, the investment adviser and its affiliates have agreed to limit the total annual fund operating expenses (including acquired fund fees and expenses (AFFEs), but excluding taxes and certain non-routine expenses) of each of the funds to 0.08% for so long as the investment 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.

Investment Team: Collaborative teams focused on investor needs coupled with institutional oversight

24 professionals, including 5 PhDs and 15 CFA charterholders, averaging 17.3 years of experience

Multi-Asset Strategic Leadership

Prioritizes strategic portfolio needs and research agenda



¹ Investment Manager Research Oversight provides direct oversight of all sub-advised and third-party strategies.

² CSIM provides non-discretionary advisory services and recommendations for the Charles Schwab Trust Bank Collective Investment Trusts; Charles Schwab Trust Bank CTF Administrative and Investment Committees maintain final decision and implementation authority.

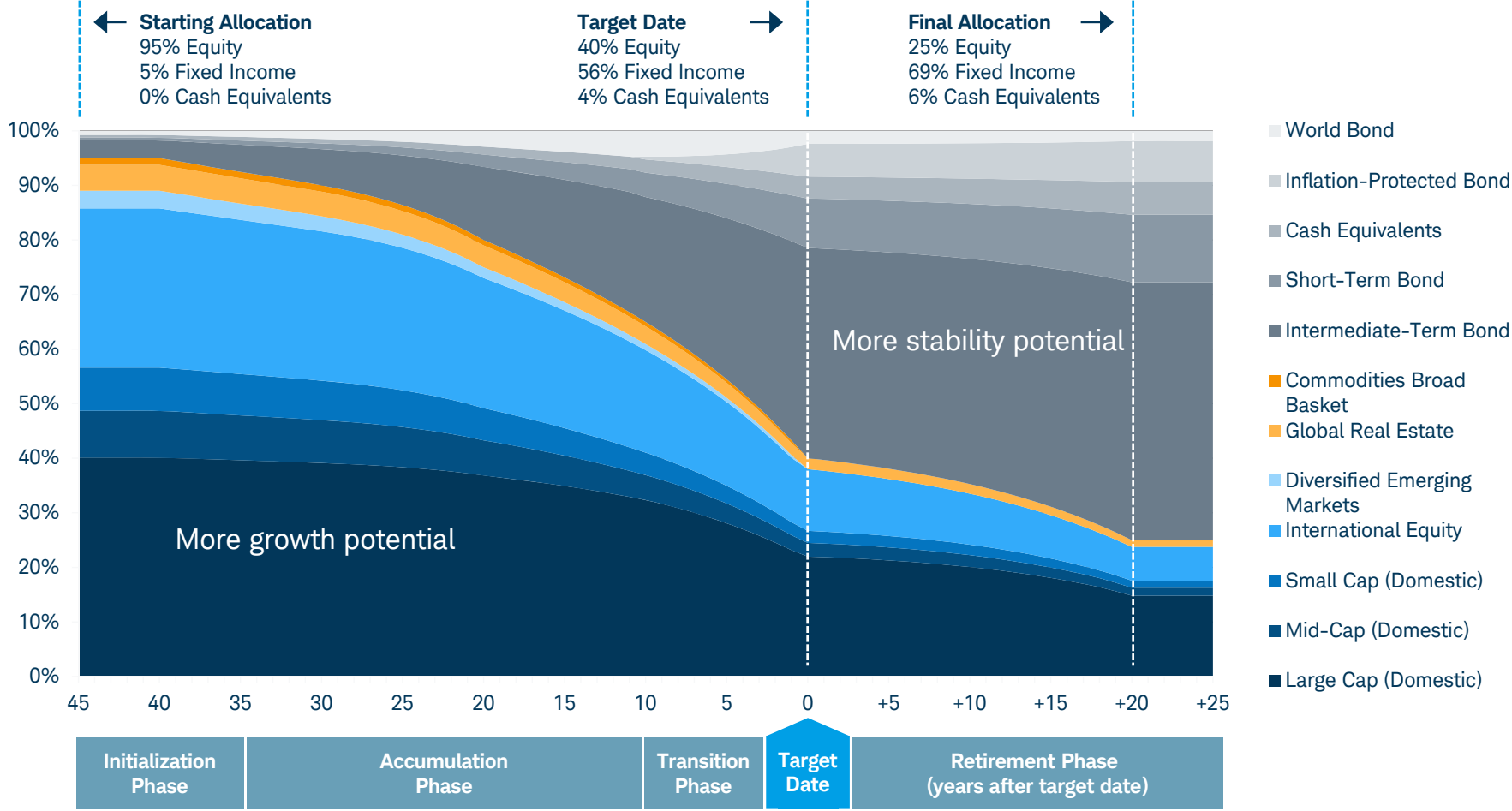
Schwab Managed Retirement Trusts™

Multi-Asset Products

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Holistic Portfolio Construction designed to result in an optimal mix to meet participant needs

Example: SMRT glide path with underlying asset classes



The values of the trusts will fluctuate up to and after the target dates. There is no guarantee the trusts will provide adequate income at or through retirement. Asset diversification and allocation strategies do not ensure a profit and cannot protect against losses in a declining market. Equity asset classes include Domestic Equity, International Equity, Diversified Emerging Markets, Global Real Estate and Commodities. Fixed Income asset classes include Intermediate-Term Bond, Short-Term Bond, Cash Equivalents, Inflation-Protected Bond and World Bond.

Holistic Portfolio Construction: Unconstrained approach enables ability to fine tune asset class and style exposures as retirement approaches...

Less As Retirement Approaches More

Equity Portfolio

Active Strategies
Domestic Small Cap
International
Emerging Markets ¹
Commodities

Passive Strategies
Domestic Large Cap
Domestic
International (Developed) ²
Domestic

Fixed Income and Cash Equivalents Portfolio

Active Strategies
Credit Risk
Duration
International

Passive Strategies
Inflation-Protection (U.S. TIPS)
Short-Term Bonds & Cash Equivalents
Domestic



¹Represents dedicated emerging markets exposure only. Indirect emerging markets exposure may be present through other underlying international strategies.
²As the glide path progresses, the allocation to direct emerging markets rolls into international (developed) markets, resulting in higher international (developed) equity exposure, including the emerging markets allocation. Additionally, international allocation declines relative to total equity to reduce risk.

Access to premier investment strategies



Schwab Managed Retirement Trusts (SMRT): Portfolio Holdings and Sub-Advisors

	Trust Investment	Manager(s)	Category
Domestic Equity	Schwab Instl Large Cap Value Trust*	Dodge & Cox	Large Value
	BNY Mellon Large Cap Stock Index Fund	Mellon Investments Corp.	Large Blend
	Schwab Instl Large Cap Growth Trust*	Wellington Mgmt.	Large Growth
	Vanguard Mid-Cap Index Fund	Vanguard	Mid-Cap Blend
	BNY Mellon Small Cap Stock Index Fund	Mellon Investments Corp.	Small Blend
	Schwab Instl Small Cap Trust*	Macquarie	Small Value
		Wellington Mgmt.	Small Value
		AllianceBernstein	Small Growth
Brown Advisory		Small Growth	
International Equity	Schwab Instl International Diversified Trust*	Franklin Templeton	Foreign Large Value
		American Funds	Foreign Large Growth
		DFA	Foreign Sm/Mid Value
		William Blair	Foreign Sm/Mid Growth
Diversified Emerging Markets	SSgA Emerging Markets Index Fund	SSgA	Diversified Emerging Markets
Real Assets	BlackRock Developed Real Estate Index Fund	BlackRock	Global Real Estate
	BlackRock Commodity Index Daily Fund	BlackRock	Commodities Broad Basket
Short-Term Bond	Mellon Investments Corporation Active 1-5 Gov/Credit Bond Fund	Mellon Investments Corp.	Short-Term Bond
Intermediate Core-Plus Bond	Schwab Instl Core Plus FI Trust III*	BNY Mellon U.S. Aggregate Bond Index Fund	Mellon Investments Corp.
		Mellon Investments Corp.	Intermediate-Term Bond (Core)
		Baird Advisors	Intermediate-Term Bond (Core)
		TCW MetWest Loomis Sayles	Intermediate-Term Bond (Core Plus)
World Bond-USD Hedged	BlackRock Global Aggregate Bond Fund Ex-USD	BlackRock	World Bond
Real Assets	BlackRock U.S. TIPS Index Fund	BlackRock	Inflation-Protected Bond (U.S. TIPS)
Cash Equivalents	State Street U.S. Government Short Term Investment Fund	SSgA	Cash Equivalents

The DOL has provided general guidance for selecting and monitoring TDFs

“**Non-proprietary TDFs** could also offer advantages by including component funds that are managed by fund managers other than the TDF provider itself, thus **diversifying participants’ exposure** to one investment provider.” -U.S. DOL, 2013¹

	DOL Guidance Highlights	
Evaluation	Objectively comparing and selecting TDFs	√
	Evaluating non-proprietary or custom TDFs	√
	Using resources to evaluate the selected TDFs	√
Plan’s TDF Investment	Understanding the TDF’s investments	√
	Review fees and investment expenses	√
	Periodic review of selected TDFs	√
Communications	Develop effective employee communications	√
Recordkeeping	Documenting the process	√

Performance and Attribution Review

Performance summary: 2Q2020

Trust	Unit Class V Performance	Unit Class V Performance vs. Custom Index ¹ (+/-) %	Unit Class V Category Percentile Ranking ²	Key Comments
SMRT Income	8.04	1.40	54	<p>With the Country re-opening in the 2nd quarter and fears of COVID abating for a time, major global stock and fixed income markets rebounded from lows reached in the 1st quarter. Overall, equities outperformed fixed income, growth outperformed value, small cap equities outperformed large cap equities and most domestic equities outperformed foreign equities.</p> <p>For the 2nd quarter, the trusts ranked in the 29th percentile on average versus peers, and all of the trusts outperformed their custom blended indices.</p> <p>Glide Path Impact: Impact from the glide path was mixed as the long dated trusts benefited from higher equity exposure compared to the peer group while short dated trusts' lower equity allocation detracted.</p> <p>Asset Allocation: Impact from the trusts' strategic asset allocation was generally positive due to an overweight to U.S. equities which was partially offset by negative impact from an overweight to REITs relative to peers.</p> <p>Manager Selection Impact: Overall, manager selection impact was positive with 79% of sub-advisors outperforming their benchmark. The Schwab Institutional Large Cap Value Trust (sub-advised by Dodge & Cox) and the Schwab Institutional Diversified International Trust (sub-advised by Franklin Templeton Investments, American Funds, DFA and William Blair) were the largest contributors to the SMRTs performance for the quarter. The passive index strategies performed within tracking error expectations.</p>
SMRT 2010	9.90	1.54	34	
SMRT 2015	10.43	1.62	41	
SMRT 2020	10.76	1.64	42	
SMRT 2025	13.21	1.82	26	
SMRT 2030	15.16	2.03	23	
SMRT 2035	16.67	2.16	36	
SMRT 2040	17.94	2.26	37	
SMRT 2045	19.08	2.31	23	
SMRT 2050	19.71	2.32	19	
SMRT 2055	20.17	2.35	10	
SMRT 2060	20.61	2.37	6	

As of June 30, 2020

SMRT Class V requires a \$100MM initial investment or plan assets >\$400MM. Multiple unit classes of SMRT are available with different expense ratios and minimum requirements. See pricing table at the end of this document for more information.

Past performance is no guarantee of future results. Investment return and principal value will fluctuate, and units, when redeemed, may be worth more or less than original cost. Trust performance includes the reinvestment of all income and is presented net of all fees. Current performance may be lower or higher than performance data quoted.

Effective January 1, 2019, Charles Schwab Bank transferred trusteeship of its CITs to its affiliate CSTB, as successor trustee of the Trusts.

For additional performance information please visit www.schwabtrustbankcollectives.com.

See Disclosures for information on the composite index and percentile ranks

Source: Charles Schwab Investment Management, Inc. and Morningstar, Inc.

Performance summary: 1 Year as of June 30, 2020

Trust	Unit Class V Performance	Unit Class V Performance vs. Custom Index1 (+/-) %	Unit Class V Category Percentile Ranking2	Key Comments
SMRT Income	6.93	0.54	1	Global market performance for both equities and fixed income for the 1-year period ending June 30, 2020 have been largely defined by the extreme up and Down market movements within the first half of 2020.
SMRT 2010	6.63	0.64	1	
SMRT 2015	6.49	0.67	6	For the year, the trusts ranked in the 25 th percentile on average versus peers. The trusts weathered market movements well for the period with most ranking above median. Most notably, earlier dated trusts, portfolios designed specifically for investors near and in retirement, ranked in the top quartile.
SMRT 2020	6.42	0.69	3	
SMRT 2025	5.35	0.66	15	Glide Path Impact: Impact from the glide path was mixed as the shorter dated trusts significantly benefited from lower equity exposure compared to the peer group while longer dated trusts' higher equity allocation detracted from performance.
SMRT 2030	4.68	0.81	17	
SMRT 2035	3.95	0.75	26	Asset Allocation: Impact from the trusts' strategic asset allocation was mixed as positive impacts from an overweight to U.S. equities was partially offset by negative impacts from an overweight to REITs relative to peers.
SMRT 2040	3.38	0.77	32	
SMRT 2045	2.64	0.65	45	Manager Selection Impact: Impact from manager selection was positive with 57% of sub-advisors outperforming their benchmark. All five of the underlying Schwab Institutional Trusts outperformed their indices and peer averages. Most notably, The Schwab Institutional Large Cap Value Trust (sub0advised by Dodge & Cox), the Schwab Institutional Small Cap Trust (sub-advised by Macquarie, Wellington, AllianceBernstein and Brown Advisory) and the Schwab Institutional Core Plus Fixed Income Trust (sub-advised by Baird, TCW MetWest, Loomis Sayles and BNY Mellon) all ranked in the top quartile.
SMRT 2050	2.28	0.66	46	
SMRT 2055	1.77	0.40	54	Passive index strategies all performed within tracking error expectations.
SMRT 2060	1.76	0.67	52	

As of June 30, 2020

SMRT Class V requires a \$100MM initial investment or plan assets >\$400MM. Multiple unit classes of SMRT are available with different expense ratios and minimum requirements. See pricing table at the end of this document for more information.

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See Disclosures for information on the composite index and percentile ranks

Source: Charles Schwab Investment Management, Inc. and Morningstar, Inc.

SMRT performance vs. Morningstar category peers

As of June 30, 2020 (Net of fees)

Morningstar Percentile Ranks vs. Peers									
		Rank in Morningstar Category ^{1,2}				Funds in Category			
Trust		1 YR	3 YR	5 YR	10 YR	1 YR	3 YR	5 YR	10 YR
Income	Morningstar Category: Target-DateRetirement MF	1	11	25	41	180	156	133	96
2010	Morningstar Category: Target-Date2000-2010 MF	1	8	10	56	123	93	76	59
2015	Morningstar Category: Target-Date2015 MF	6	15	25	61	123	98	72	48
2020	Morningstar Category: Target-Date2020 MF	3	10	19	27	223	195	149	95
2025	Morningstar Category: Target-Date2025 MF	15	17	20	24	229	200	159	94
2030	Morningstar Category: Target-Date2030 MF	17	24	29	25	238	209	164	103
2035	Morningstar Category: Target-Date2035 MF	26	28	30	25	226	197	156	91
2040	Morningstar Category: Target-Date2040 MF	32	29	34	22	238	209	164	103
2045	Morningstar Category: Target-Date2045 MF	45	37	37	20	226	197	156	90
2050	Morningstar Category: Target-Date2050 MF	46	38	39	17	238	209	164	83
2055	Morningstar Category: Target-Date2055 MF	54	44	41	--	226	195	153	36
2060	Morningstar Category: Target-Date2060+ MF	52	48	--	--	254	165	63	--

■ 1-25: Top Quartile
 ■ 26-50: Second Quartile
 ■ 51-75: Third Quartile
 ■ 76-100: Bottom Quartile

Past performance is no guarantee of future results. Investment return and principal value will fluctuate, and units, when redeemed, may be worth more or less than original cost. Performance includes the reinvestment of all income and is presented net of all fees. **The value of the Trusts will fluctuate up to and after the target date. There is no guarantee the Trusts will provide adequate income at or through retirement.**

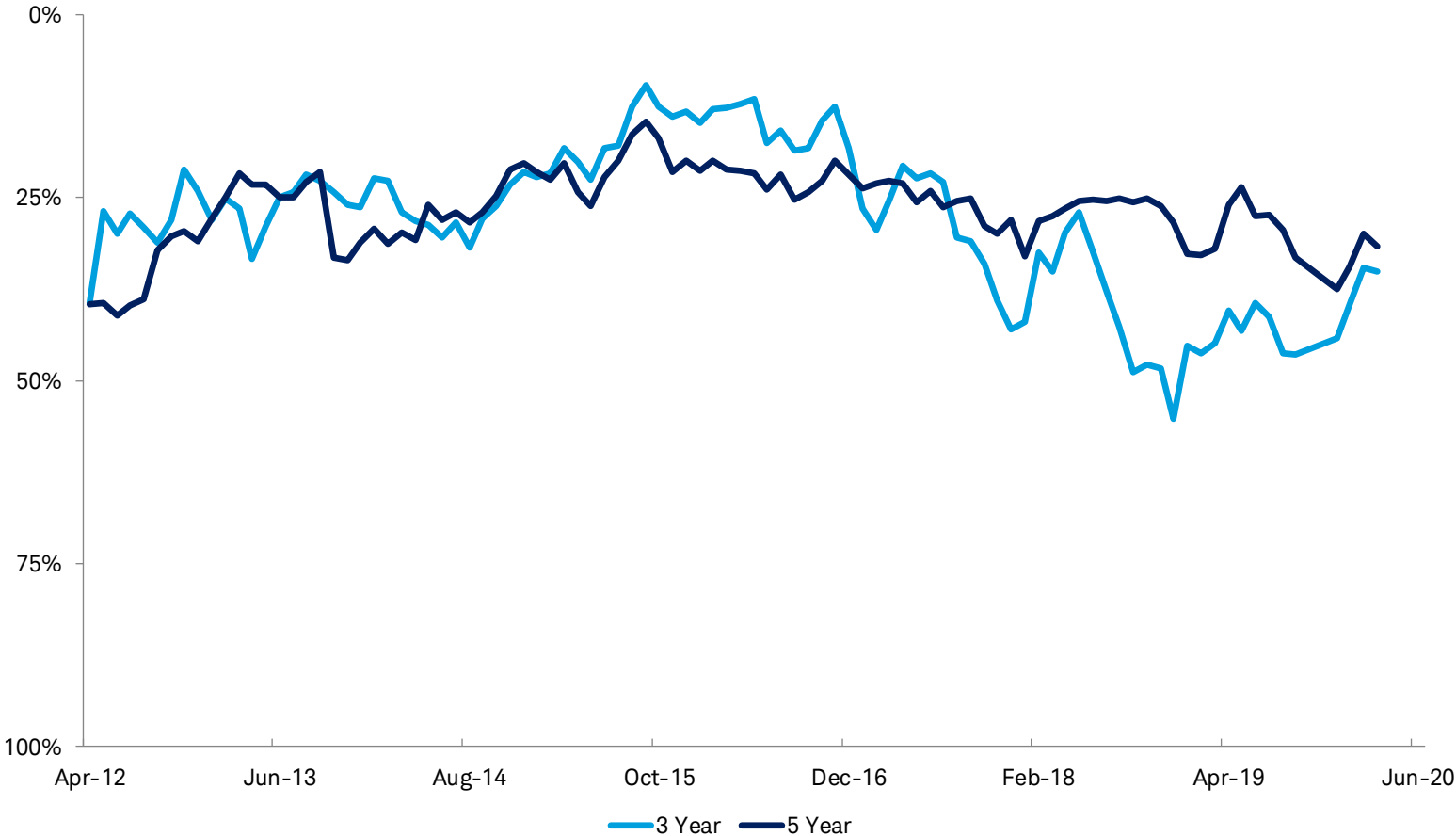
¹The percentile rank is the trust's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) is 100. The top-performing fund in a category will always receive a rank of 1%. Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges.

²Ranks are for the Unit Class V. Ranks for 10 year periods are ranks for Unit Class IV. Dashed indicate performance and rank data is not available. SMRT Class V requires a \$100MM initial investment or plan assets >\$400MM

Source: Morningstar, Inc.

SMRT – Rankings Summary

Average 3 and 5 Year Category Rankings (Unit Class IV) as of June 30, 2020



3-Year ranks are extended Class IV ranks from 4/30/2010 to 3/31/2013, sourced from Zephyr Associates, Inc. From 4/30/2013 forward, ranks are sourced from Morningstar, Inc.
 5-Year ranks are extended Class IV ranks from 4/30/2010 to 3/31/2015, sourced from Zephyr Associates, Inc. From 4/30/2015 forward, ranks are sourced from Morningstar, Inc.



SMRTs' performance vs. Morningstar category peers

As of June 30, 2020 (Net of fees)

Morningstar Percentile Ranks vs. Peers ²																						
As of June 30, 2020		RANK IN MORNINGSTAR CATEGORY 1 YR						RANK IN MORNINGSTAR CATEGORY 3 YR						RANK IN MORNINGSTAR CATEGORY 5 YR						FUNDS IN CATEGORY		
TRUST		UNIT CLASS						UNIT CLASS						UNIT CLASS						1 YR	3 YR	5 YR
		I	II	III	IV	V	VI	I	II	III	IV	V	VI	I	II	III	IV	V	VI			
SMRT Income		7	2	1	1	1	1	36	25	22	17	11	--	63	40	36	29	25	--	180	156	133
Morningstar Category: Target-Date Retirement																						
SMRT 2010		17	13	2	1	1	1	38	17	13	11	8	--	66	37	26	12	10	--	123	93	76
Morningstar Category: Target-Date 2000-2010																						
SMRT 2015		20	11	9	9	6	6	47	35	26	19	15	--	70	64	46	36	25	--	123	98	72
Morningstar Category: Target-Date 2015																						
SMRT 2020		11	5	5	5	3	3	33	22	16	13	10	--	54	37	28	22	19	--	223	195	149
Morningstar Category: Target-Date 2020																						
SMRT 2025		29	19	19	17	15	15	40	32	27	24	17	--	48	34	29	25	20	--	229	200	159
Morningstar Category: Target-Date 2025																						
SMRT 2030		39	32	24	20	17	17	48	38	32	29	24	--	61	49	37	33	29	--	238	209	164
Morningstar Category: Target-Date 2030																						
SMRT 2035		48	42	35	29	26	26	58	44	37	33	28	--	60	49	44	39	30	--	226	197	156
Morningstar Category: Target-Date 2035																						
SMRT 2040		47	43	37	34	32	32	55	41	36	31	29	--	60	51	43	37	34	--	238	209	164
Morningstar Category: Target-Date 2040																						
SMRT 2045		54	52	50	47	45	44	61	52	44	43	37	--	64	51	43	41	37	--	226	197	156
Morningstar Category: Target-Date 2045																						
SMRT 2050		53	50	47	46	46	45	58	54	45	41	38	--	63	54	44	42	39	--	238	209	164
Morningstar Category: Target-Date 2050																						
SMRT 2055		60	56	56	55	54	53	65	59	50	48	44	--	66	56	47	44	41	--	226	195	153
Morningstar Category: Target-Date 2055																						
SMRT 2060		60	59	55	54	52	52	70	64	55	52	48	--	--	--	--	--	--	--	254	165	63
Morningstar Category: Target-Date 2060+																						

■ 1-25: Top Quartile

■ 26-50: Second Quartile

■ 51-75: Third Quartile

■ 76-100: Bottom Quartile

Past performance is no guarantee of future results. Investment return and principal value will fluctuate, and units, when redeemed, may be worth more or less than original cost. Performance includes the reinvestment of all income and is presented net of all fees.

¹The percentile rank is the trust's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) is 100. The top-performing fund in a category will always receive a rank of 1%. Rank in Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Dashed indicate performance and rank data is not available. Source: Morningstar, Inc.

Performance attribution

TRUST As of June 30, 2020	3 MONTH			1 YEAR			3 YEAR		
	Sector & Asset Allocation	Manager Selection	Active Return	Sector & Asset Allocation	Manager Selection	Active Return	Sector & Asset Allocation	Manager Selection	Active Return
SMRT Income	0.18	1.41	1.53	0.36	0.72	0.84	0.09	0.48	0.32
SMRT 2010	0.20	1.53	1.66	0.27	0.74	0.76	0.06	0.48	0.26
SMRT 2015	0.21	1.58	1.72	0.27	0.77	0.77	0.07	0.49	0.26
SMRT 2020	0.25	1.62	1.79	0.40	0.79	0.91	0.12	0.50	0.30
SMRT 2025	0.22	1.83	1.96	0.39	0.85	0.93	0.13	0.53	0.29
SMRT 2030	0.21	1.93	2.04	0.34	0.89	0.89	0.11	0.53	0.24
SMRT 2035	0.19	2.16	2.25	0.28	0.92	0.83	0.10	0.52	0.20
SMRT 2040	0.16	2.28	2.33	0.24	0.93	0.79	0.07	0.50	0.12
SMRT 2045	0.10	2.39	2.37	0.21	0.93	0.75	0.07	0.48	0.08
SMRT 2050	0.02	2.47	2.37	0.10	0.95	0.65	0.02	0.48	0.03
SMRT 2055	0.04	2.50	2.42	0.16	0.95	0.70	0.08	0.47	0.07
SMRT 2060	0.05	2.55	2.47	0.04	0.91	0.53	0.03	0.44	-0.01

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher. Visit schwabtrustbankcollectives.com for month-end performance information. Investment value will fluctuate, and units, when redeemed, may be worth more or less than their original cost.

Allocation effects on performance may be overstated due to the T+1 settlement reporting of ETF allocations during large cash flow equalizations.

Sector & Asset Allocation Attribution measures the impact of sector and asset allocation decisions based on Fund returns versus custom benchmarks. Manager Selection Attribution measures the impact of manager decisions based on Fund returns versus custom benchmark returns.

Attribution reported above is gross of SMRTs' operating expense and net of the underlying strategies' fees.

Each SMRT's custom index is a blend of broad based market indices used to measure Trust performance. The composition of the custom index is adjusted to align similarly with each Trust's strategic policy allocation in each asset class. A Trust will not attempt to replicate the index. See the Disclosures for underlying custom index components.

Source: Charles Schwab Investment Management, Inc.

SMRT Performance

SMRT Performance																					
As of June 30, 2020	Exp. Ratio	Inception Date	Extended Performance Inception Date ¹	1 Month %	1 Month Rank	3 Month %	3 Month Rank	YTD %	YTD Rank	1 Year %	1 Year Rank	3 Year %	3 Year Rank	5 Year %	5 Year Rank	10 Year %	10 Year Rank	Since Incep	3 Year Sharpe Ratio	3 Year Std. Dev	Mnth End Net Asset Value (NAV) \$
SMRT Income																					
Unit Class I	0.89	12/17/2004	--	1.35	59	7.90	58	2.75	2	6.36	7	4.98	36	4.25	63	4.93	63	4.35	0.63	5.20	19.39
Unit Class II	0.69	9/2/2005	--	1.37	58	7.94	57	2.84	2	6.57	2	5.19	25	4.46	40	5.14	50	4.50	0.67	5.20	19.96
Unit Class III	0.54	1/3/2007	--	1.38	53	7.99	54	2.92	2	6.74	1	5.34	22	4.62	36	5.29	43	4.52	0.70	5.20	20.36
Unit Class IV	0.45	1/5/2010	--	1.39	53	8.01	54	2.96	2	6.83	1	5.44	17	4.71	29	5.39	41	5.23	0.72	5.20	20.56
Unit Class V ²	0.35	6/19/2014	--	1.40	52	8.04	54	3.02	2	6.93	1	5.55	11	4.81	25	5.49	--	4.38	0.74	5.20	20.69
Unit Class VI ³	0.33	9/25/2018	--	1.40	52	8.04	54	3.03	2	6.96	1	5.57	--	4.84	--	5.52	--	6.86	--	--	20.70
SMRT/SIRT Income Composite Index ⁴				1.06	--	6.64	--	2.42	--	6.39	--	5.46	--	4.80	--	5.21	--	--	0.81	4.61	--
Morningstar Category: Retirement Income MF				1.35	--	8.01	--	0.23	--	4.08	--	4.52	--	4.20	--	5.06	--	--	0.50	6.17	--
SMRT 2010																					
Unit Class I	0.89	10/1/2002	--	1.60	62	9.75	34	1.65	12	6.04	17	5.37	38	4.82	66	6.08	77	5.65	0.53	6.84	26.51
Unit Class II	0.69	9/2/2005	--	1.62	59	9.81	34	1.77	4	6.26	13	5.59	17	5.03	37	6.29	72	4.83	0.56	6.85	27.34
Unit Class III	0.54	1/3/2007	--	1.63	58	9.85	34	1.84	4	6.43	2	5.75	13	5.19	26	6.45	63	4.66	0.59	6.85	27.90
Unit Class IV	0.45	1/5/2010	--	1.64	58	9.88	34	1.89	4	6.52	1	5.84	11	5.29	12	6.55	56	6.14	0.60	6.85	28.18
Unit Class V ²	0.35	6/19/2014	--	1.64	58	9.90	34	1.94	4	6.63	1	5.95	8	5.39	10	6.65	--	4.97	0.62	6.85	28.35
Unit Class VI ³	0.33	9/25/2018	--	1.65	57	9.91	34	1.95	4	6.65	1	5.97	--	5.41	--	6.68	--	6.33	--	--	28.35
SMRT/SIRT 2010 Custom Index				1.28	--	8.36	--	1.27	--	5.99	--	5.86	--	5.37	--	6.40	--	--	0.67	6.20	--
Morningstar Category: Target Date 2000-2010 MF				1.65	--	9.03	--	0.50	--	4.87	--	5.16	--	4.87	--	6.49	--	--	0.56	6.59	--
SMRT 2015																					
Unit Class I	0.89	8/2/2007	--	1.67	49	10.27	45	1.35	10	5.90	20	5.44	47	4.92	70	6.65	87	4.28	0.51	7.28	17.17
Unit Class II	0.69	10/2/2007	--	1.69	45	10.33	45	1.44	7	6.12	11	5.64	35	5.12	64	6.87	82	4.22	0.54	7.28	16.93
Unit Class III	0.54	8/30/2007	--	1.70	42	10.38	44	1.53	7	6.29	9	5.80	26	5.28	46	7.03	67	4.63	0.56	7.28	17.88
Unit Class IV	0.45	4/5/2010	--	1.71	42	10.40	41	1.56	7	6.38	9	5.89	19	5.37	36	7.13	61	6.41	0.57	7.28	18.07
Unit Class V ²	0.35	6/19/2014	--	1.72	41	10.43	41	1.62	7	6.49	6	6.00	15	5.48	25	7.23	--	5.04	0.59	7.29	18.17
Unit Class VI ³	0.33	9/25/2018	--	1.72	41	10.43	41	1.62	7	6.50	6	6.03	--	5.51	--	7.25	--	6.20	--	--	18.18
SMRT/SIRT 2015 Custom Index				1.34	--	8.81	--	0.94	--	5.82	--	5.88	--	5.45	--	7.01	--	--	0.63	6.60	--
Morningstar Category: Target Date 2015 MF				1.66	--	10.15	--	-0.17	--	4.65	--	5.42	--	5.12	--	7.10	--	--	0.51	7.69	--
SMRT 2020																					
Unit Class I	0.89	10/1/2002	--	1.72	43	10.62	43	1.02	9	5.85	11	5.75	33	5.30	54	7.58	45	6.52	0.51	7.91	30.66
Unit Class II	0.69	9/2/2005	--	1.73	42	10.67	43	1.11	8	6.06	5	5.97	22	5.51	37	7.79	34	5.38	0.54	7.91	31.63
Unit Class III	0.54	1/3/2007	--	1.75	41	10.71	43	1.19	6	6.22	5	6.12	16	5.67	28	7.95	32	4.97	0.56	7.91	32.27
Unit Class IV	0.45	1/5/2010	--	1.75	41	10.74	43	1.23	6	6.32	5	6.22	13	5.76	22	8.05	27	7.22	0.57	7.91	32.58
Unit Class V ²	0.35	6/19/2014	--	1.76	41	10.76	42	1.28	6	6.42	3	6.33	10	5.87	19	8.16	--	5.46	0.58	7.91	32.78
Unit Class VI ³	0.33	9/25/2018	--	1.76	40	10.77	42	1.29	6	6.45	3	6.35	--	5.89	--	8.18	--	5.86	--	--	32.79
SMRT/SIRT 2020 Custom Index				1.38	--	9.12	--	0.58	--	5.73	--	6.22	--	5.83	--	7.94	--	--	0.62	7.22	--
Morningstar Category: Target Date 2020 MF				1.62	--	10.22	--	-0.81	--	4.07	--	5.26	--	5.03	--	7.14	--	--	0.45	8.35	--

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¹Unit Class III (0.54% OER), Unit Class IV (0.45% OER) and Unit Class V (0.35% OER) extended performance is based upon actual Unit Class I (0.89% OER) performance, adjusted for difference in unit class expense.

²To invest in Unit Class V a minimum of \$100MM mapping into the Trusts or plans with greater than \$400MM in total plan assets is required.

³To invest in Unit Class VI a minimum of \$1B mapping is required.

Target Date Custom Indices are composed of the Russell 1000 Index, Russell 2000 Index, MSCI EAFE Index (Net), MSCI Emerging Markets Index (Net), FTSE EPRA/NAREIT Developed Index (Net), Bloomberg Commodity Index, Barclays 1-3 Year Government Credit Index, Barclays U.S. Aggregate Bond Index, Barclays Global Aggregate Bond ex-US Hedged Index, Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index, and Citigroup U.S. 3-month Treasury Bill Index.

SMRT invest in other Schwab Trust Bank Collective Investment Trusts to gain exposure to the underlying third-party sub-advised strategies. See schwabtrustbankcollectives.com for additional information.

SMRT Performance

Multi-Asset

SMRT Performance																					
As of June 30, 2020	Exp. Ratio	Inception Date	Extended Performance Inception Date ¹	1 Month %	1 Month Rank	3 Month %	3 Month Rank	YTD %	YTD Rank	1 Year %	1 Year Rank	3 Year %	3 Year Rank	5 Year %	5 Year Rank	10 Year %	10 Year Rank	Since Incept	3 Year Sharpe Ratio	3 Year Std. Dev	Mnth End Net Asset Value (NAV) \$
SMRT 2025																					
Unit Class I	0.89	8/2/2007	--	2.06	39	13.06	35	-0.88	25	4.77	29	5.84	40	5.62	48	8.25	42	4.91	0.41	10.15	18.57
Unit Class II	0.69	10/2/2007	--	2.08	36	13.12	33	-0.78	23	4.99	19	6.06	32	5.83	34	8.46	29	4.71	0.43	10.15	17.99
Unit Class III	0.54	8/30/2007	--	2.09	35	13.16	31	-0.70	21	5.15	19	6.21	27	5.98	29	8.63	26	5.26	0.44	10.15	19.31
Unit Class IV	0.45	4/5/2010	--	2.10	35	13.18	31	-0.66	19	5.24	17	6.31	24	6.08	25	8.73	24	7.52	0.45	10.15	19.50
Unit Class V ²	0.35	6/19/2014	--	2.11	35	13.21	26	-0.61	15	5.35	15	6.42	17	6.19	20	8.83	--	5.79	0.46	10.15	19.62
Unit Class VI ³	0.33	9/25/2018	--	2.11	35	13.22	26	-0.60	15	5.37	15	6.43	--	6.21	--	8.86	--	4.86	--	--	19.62
SMRT/SIRT 2025 Custom Index				1.73	--	11.39	--	-1.29	--	4.69	--	6.31	--	6.17	--	8.65	--	--	0.49	9.36	--
Morningstar Category: Target Date 2025 MF				1.87	--	12.01	--	-1.63	--	3.95	--	5.59	--	5.46	--	7.98	--	--	0.43	9.92	--
SMRT 2030																					
Unit Class I	0.89	10/1/2002	--	2.32	33	15.01	26	-2.11	34	4.11	39	5.89	48	5.80	61	8.77	42	7.22	0.35	11.82	34.48
Unit Class II	0.69	9/2/2005	--	2.34	30	15.06	25	-2.02	34	4.32	32	6.10	38	6.01	49	8.99	30	5.81	0.37	11.82	35.55
Unit Class III	0.54	1/3/2007	--	2.35	30	15.11	25	-1.94	32	4.48	24	6.26	32	6.17	37	9.15	29	5.27	0.38	11.82	36.28
Unit Class IV	0.45	1/5/2010	--	2.36	30	15.13	25	-1.90	29	4.57	20	6.36	29	6.27	33	9.25	25	8.14	0.39	11.82	36.61
Unit Class V ²	0.35	6/19/2014	--	2.36	30	15.16	23	-1.85	29	4.68	17	6.46	24	6.38	29	9.36	--	6.00	0.40	11.82	36.83
Unit Class VI ³	0.33	9/25/2018	--	2.37	30	15.17	23	-1.84	29	4.70	17	6.48	--	6.39	--	9.38	--	4.16	--	--	36.85
SMRT/SIRT 2030 Custom Index				1.99	--	13.13	--	-2.67	--	3.87	--	6.32	--	6.36	--	9.18	--	--	0.42	10.98	--
Morningstar Category: Target Date 2030 MF				2.08	--	13.72	--	-2.51	--	3.59	--	5.78	--	5.79	--	8.35	--	--	0.40	11.39	--
SMRT 2035																					
Unit Class I	0.89	8/2/2007	--	2.53	31	16.51	39	-3.26	38	3.39	48	5.84	58	5.89	60	9.18	42	5.14	0.31	13.19	19.10
Unit Class II	0.69	10/2/2007	--	2.55	30	16.57	37	-3.16	32	3.60	42	6.05	44	6.11	49	9.39	27	4.93	0.33	13.19	18.47
Unit Class III	0.54	8/28/2007	--	2.56	30	16.62	36	-3.09	31	3.76	35	6.21	37	6.26	44	9.56	26	5.63	0.34	13.19	20.20
Unit Class IV	0.45	4/5/2010	--	2.57	30	16.64	36	-3.05	31	3.85	29	6.31	33	6.36	39	9.66	25	8.38	0.35	13.19	20.37
Unit Class V ²	0.35	6/19/2014	--	2.58	30	16.67	36	-3.00	29	3.95	26	6.41	28	6.47	30	9.77	--	6.11	0.35	13.19	20.48
Unit Class VI ³	0.33	10/1/2018	--	2.58	30	16.68	36	-2.99	29	3.97	26	6.43	--	6.49	--	9.79	--	3.54	--	--	20.50
SMRT/SIRT 2035 Custom Index				2.22	--	14.51	--	-3.76	--	3.20	--	6.29	--	6.48	--	9.64	--	--	0.37	12.27	--
Morningstar Category: Target Date 2035 MF				2.29	--	15.58	--	-3.58	--	3.18	--	5.93	--	6.03	--	8.98	--	--	0.38	12.98	--
SMRT 2040																					
Unit Class I	0.89	10/18/2002	--	2.71	30	17.76	40	-4.19	40	2.80	47	5.78	55	5.97	60	9.48	34	7.55	0.28	14.35	36.25
Unit Class II	0.69	9/2/2005	--	2.73	29	17.84	37	-4.08	34	3.03	43	6.00	41	6.18	51	9.70	30	6.13	0.30	14.36	37.56
Unit Class III	0.54	1/3/2007	--	2.74	29	17.88	37	-4.01	32	3.18	37	6.15	36	6.34	43	9.87	27	5.46	0.31	14.36	38.19
Unit Class IV	0.45	1/5/2010	--	2.75	29	17.91	37	-3.97	31	3.27	34	6.25	31	6.44	37	9.97	22	8.67	0.31	14.37	38.56
Unit Class V ²	0.35	6/19/2014	--	2.75	29	17.94	37	-3.92	30	3.38	32	6.36	29	6.55	34	10.08	--	6.23	0.32	14.37	38.79
Unit Class VI ³	0.33	9/25/2018	--	2.76	29	17.94	37	-3.91	30	3.40	32	6.38	--	6.57	--	10.10	--	2.83	--	--	38.80
SMRT/SIRT 2040 Custom Index				2.41	--	15.68	--	-4.71	--	2.61	--	6.26	--	6.58	--	9.96	--	--	0.34	13.41	--
Morningstar Category: Target Date 2040 MF				2.46	--	16.73	--	-4.63	--	2.41	--	5.78	--	6.06	--	9.04	--	--	0.35	14.05	--

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³To invest in Unit Class VI a minimum of \$1B mapping is required.

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SMRT Performance

Multi-Asset

SMRT Performance																						
As of June 30, 2020	Exp. Ratio	Inception Date	Extended Performance Inception Date ¹	1 Month %	1 Month Rank	3 Month %	3 Month Rank	YTD %	YTD Rank	1 Year %	1 Year Rank	3 Year %	3 Year Rank	5 Year %	5 Year Rank	10 Year %	10 Year Rank	Since Incept	3 Year Sharpe Ratio	3 Year Std. Dev	Mnth End Net Asset Value (NAV) \$	
SMRT 2045																						
Unit Class I	0.89	8/2/2007	--	2.89	26	18.93	26	-5.16	48	2.08	54	5.60	61	5.94	64	9.61	26	4.90	0.25	15.38	18.55	
Unit Class II	0.69	10/2/2007	--	2.90	26	18.99	24	-5.06	46	2.29	52	5.81	52	6.16	51	9.82	24	5.06	0.27	15.38	18.77	
Unit Class III	0.54	8/30/2007	--	2.92	25	19.03	24	-4.99	44	2.45	50	5.99	44	6.33	43	9.99	22	5.41	0.28	15.38	19.67	
Unit Class IV	0.45	4/5/2010	--	2.92	25	19.06	23	-4.95	39	2.54	47	6.07	43	6.42	41	10.09	20	8.73	0.28	15.38	19.86	
Unit Class V ²	0.35	6/19/2014	--	2.93	24	19.08	23	-4.91	39	2.64	45	6.17	37	6.52	37	10.21	--	6.22	0.29	15.38	19.98	
Unit Class VI ³	0.33	9/27/2018	--	2.93	24	19.10	23	-4.89	37	2.66	44	6.21	--	6.55	--	10.23	--	2.25	--	--	20.00	
SMRT/SIRT 2045 Custom Index				2.60	--	16.77	--	-5.61	--	1.99	--	6.13	--	6.59	--	10.13	--	--	0.31	14.37	--	
Morningstar Category: Target Date 2045 MF				2.58	--	17.83	--	-5.30	--	2.10	--	5.82	--	6.16	--	9.32	--	--	0.34	14.98	--	
SMRT 2050																						
Unit Class I	0.89	2/20/2007	--	2.97	27	19.55	21	-5.66	54	1.72	53	5.52	58	5.93	63	9.73	31	4.92	0.24	15.93	19.00	
Unit Class II	0.69	1/8/2007	--	2.98	24	19.61	21	-5.56	47	1.93	50	5.73	54	6.14	54	9.96	27	5.37	0.25	15.93	20.24	
Unit Class III	0.54	1/3/2007	--	2.99	24	19.66	20	-5.49	44	2.08	47	5.88	45	6.30	44	10.12	17	5.47	0.26	15.94	20.51	
Unit Class IV	0.45	1/5/2010	--	3.00	23	19.68	20	-5.45	44	2.18	46	5.99	41	6.40	42	10.22	17	8.83	0.27	15.94	20.71	
Unit Class V ²	0.35	6/19/2014	--	3.01	23	19.71	19	-5.40	42	2.28	46	6.10	38	6.51	39	10.33	--	6.23	0.27	15.94	20.84	
Unit Class VI ³	0.33	9/25/2018	--	3.01	23	19.72	19	-5.39	42	2.30	45	6.11	--	6.52	--	10.35	--	1.88	--	--	20.85	
SMRT/SIRT 2050 Custom Index				2.71	--	17.39	--	-6.12	--	1.62	--	6.05	--	6.59	--	10.27	--	--	0.29	14.92	--	
Morningstar Category: Target Date 2050 MF				2.63	--	18.08	--	-5.62	--	1.78	--	5.70	--	6.13	--	9.21	--	--	0.33	15.22	--	
SMRT 2055																						
Unit Class I	0.89	5/3/2013	--	3.05	19	20.01	16	-6.23	65	1.22	60	5.43	65	5.90	66	--	--	7.64	0.23	16.40	19.33	
Unit Class II	0.69	11/21/2012	--	3.06	17	20.06	15	-6.14	64	1.42	56	5.63	59	6.11	56	--	--	9.24	0.24	16.40	19.59	
Unit Class III	0.54	7/2/2013	--	3.08	16	20.11	14	-6.08	59	1.57	56	5.79	50	6.27	47	--	--	8.10	0.25	16.40	19.83	
Unit Class IV	0.45	12/10/2012	--	3.08	16	20.13	14	-6.03	59	1.67	55	5.89	48	6.36	44	--	--	9.15	0.25	16.40	19.96	
Unit Class V ²	0.35	6/19/2014	--	3.09	16	20.17	10	-5.98	58	1.77	54	6.00	44	6.47	41	--	--	6.23	0.26	16.40	20.08	
Unit Class VI ³	0.33	9/26/2018	--	3.09	16	20.17	10	-5.97	57	1.79	53	6.02	--	6.50	--	--	--	1.42	--	--	20.09	
SMRT/SIRT 2055 Custom Index				2.79	--	17.82	--	-6.49	--	1.37	--	6.02	--	6.61	--	--	--	--	0.28	15.33	--	
Morningstar Category: Target Date 2055 MF				2.66	--	18.42	--	-5.76	--	1.80	--	5.77	--	6.19	--	--	--	--	0.33	15.49	--	
SMRT 2060																						
Unit Class I	0.89	12/31/2015	--	3.13	18	20.45	7	-6.32	62	1.23	60	5.41	70	--	--	--	--	7.72	0.22	16.66	14.56	
Unit Class II	0.69	11/23/2015	--	3.14	18	20.51	6	-6.25	60	1.41	59	5.61	64	--	--	--	--	7.43	0.23	16.67	14.69	
Unit Class III	0.54	10/28/2015	--	3.16	18	20.56	6	-6.16	56	1.57	55	5.78	55	--	--	--	--	7.82	0.24	16.68	14.78	
Unit Class IV	0.45	9/21/2015	--	3.17	18	20.59	6	-6.13	56	1.66	54	5.87	52	--	--	--	--	8.64	0.25	16.67	14.86	
Unit Class V ²	0.35	12/7/2015	--	3.17	17	20.61	6	-6.08	52	1.76	52	5.98	48	--	--	--	--	7.76	0.26	16.67	14.91	
Unit Class VI ³	0.33	9/27/2018	--	3.17	17	20.61	6	-6.08	52	1.77	52	6.00	--	--	--	--	--	1.45	--	--	14.91	
SMRT/SIRT 2060 Custom Index				2.87	--	18.24	--	-6.84	--	1.09	--	5.93	--	--	--	--	--	--	0.27	15.67	--	
Morningstar Category: Target Date 2060 MF				2.72	--	18.53	--	-6.10	--	1.62	--	5.83	--	--	--	--	--	--	0.34	15.53	--	

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²To invest in Unit Class V a minimum of \$100MM mapping into the Trusts or plans with greater than \$400MM in total plan assets is required.

³To invest in Unit Class VI a minimum of \$1B mapping is required.

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Underlying Strategy Performance

Underlying active strategy performance

As of June 30, 2020	QUARTER			1 YEAR			3 YEAR			5 YEAR		
	vs. Category	vs. Comparative Index*	vs. Custom Index*	vs. Category	vs. Comparative Index*	vs. Custom Index*	vs. Category	vs. Comparative Index*	vs. Custom Index*	vs. Category	vs. Comparative Index*	vs. Custom Index*
Dodge & Cox Large Cap Value Portfolio	+	+	-	+	+	-	+	+	-	+	+	-
Wellington Large Cap Growth Portfolio	+	+	+	+	+	+	+	+	+	+	+	+
Macquarie Small Cap Value Portfolio*	-	-	-	-	-	-	--	--	--	--	--	--
Wellington Small Cap Value Portfolio	-	-	-	-	-	-	-	-	-	-	-	-
AllianceBernstein Small Cap Growth Portfolio*	+	+	+	+	+	+	--	--	--	--	--	--
Brown Advisory Small Cap Growth Portfolio	+	+	+	--	--	--	--	--	--	--	--	--
Templeton Intl Equity Fund	-	-	-	+	+	-	-	+	-	-	-	-
American Funds EuroPacific Growth Fund (RERGX)	+	+	+	-	-	+	-	-	+	-	-	+
DFA Intl Small Cap Value Portfolio (DISVX)	-	+	+	-	-	-	-	-	-	-	-	-
William Blair Intl. Small Cap Growth Collective Invnt.	+	+	+	+	+	+	-	+	+	-	+	+
BNY Mellon Active 1-5 Year U.S. Agg Bond Fund	-	+	+	+	-	+	+	-	+	+	-	+
Loomis Sayles Core Plus Full Discretion Fund	+	+	+	+	-	+	+	+	+	+	+	+
Baird Core Bond	+	+	+	+	+	+	--	--	--	--	--	--
TCW MetWest Total Return Bond Fund	-	+	+	+	+	+	+	+	+	--	--	--

Performance for each strategy, composite index, comparative index and category are found on the following pages.

*Composite index disclosures are found in the Disclosure section of the report.

Source: Charles Schwab Investment Management, Inc. and Morningstar, Inc. See the Disclosures at the end of the document for important information..

Performance of SMRTs underlying investment strategies

	As of June 30, 2020	Date Strategy Added to SMRT	Annualized Returns (%) ¹ (not annualized if less than 1 year)							
			1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Domestic Equity	Schwab Instl Large Cap Value Trust-Instl (sub-advised by Dodge & Cox)		1.70	18.98	-14.79	-6.32	3.02	5.77	11.55	
	Russell 1000 Value Index		-0.66	14.29	-16.26	-8.84	1.82	4.64	10.41	
	Morningstar Category: Large Value		0.31	15.68	-15.20	-7.59	2.22	4.47	9.75	
	BNY Mellon Large Cap Stock Index Fund¹		2.21	21.79	-2.85	7.43	10.62	10.46	13.95	
	Russell 1000 Index		2.21	21.82	-2.81	7.48	10.64	10.47	13.97	
	Morningstar Category: Large Blend		1.64	19.61	-5.48	3.74	8.15	8.35	12.22	
	Schwab Instl Large Cap Growth Trust-Instl (sub-advised by Wellington)		4.53	30.87	15.34	27.37	23.78	18.31	18.47	
	Russell 1000 Growth Index		4.35	27.84	9.81	23.28	18.99	15.89	17.23	
	Morningstar Category: Large Growth		3.79	27.43	7.84	17.34	15.95	12.84	15.12	
	Vanguard Mid-Cap Index Fund (VMCPX)		1.96	24.96	-7.17	-0.18	6.47	7.01	12.51	10.48
	Spliced Mid-Cap Index ²		1.97	24.97	-7.20	-0.20	6.47	7.01	12.54	
	Morningstar Category: Mid-Cap Blend		1.39	22.13	-12.55	-6.19	2.41	3.86	10.02	
	BNY Mellon Small Cap Index Fund		3.55	25.41	-12.90	-6.52	2.04	4.29	--	
	Russell 2000 Index		3.53	25.42	-12.98	-6.63	2.01	4.29	10.50	
	Morningstar Category: Small Blend		2.58	22.95	-16.88	-11.41	-0.64	2.49	9.32	
	Schwab Instl Small Cap Trust-Instl³		3.20	24.92	-10.46	-5.07	1.69	3.05	9.70	
	Russell 2000 Index		3.53	25.42	-12.98	-6.63	2.01	4.29	10.50	
	Morningstar Category: Small Blend		2.58	22.95	-16.88	-11.41	-0.64	2.49	9.32	
	Macquarie Small Cap Value Portfolio*		1.74	17.38	-25.46	-18.39	--	--	--	
	Russell 2000 [®] Value Index		2.90	18.91	-23.50	-17.48	-4.35	1.26	7.82	
Morningstar Category: Small Value		2.88	22.29	-22.95	-17.33	-5.15	-0.33	7.05		
Wellington Small Cap Value Portfolio*		2.25	9.95	-28.76	-22.27	-5.68	-1.08	7.86		
Russell 2000 Value Index		2.90	18.91	-23.50	-17.48	-4.35	1.26	7.82		
Morningstar Category: Small Value		2.88	22.29	-22.95	-17.33	-5.15	-0.33	7.05		
AllianceBernstein Small Cap Growth Portfolio*		5.29	37.28	11.41	16.32	--	--	--		
Russell 2000 [®] Growth Index		3.84	30.58	-3.06	3.48	7.86	6.86	12.92		
Morningstar Category: Small Growth		3.80	32.19	-0.10	4.46	10.08	8.28	12.94		
Brown Advisory Small Cap Growth Portfolio*		2.71	32.24	1.50	--	--	--	--		
Russell 2000 Growth Index		3.84	30.58	-3.06	3.48	7.86	6.86	12.92		
Morningstar Category: Small Growth		3.80	32.19	-0.10	4.46	10.08	8.28	12.94		

Performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate, and shares/units, when redeemed, may be worth more or less than original cost. Current performance may be lower or higher than performance data quoted. To obtain current SMRT performance please visit www.schwabtrustbankcollectives.com.

¹Performance data is measured from the first full month following the date each strategy was added to the SMRTs, except for mutual funds and Schwab Trust Bank Collective Investment Trusts. Schwab Trust Bank Collective Investment Trusts data reflects the first full month following the Trust's inception date. Mutual Fund data reflects the share class's inception date.

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Sub-advised strategy returns are net of sub-advisor management fees, Schwab Trust Bank Collective Investment Trust returns are net of all fees, including Schwab Trust Bank's management fee.

See additional Sub-Advisor notes in the Disclosure Section for additional information

Source: Morningstar, Inc. See the Disclosures at the end of the document for important information.

Performance of SMRTs underlying investment strategies

	As of June 30, 2020	Date Strategy Added to SMRT	Annualized Returns (%) ¹ (not annualized if less than 1 year)							
			1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
International Equity	Schwab Instl Diversified Intl Trust-Instl		3.97	19.14	-10.24	-3.14	0.01	1.76	--	
	MSCI EAFE Index (Net)		3.40	14.88	-11.34	-5.13	0.81	2.05	5.73	
	Morningstar Category: Foreign Large Blend		3.61	16.24	-10.93	-4.66	0.30	1.79	5.33	
	Templeton Intl Equity Fund*		3.00	12.60	-15.06	-10.37	-3.77	-1.29	3.32	
	MSCI ACWI ex USA Value Index (Net)		3.96	12.76	-19.43	-15.26	-3.95	-1.25	2.79	
	Morningstar Category: Foreign Large Value		3.35	14.59	-16.69	-11.11	-3.16	-0.68	3.75	
	American Funds EuroPacific Growth Fund (RERGX)*		5.61	22.77	-4.77	3.17	4.76	4.90	7.48	8.51
	MSCI ACWI ex USA Growth Index (Net)		5.07	19.11	-2.62	5.80	6.07	5.61	7.04	
	Morningstar Category: Foreign Large Growth		4.74	21.42	-1.60	6.44	6.05	5.58	7.79	
	DFA Intl Small Cap Value Portfolio (DISVX)*		2.25	19.38	-20.84	-11.98	-6.38	-0.84	5.78	6.12
	MSCI World ex USA Small Cap Value Index (Net)		1.37	16.41	-20.49	-11.36	-3.56	0.81	5.59	
	Morningstar Category: Foreign Small/Mid Value		3.07	19.98	-16.29	-8.85	-2.86	0.63	4.70	
	William Blair Intl. Small Cap Growth Collective Inv.*		2.85	28.51	-2.48	10.09	4.24	5.43	--	
	MSCI ACWI ex USA Small Cap Growth Index (Net)		3.67	27.19	-5.83	3.30	3.21	4.36	7.19	
	Morningstar Category: Foreign Small/Mid Growth		3.10	28.20	-2.98	5.64	5.43	5.76	9.47	
Real Assets	SSgA Emerging Markets Index Fund		7.69	19.00	-9.41	-3.10	1.94	2.82	--	
	MSCI Emerging Markets Index (Net)		7.35	18.08	-9.78	-3.39	1.90	2.86	3.27	
	Morningstar Category: Diversified Emerging Markets		7.03	20.68	-9.77	-3.66	1.15	2.46	3.27	
	BlackRock Developed Real Estate Index Fund		2.54	10.60	-20.67	-15.22	-0.62	2.13	7.01	
	FTSE EPRA/NAREIT Developed Index (Net)		2.57	10.07	-21.33	-16.25	-1.60	1.27	6.30	
	Morningstar Category: Global Real Estate		2.40	10.47	-18.44	-12.52	0.18	2.05	6.52	
	BlackRock Commodity Index Daily Fund		2.29	5.10	-19.39	-17.42	-6.38	-8.00	-6.15	
	Bloomberg Commodity Index		2.28	5.08	-19.40	-17.38	-6.14	-7.69	-5.82	
	Morningstar Category: Commodities Broad Basket		2.79	7.14	-19.56	-17.45	-5.52	-7.27	-6.08	

Performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate, and shares/units, when redeemed, may be worth more or less than original cost. Current performance may be lower or higher than performance data quoted. To obtain current SMRT performance please visit www.schwabtrustbankcollectives.com.

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See additional Sub-Advisor notes in the Disclosure Section for additional information

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Performance of SMRTs underlying investment strategies

	As of June 30, 2020	Date Strategy Added to SMRT	Annualized Returns (%) ¹ (not annualized if less than 1 year)								
			1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	
Fixed Income >	Mellon Investments Corporation Active 1-5 Gov/Credit Bond Fund		0.49	2.63	4.04	5.37	3.43	2.49	--		
	Bloomberg Barclays US Government/Credit 1-5 Year Index Spliced Index		0.35	1.77	3.98	5.43	3.51	2.67	--		
	Morningstar Category: Short-Term Bond		0.93	3.86	1.69	3.09	2.59	2.18	2.08		
	BNY Mellon U.S. Aggregate Bond Index Fund		0.62	2.85	6.12	8.65	5.23	4.18	3.72		
	Barclays US Aggregate Bond Index		0.63	2.90	6.14	8.74	5.32	4.30	3.82		
	Morningstar Category: Intermediate Core Bond		0.96	3.89	5.56	7.89	4.84	3.90	3.66		
	Schwab Instl Core Plus Fixed Income Trust III		1.11	4.62	6.49	9.14	5.49	4.44	4.35		
	Barclays US Aggregate Bond Index		0.63	2.90	6.14	8.74	5.32	4.30	3.82		
	Morningstar Category: Intermediate Core-Plus Bond		1.33	5.54	4.37	6.83	4.58	3.98	4.16		
	BNY Mellon U.S. Aggregate Bond Index Fund*		0.62	2.85	6.12	8.65	5.23	4.18	3.72		
	Barclays US Aggregate Bond Index		0.63	2.90	6.14	8.74	5.32	4.30	3.82		
	Morningstar Category: Intermediate Core Bond		0.96	3.89	5.56	7.89	4.84	3.90	3.66		
	Loomis Sayles Core Plus Full Discretion Fund*		2.26	8.17	6.76	9.55	6.10	5.34	6.13		
	Barclays US Government/Credit Bond Index		0.87	3.71	7.21	10.02	5.87	4.74	4.13		
	Morningstar Category: Intermediate Core-Plus Bond		1.33	5.54	4.37	6.83	4.58	3.98	4.16		
	Baird Core Bond Fund		1.06	4.79	6.37	9.38	--	--	--		
	Barclays US Aggregate Bond Index		0.63	2.90	6.14	8.74	5.32	4.30	3.82		
	Morningstar Category: Intermediate Core Bond		0.96	3.89	5.56	7.89	4.84	3.90	3.66		
	Cash Equiv. >	TCW MetWest Total Return Bond Fund		0.99	4.00	7.00	9.79	5.86	--	--	
Barclays US Aggregate Bond Index			0.63	2.90	6.14	8.74	5.32	4.30	3.82		
Morningstar Category: Intermediate Core-Plus Bond			1.33	5.54	4.37	6.83	4.58	3.98	4.16		
BlackRock Global Aggregate Bond Fund Ex-USD			0.29	1.70	2.07	3.69	4.74	--	--		
Barclays Global Aggregate ex-US Hedged Index			0.32	1.76	2.28	4.00	4.94	4.49	4.20		
Morningstar Category: World Bond-USD Hedged			0.94	4.65	2.61	4.76	4.10	3.67	3.49		
State Street U.S. Government Short Term Investment Fund			0.02	0.06	0.40	1.38	1.64	1.11	0.59		
FTSE 3 Month U.S. Treasury Bill Index			0.01	0.14	0.52	1.56	1.72	1.15	0.61		
Real Assets >		BlackRock U.S. TIPS Index Fund		1.12	4.33	5.98	8.20	5.00	3.71	3.45	
		Barclays US Treasury Inflation-Linked Bond Index (Series L)		1.12	4.24	6.01	8.28	5.05	3.75	3.52	
		Morningstar Category: Inflation Protected Bond		1.25	4.88	4.70	6.78	4.27	3.09	2.90	

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² BNY Mellon U.S. Aggregate Bond Index Fund is held directly by SMRTs and within the Schwab Instl Core Plus Fixed Income Trust

Sub-advised strategy returns are net of sub-advisor management fees, Schwab Trust Bank Collective Investment Trust returns are net of all fees, including Schwab Trust Bank's management fee.

See additional Sub-Advisor notes in the Disclosure Section for additional information

Source: Morningstar, Inc. See the Disclosures at the end of the document for important information.

SMRT Update

News & Updates

We have developed in-depth performance attribution and analysis materials designed for plan sponsors and consultants to aid in fiduciary reviews market volatility resources to help financial professionals service their clients and a suite of materials designed to effectively communicate the benefits of target date investing to plan participants.

Please reach out to your Schwab representative for access to these resources

Appendix

Target Date Investment Team

Glide path capital market expectations

Policy allocations

Custom index allocations

Schwab Trust Bank Collective Investment Trusts offering

Disclosures

charles
SCHWAB

Investment Team: Offers diverse perspectives that are aligned on optimizing results

Multi-Asset Strategic Leadership

Omar Aguilar
PhD, SVP, CIO
Passive Equity &
Multi-Asset
Strategies

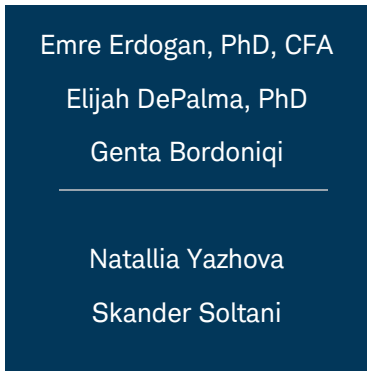
Brett Wander
CFA, SVP, CIO
Fixed Income

John Sturiale
CFP®, SVP
Head of Sales &
Client Relations

Jake Gilliam
CFA, Director
Head of Multi-Asset
Portfolio Solutions

David Botset
SVP
Head of Strategy and
Product

John Greves
CFA, VP
Head of Multi-Asset
Strategies



¹ Investment Manager Research Sub-Advisor Oversight provides direct oversight of all sub-advised and third-party strategies.

² CSIM provides non-discretionary advisory services and recommendations for the Charles Schwab Trust Bank Collective Investment Trusts; Charles Schwab Trust Bank CTF Administrative and Investment Committees maintain final decision and implementation authority.

Capital markets expectations

ASSET CLASS	LONG TERM FORECAST ASSUMPTIONS	
	Approx. return	Approx. standard deviation
Inflation	1.7-2.2%	--
Cash Equivalents	2-2.5%	0.5-1%
Short-Term Bond	2-3%	1.6-2.2%
World Bond	1.7-2.5%	2.7-3.3%
Inflation-Protected Bond (US TIPS)	2-3%	5-6.5%
Intermediate-Term Bond	2.5-3.5%	3.3-4.3%
Commodities ¹	3-4%	15-19%
Domestic Equity (Large Cap)	6-7%	15-18%
Global Real Estate	6-7%	19-23%
International Equity	6.5-7.5%	18-20%
Domestic Equity (Small Cap)	7-8%	19-22%
Diversified Emerging Markets	6.5-8.5%	23-26%

BASE CASE ASSUMPTIONS			
Age range	Deferral %	Employer match	Annual salary increase
25-35	4%	2%	4%
36-45	5%	2.5%	4%
46-55	6%	3%	3%
56-65	7%	3.5%	2%

Expected returns are compounded annual returns. Actual returns may be higher or lower.

Employer match contribution is assumed to be 50% of employee deferral. Social Security and post-retirement income is not included in base case assumptions.

Assumptions are reviewed and revised at least annually.

Source: Charles Schwab Investment Management, Inc.

SMRT 2020 policy allocation by asset class

Multi-Asset

ASSET CLASS	UNDERLYING INVESTMENT	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010	Income
Equity		95.0	92.5	90.0	86.4	80.0	73.2	65.0	54.4	40.0	38.1	35.3	25.0
Large Value	Schwab Instl Large Cap Value Trust-Instl (Dodge & Cox)	13.4	13.1	12.8	12.3	11.5	10.5	9.3	7.6	5.5	5.3	5.0	3.7
Large Blend	BNY Mellon Large Cap Stock Index Fund	13.2	13.4	13.5	13.7	13.9	13.9	13.7	12.8	11.0	10.6	10.0	7.4
Large Growth	Schwab Instl Large Cap Growth Trust-Instl (Wellington)	13.4	13.1	12.8	12.3	11.5	10.5	9.3	7.6	5.5	5.3	5.0	3.7
Mid-Cap Blend	Vanguard Mid-Cap Index Fund (VMCPX)	8.6	8.2	7.9	7.4	6.5	5.6	4.6	3.6	2.5	2.4	2.2	1.5
Small Value	Macquarie Small Cap Value Portfolio	1.6	1.5	1.4	1.3	1.1	0.9	0.7	0.5	0.3	0.3	0.3	0.2
Small Value	Wellington Small Cap Value Portfolio	1.6	1.5	1.4	1.3	1.1	0.9	0.7	0.5	0.3	0.3	0.3	0.2
Small Blend	BNY Mellon Small Cap Stock Index Fund	1.6	1.6	1.6	1.6	1.5	1.4	1.3	1.1	0.9	0.8	0.8	0.5
Small Growth	AllianceBernstein Small Cap Growth Portfolio	1.9	1.8	1.7	1.6	1.3	1.1	0.8	0.6	0.4	0.4	0.3	0.2
Small Growth	Brown Advisory Small Cap Growth Portfolio	1.3	1.2	1.1	1.0	0.9	0.7	0.6	0.4	0.3	0.3	0.2	0.2
Foreign Large Value	Templeton Intl Equity Fund	11.5	11.2	10.8	10.3	9.4	8.5	7.4	6.1	4.5	4.1	3.7	2.4
Foreign Large Blend	American Funds EuroPacific Growth Fund (REGRX)	11.5	11.2	10.8	10.3	9.4	8.5	7.4	6.1	4.5	4.1	3.7	2.4
Foreign Small/Mid Value	DFA Intl Small Cap Value Portfolio (DISVX)	3.1	3.0	2.9	2.7	2.5	2.3	2.0	1.6	1.2	1.1	1.0	0.7
Foreign Small/Mid Growth	William Blair Intl. Small Cap Growth Collective Invnt.	3.1	3.0	2.9	2.7	2.5	2.3	2.0	1.6	1.2	1.1	1.0	0.7
Diversified Emerging Markets	SSgA Emerging Markets Index Fund	3.2	3.0	2.8	2.4	2.0	1.5	1.1	0.8	0.0	0.0	0.0	0.0
Global Real Estate	BlackRock Developed Real Estate Index Fund	4.8	4.6	4.5	4.3	4.0	3.7	3.2	2.7	2.0	1.9	1.8	1.3
Commodities Broad Basket	BlackRock Commodity Index Fund	1.2	1.2	1.2	1.1	1.0	0.9	0.8	0.6	0.0	0.0	0.0	0.0
Fixed Income		4.5	6.9	9.4	12.5	18.5	25.0	32.6	42.5	56.0	57.7	60.1	69.0
Short-Term Bond	Mellon Investments Corporation Active 1-5 Gov/Credit Bond Fund	0.5	0.8	1.0	1.5	2.3	3.2	4.5	6.3	9.1	9.5	10.1	12.4
Intermediate-Term Bond (Core)	BNY Mellon U.S. Aggregate Bond Index Fund	0.7	1.0	1.3	2.2	3.6	5.1	7.0	10.0	14.5	15.0	15.6	18.0
Intermediate-Term Bond (Core)	Baird Core Bond Fund	1.1	1.6	2.2	2.8	4.0	5.2	6.4	8.0	9.8	10.0	10.4	11.9
Intermediate-Term Bond (Core Plus)	TCW MetWest Total Return Bond Fund	1.1	1.6	2.2	2.8	4.0	5.2	6.4	8.0	9.8	10.0	10.4	11.9
Intermediate-Term Bond (Core Plus)	Loomis Sayles Core Plus Full Discretion Trust Fund	0.5	0.7	1.0	1.3	1.8	2.4	3.0	3.7	4.5	4.6	4.8	5.5
Inflation-Protected Bond (U.S. TIPS)	BlackRock U.S. TIPS Index Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.5	2.3	6.0	6.2	6.5	7.5
World Bond-USD Hedged	BlackRock Global Aggregate Bond Fund Ex-USD	0.8	1.1	1.5	2.0	2.9	3.9	4.7	4.3	2.4	2.4	2.3	1.9
Cash Equivalents		0.5	0.7	0.8	1.0	1.5	1.9	2.4	3.1	4.0	4.3	4.6	6.0
Cash Equivalents	State Street U.S. Government Short Term Investment Fund	0.5	0.7	0.8	1.0	1.5	1.9	2.4	3.1	4.0	4.3	4.6	6.0
Equity Active %		66.0	65.9	65.8	65.3	64.7	64.1	63.0	61.7	60.7	60.7	60.9	62.0
Fixed Income Active % (excludes Cash Equivalents)		34.0	34.1	34.2	34.7	35.3	35.9	37.0	38.3	39.3	39.3	39.1	38.0

Percentages may not total 100% due to rounding.

Underlying investment name refers to the strategy and not the formal fund name.

The above represent policy allocations for 2019, effective July 16, 2019; actual allocations may differ slightly from policy allocation at any point in time.

The Schwab Managed Retirement Trust Income is designed as a single investment portfolio that maintains a policy allocation that is intended to remain static and does not seek to distribute income.

2020 SMRT & SIRT composite index allocations

Underlying index	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010	Income ¹
Russell 1000 Index	49.8	49.0	48.1	46.8	44.3	41.4	37.7	32.4	25.0	24.2	22.7	16.6
Russell 2000 Index	6.8	6.5	6.1	5.7	4.9	4.1	3.3	2.5	1.7	1.6	1.4	0.9
MSCI EAFE Index (Net)	26.1	25.4	24.7	23.6	21.8	20.0	17.7	14.8	11.3	10.4	9.3	6.2
MSCI Emerging Markets Index (Net)	6.3	5.9	5.5	4.9	4.0	3.1	2.2	1.3	0.0	0.0	0.0	0.0
FTSE EPRA/NAREIT Developed Index (Net)	4.8	4.6	4.5	4.3	4.0	3.7	3.3	2.7	2.0	1.9	1.8	1.3
Bloomberg Commodity Index	1.2	1.2	1.2	1.1	1.0	0.9	0.8	0.6	0.0	0.0	0.0	0.0
Bloomberg Barclays US Government/Credit 1-3 Year Bond Index	0.5	0.8	1.0	1.5	2.3	3.2	4.5	6.3	9.1	9.5	10.1	12.4
Bloomberg Barclays US Aggregate Bond Index	3.3	5.0	6.7	9.1	13.4	17.9	22.9	29.6	38.5	39.6	41.3	47.2
Bloomberg Barclays US Treasury Inflation-Linked Bond Index (Series-L)	0.0	0.0	0.0	0.0	0.0	0.0	0.5	2.3	6.0	6.2	6.5	7.5
Bloomberg Barclays Global Aggregate Bond ex-US Hedged Index	0.8	1.1	1.5	2.0	2.9	3.9	4.7	4.3	2.4	2.4	2.3	1.9
FTSE 3 Month U.S. Treasury Bill Index	0.5	0.7	0.8	1.0	1.5	1.9	2.4	3.1	4.0	4.3	4.6	6.0

The above represent target policy allocations for 2020, effective February 1, 2020. Percentages listed may not total 100% due to rounding.

The custom index is a custom blended index developed by Charles Schwab Investment management, Inc. based on each trust's asset allocation glide schedule and will become more conservative as time elapses.

¹Available in SMRT.

Source: Charles Schwab Investment Management, Inc.

Schwab Trust Bank Collective Investment Trusts offering

Trusts	Unit Class	Expense	Revenue Credit	Minimum Investment/ Availability
SMRT Series	I	0.89%	0.44%	No minimum
	II	0.69%	0.24%	
	III	0.54%	0.09%	
	IV	0.45%	0.00%	
	V	0.35%	0.00%	\$100MM initial investment or plan assets >\$400MM
	VI	0.33%	0.00%	\$1Billion
SIRT Series	I	0.07%	0.00%	No minimum
Schwab Large Cap Value Trust	Select	0.42%	0.00%	No minimum
Schwab Large Cap Growth Trust	Retirement	0.74%	0.20%	No minimum
	Institutional	0.54%	0.00%	
Schwab Diversified International Trust	Retirement	1.04%	0.25%	No minimum
	Institutional	0.79%	0.00%	
Schwab Core Plus Fixed Income Trust	I	0.55%	0.20%*	No minimum
	III	0.35%	0.00%*	

*Represents revenue credit for off platform, revenue for Schwab Institutional Core Plus Fixed Income Trust on platform for both unit classes is 5 bps higher.

Disclosures

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Collective Investment Trust Disclosures

The Schwab Managed Retirement Trust Funds™, Schwab Indexed Retirement Trust Funds® and Schwab Institutional Trust Funds® (each a "Trust", collectively the "Trusts" or "Collective Investment Trusts (CITs)") are collective investment trusts maintained by Charles Schwab Trust Bank (CSTB), as trustee. They are available for investment only by eligible retirement plans and entities. Charles Schwab Trust Bank's Collective Investment Trusts are not insured by FDIC or any other type of deposit insurance; are not deposits or other obligations of, and are not guaranteed by CSTB or any of its affiliates; and involve investment risks, including possible loss of principal invested. The Trusts are not mutual funds and are exempt from registration and regulation under the Investment Company Act of 1940 (the "1940 Act"), and their units are not registered under the Securities Act of 1933, or applicable securities laws of any state or other jurisdiction. Unit holders of the Trusts are not entitled to the protections of the 1940 Act. The decision to invest in the Trusts should be carefully considered. The Trusts' unit values will fluctuate and may be worth more or less when redeemed, so unit holders may lose money. The Trusts are not sold by prospectus and are not available for investment by the public. The Trusts' prices are not quoted in newspapers.

Trust Affiliations

The Charles Schwab Corporation provides services to retirement and other employee benefit plans and participants through its separate but affiliated companies and subsidiaries: Charles Schwab Trust Bank (CSTB); Charles Schwab Bank, SSB (CSB); Charles Schwab & Co., Inc.; Charles Schwab Investment Management, Inc. (CSIM); and Schwab Retirement Plan Services, Inc. Trust, custody and deposit products and service are available through CSTB and CSB, Members of FDIC. Brokerage products and services are offered by Charles Schwab & Co., Inc. (Member SIPC). Schwab Retirement Plan Services, Inc. provides recordkeeping and related services to retirement plans. CSIM provides investment research, advisory and fund administration services to CSTB and the Trusts. CSIM is an investment advisers registered with the Securities and Exchange Commission.

The Charles Schwab Trust Bank CITs select investments based on advice received from, or products offered by industry-recognized investment management firms ("sub-advisors"). The Trusts access investment strategies through various investment vehicles including, but not limited to, collective investment trusts, mutual funds, and/or exchange-traded funds and may also access strategies through sub-advisors engaged by Charles Schwab Trust Bank to advise one or more separate accounts of a Trust. Exposure to some strategies may be indirect through investment in other Charles Schwab Trust Bank CITs. The Schwab Managed Retirement Trust invests in the Schwab Institutional Large Cap Value Trust, Schwab Institutional Large Cap Growth Trust, Schwab Institutional Small Cap Trust, Schwab Institutional International Diversified Trust, and Schwab Institutional Core Plus Fixed Income Trust.

Disclosures

Significant Risks of the Trusts

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.

Cash Equivalents Risk. Cash Equivalents investments are cash management strategies that seek to prevent the loss of an investment's total value. Although a cash management product may seek to maintain a stable or constant net asset value, there can be no assurance it will do so.

Commodities Risk. Since a commodity fund is typically not diversified and focuses its investments in a single commodity or basket of commodities, the fund may involve a greater degree of risk than an investment in other mutual funds with greater diversification.

Diversified Funds Risk. Diversification strategies do not ensure a profit and do not protect against losses in declining markets. Schwab Trust Bank's portfolio management process includes an effort to monitor and manage risk, but should not be confused with and does not imply either low risk or the ability to control risk.

Fixed Income Risk. Fixed income securities are subject to increased loss of principal during periods of rising interest rates and to various other risks including changes in credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, and tax ramifications.

Global Real Estate Risk. International investing does pose special risks including currency fluctuation, economic and political risks not found in investments that are solely domestic. Risks of the REIT's are similar to those associated with direct ownership of real estate, such as changes in real estate values and property taxes, interest rates, cash flow of underlying real estate assets, supply and demand, and the management skill and credit worthiness of the issuer.

Inflation-Protected Security Risk. Treasury Inflation Protected Securities (TIPS) are inflation-linked securities issued by the U.S. Government whose principal value is adjusted periodically in accordance with the rise and fall in the inflation rate. Thus, the dividend amount payable is also impacted by variations in the inflation rate as it is based upon the principal value of the bond. It may fluctuate up or down. Repayment at maturity is guaranteed by the U.S. Government and may be adjusted for inflation to become the greater of either the original face amount at issuance or that face amount plus an adjustment for inflation.

Interest Rate Risk. Interest rates will rise and fall over time. During periods when interest rates are low, an underlying strategy's yield and total return also may be low. Changes in interest rates also may affect the strategy's share price: a sharp rise in interest rates could cause the strategy's share price to fall. The longer the strategy's duration, the more sensitive to interest rate movements its share price is likely to be.

International Risk. International investments involve additional risks, which include differences in financial accounting standards, currency fluctuations, political instability, foreign taxes and regulations, and the potential for illiquid markets. Investing in emerging markets may accentuate these risks.

Securities Lending Risk. Each Fund's Declaration of Trust authorizes securities lending and the Funds may invest in underlying funds that participate in securities lending. There are various risks associated with securities lending including but not limited to the risk that a borrower fails to return some or all of the securities in a timely manner and investments acquired with cash collateral may decline in value. Charles Schwab Trust Bank, in coordination with each Fund's underlying investment sub-advisors, actively monitors any securities lending activity to minimize any potential impact to the Funds.

Disclosures

Risks (continued)

Target Date Funds Risk. Diversification and asset allocation strategies do not ensure a profit and cannot protect against losses in a declining market. The Trusts 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, interest rates, market valuations, liquidity, prepayments, and early redemption. The trusts are built for investors who expect to start gradual withdrawals of trust assets on the target date, to begin covering expenses in retirement. The principal value of the trusts is not guaranteed at any time, and will continue to

fluctuate up to and after the target date. There is no guarantee the trusts will provide adequate income at or through retirement.

Target Date Mutual Fund Risk: 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 by visiting schwabfunds.com. Please read the prospectus carefully before investing.

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 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).

Target date index fund asset allocations are subject to change over time in accordance with each fund's prospectus. 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.

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

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.

Definitions

Beta: A measure of the volatility of a portfolio relative to its comparative index. A beta of less than one typically indicates lower historical volatility than the index; a beta of more than one typically indicates higher historical volatility than the index.

Information Ratio: A measure of the consistency of a portfolio manager's performance. It is calculated by taking the average excess return over the benchmark and dividing by the standard deviation of the excess returns.

Sharpe Ratio: Developed by Professor William F. Sharpe, a measure of reward per unit of risk - the higher the Sharpe Ratio, the higher return per unit of risk. It is a portfolio's excess return over the risk-free rate divided by the portfolio's standard deviation. The portfolio's excess return is its geometric mean return minus the geometric mean return of the risk-free instrument (by default, t-bills).

Standard Deviation (%): A widely recognized measure of volatility of an investment portfolio, or how widely monthly returns vary from a portfolio's long-term average annual total return.

Tracking Error: The divergence between the performance of an investment portfolio and its benchmark index, positive or negative.

Index Descriptions

Indexes are unmanaged, do not incur management expenses and cannot be invested in directly.

Bloomberg Barclays US Aggregate Bond Index: An index representing securities that are SEC registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset backed securities.

Disclosures

Index Descriptions (continued)

Bloomberg Barclays US Treasury Inflation-Linked Bond Index (Series-L): A market value-weighted index that tracks inflation-protected securities issued by the U.S. Treasury. To prevent the erosion of purchasing power, TIPS are indexed to the non-seasonally adjusted Consumer Price Index for All Urban Consumers, or the CPI-U (CPI).

Bloomberg Barclays Global Aggregate ex-US Hedged Index: A subset of the flagship Global Aggregate Index that measures multi-currency global investment grade debt but excludes those denominated in USD. This multi-currency benchmark includes fixed-rate treasury, government-related, corporate and securitized bonds from both developed and emerging markets issuers. The Global Aggregate ex USD Index is largely comprised of the regional Pan-European Aggregate and Asian-Pacific Aggregate Indices. In addition to securities from these two benchmarks, the index also includes investment grade Euro-Yen and Canadian securities.

Bloomberg Barclays US Government/Credit 1-3 Year Index: A subset of US Government/Credit Index that is the non-securitized component of the US Aggregate Index. The index includes US Treasuries, Government-Related issues (e.g., US agency, sovereign, supranational, and local authority debt), and USD Corporates with a remaining maturity of 1-3 years.

Bloomberg Barclays US Government/Credit 1-5 Year Spliced Index: An internally calculated index, comprised of the Bloomberg Barclays US Aggregate 1-5 Year Index from 3/19/2012 to 3/31/2019 and the Bloomberg Barclays US Government/Credit 1-5 Year Index thereafter.

Bloomberg Commodity Index: The Index is calculated on an excess return basis and composed of futures contracts on 22 physical commodities. It reflects the return of underlying commodity futures price movements.

FTSE 3 Month U.S. Treasury Bill Index: An index that measures monthly total return equivalents of yield averages that are not marked to market. The Three-Month Treasury Bill Index consists of the last three three-month Treasury bill issues.

FTSE World Government Bond Index: A market capitalization weighted index consisting of the government bond markets. Country eligibility is determined based on market capitalization and investability criteria. All issues have a remaining maturity of at least one year.

FTSE EPRA/NAREIT Developed Index (Net): An index designed to represent general trends in eligible real estate equities worldwide. Relevant real estate activities are defined as the ownership, disposal and development of income-producing real estate. This series approximates the minimum possible dividend reinvestment.

MSCI All Country World Index (ACWI): A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

MSCI EAFE® Index (Europe, Australasia, Far East) (Net): A free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. This series approximates the minimum possible dividend reinvestment.

MSCI Emerging Markets Index (Net): An index that captures large and mid cap representation across approximately 20 Emerging Markets countries.

The **Russell indices** are market-capitalization weighted and subsets of the Russell 3000® Index, which contains the largest 3,000 companies incorporated in the United States and represents approximately 98% of the investable U.S. equity market. The **Russell 2000®** Index is composed of the 2000 smallest companies in the Russell 3000 Index. The **Russell 1000®** Index is composed of the 1000 largest companies in the Russell 3000® Index.

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