

# Qualified Default Investment Alternative (QDIA) Notice

Plan Name: \_\_\_\_\_ Plan ID: \_\_\_\_\_

Plan Year Beginning: \_\_\_\_\_

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Your Employer is providing this notice to satisfy its fiduciary duty to inform you how it will invest your accounts **if you do not make an investment election**. If you have previously made an investment election, you can disregard this notice.

**Right to direct investment.** This notice advises you that as a Participant (including a Beneficiary of a deceased Participant or an alternate payee) in the Plan, you have the right to direct the investment of some or all of your Plan account assets. You can elect how the Plan should invest your directed account(s) by logging onto [www.BenefitsForYou.com](http://www.BenefitsForYou.com).

**Default investment.** If you **do not** elect how the Plan should invest your directed account(s), the Plan Fiduciary will invest your directed account(s), including future contributions, in the “default” investment(s) selected by the Plan Fiduciary.

## **Name of QDIA**

**Description of the default investment.** Please reference the fund fact sheet(s) following this notice for the investment objectives, fund allocation breakdown, and expenses of the fund(s). Past performance is not necessarily an indication of how the QDIA will perform in the future.

Your year of birth and the assumed retirement age of 65 is used to determine your appropriate age-based default investment.

**Right to alternative investment.** Even if the Plan Fiduciary invests some or all of your directed account(s) in the default investment, you have the continuing right to direct the investment of your directed account(s) in one or more of the other investment choices available to you. You may change your investments daily by logging onto [www.BenefitsForYou.com](http://www.BenefitsForYou.com). You are entitled to invest in any of the other investment options without incurring a financial penalty.

**Where to go for further investment information.** You can obtain further information about all of your Plan’s investment options in your Enrollment Booklet (if enrolling by paper form), by logging onto [www.BenefitsForYou.com](http://www.BenefitsForYou.com), by contacting the Participant Service Center at 800-999-8786, or by contacting your Plan Administrator (Employer).

# Schwab Target 2015 Index SWYBX

## Benchmark

Morningstar Lifetime Mod 2015 TR USD

## Overall Morningstar Rating™

★★★★

Out of 108 Target-Date 2015 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

## Morningstar Return

Average

## Morningstar Risk

Below Average

## Investment Objective & Strategy

From investment's prospectus

The investment seeks to provide capital appreciation and income consistent with its current asset allocation.

The fund seeks to achieve its investment objective by investing primarily in affiliated Schwab exchange-traded funds (ETFs). It has a policy to invest, under normal circumstances, at least 80% of its assets (net assets, including, for this purpose, any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The fund is managed based on the specific retirement date (target date) included in its name and assumes a retirement age of 65.

### Fees and Expenses as of 07-28-23

Prospectus Net Expense Ratio	0.08%
Total Annual Operating Expense	0.12%
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

### Waiver Data

Type	Exp. Date	%
ExpenseRatio	Contractual	0.04

### Operations and Management

Fund Inception Date	08-25-16
Portfolio Manager(s)	Zifan Tang, CFA Patrick Kwok, CFA
Name of Issuer	Schwab Funds
Telephone	877-824-5615
Web Site	www.schwab.com

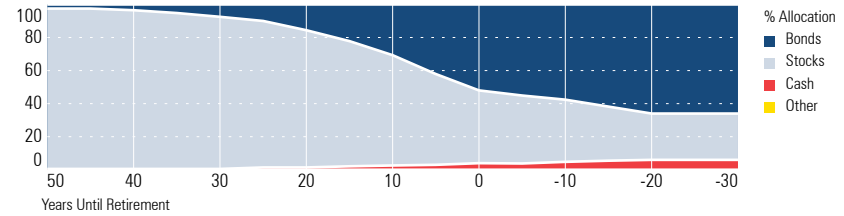
### Benchmark Description: Morningstar Lifetime Mod 2015 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who has a target maturity date of 2015. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility. This Index does not incorporate Environmental, Social, or Governance (ESG) criteria.

### Category Description: Target-Date 2015

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2011-2015) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

## Allocation of Assets



## Performance

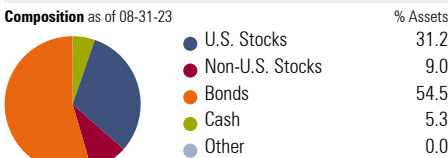
Trailing Returns	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Investment Return %	3.72	8.78	0.71	3.25	—	3.90
Benchmark Return %	2.27	8.20	0.23	3.06	—	3.86
Category Average %	3.22	8.40	0.97	3.10	—	3.88
Morningstar Rating™	—	—	★★★★	★★★★	—	—
# of Funds in Category	—	—	108	102	—	—

Quarter End Returns as of 09-30-23	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund Return %	3.72	8.78	0.71	3.25	—	3.90
Standardized Return %	3.72	8.78	0.71	3.25	—	3.90

**Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.**

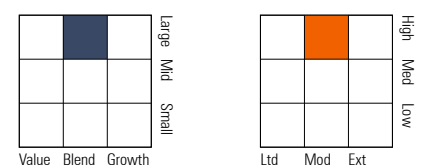
## Portfolio Analysis as of 08-31-23



### Top 10 Holdings as of 08-31-23

Asset	% Assets
Schwab US Aggregate Bond ETF™	43.16
Schwab US Large-Cap ETF™	26.83
Schwab International Equity ETF™	9.02
Schwab Short-Term US Treasury ETF™	6.38
Schwab US TIPS ETF™	6.02
Schwab Variable Share Price Money Ultra	3.62
Schwab US REIT ETF™	2.82
Schwab US Small-Cap ETF™	1.60
Total Number of Holdings	9
Annual Turnover Ratio %	18.00
Total Fund Assets (\$mil)	56.20

### Morningstar Style Box™ as of 08-31-23(E0) ; 06-30-23(F-I)



### Morningstar Sectors as of 08-31-23

Sector	% Fund	S&P 500 %
Cyclical	35.97	27.79
Basic Materials	3.36	2.21
Consumer Cyclical	10.19	10.85
Financial Services	12.70	12.36
Real Estate	9.72	2.37
Sensitive	43.59	49.86
Communication Services	6.75	8.87
Energy	4.37	4.72
Industrials	10.10	8.16
Technology	22.37	28.11
Defensive	20.44	22.33
Consumer Defensive	6.31	6.52
Healthcare	11.80	13.40
Utilities	2.33	2.41

## Principal Risks as of 08-31-23

Emerging Markets, Foreign Securities, Loss of Money, Not FDIC Insured, Capitalization, High Portfolio Turnover, Market/Market Volatility, Equity Securities, ETF, Industry and Sector Investing, Restricted/Illiquid Securities, Underlying Fund/Fund of Funds, Derivatives, Leverage, Fixed-Income Securities, Conflict of Interest, Management, Target Date, Money Market Fund Ownership

# Schwab Target 2020 Index SWYLYX

## Benchmark

Morningstar Lifetime Mod 2020 TR USD

## Overall Morningstar Rating™

★★★★

Out of 135 Target-Date 2020 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

## Morningstar Return

Average

## Morningstar Risk

Below Average

## Investment Objective & Strategy

From investment's prospectus

The investment seeks to provide capital appreciation and income consistent with its current asset allocation.

The fund seeks to achieve its investment objective by investing primarily in affiliated Schwab exchange-traded funds (ETFs). It has a policy to invest, under normal circumstances, at least 80% of its assets (net assets, including, for this purpose, any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The fund is managed based on the specific retirement date (target date) included in its name and assumes a retirement age of 65.

### Fees and Expenses as of 07-28-23

Prospectus Net Expense Ratio	0.08%
Total Annual Operating Expense	0.12%
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

Waiver Data	Type	Exp. Date	%
ExpenseRatio	Contractual	—	0.04

### Operations and Management

Fund Inception Date	08-25-16
Portfolio Manager(s)	Zifan Tang, CFA Patrick Kwok, CFA
Name of Issuer	Schwab Funds
Telephone	877-824-5615
Web Site	www.schwab.com

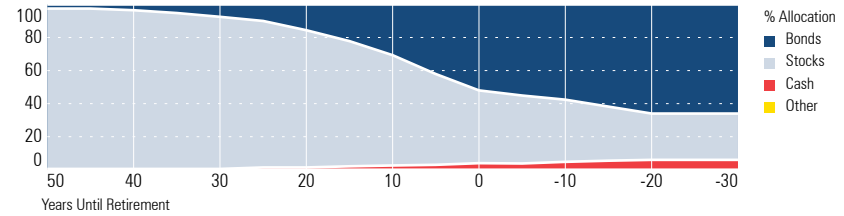
### Benchmark Description: Morningstar Lifetime Mod 2020 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who has a target maturity date of 2020. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility. This Index does not incorporate Environmental, Social, or Governance (ESG) criteria.

### Category Description: Target-Date 2020

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2016-2020) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

## Allocation of Assets



## Performance

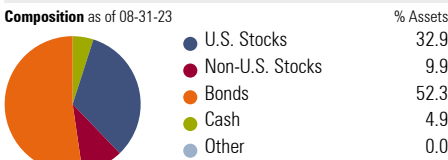
Trailing Returns	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Investment Return %	4.00	9.23	0.95	3.37	—	4.41
Benchmark Return %	2.25	8.71	0.22	3.09	—	4.11
Category Average %	3.48	9.05	1.35	3.23	—	4.02
Morningstar Rating™	—	—	★★★	★★★★	—	—
# of Funds in Category	—	—	135	129	—	—

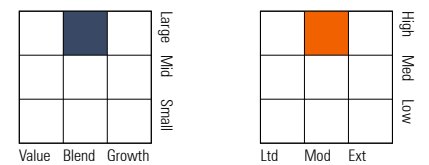
Quarter End Returns as of 09-30-23	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund Return %	4.00	9.23	0.95	3.37	—	4.41
Standardized Return %	4.00	9.23	0.95	3.37	—	4.41

**Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.**

## Portfolio Analysis as of 08-31-23



### Morningstar Style Box™ as of 08-31-23(E0) ; 06-30-23(F-I)



### Top 10 Holdings as of 08-31-23

Fund Name	% Assets
Schwab US Aggregate Bond ETF™	41.52
Schwab US Large-Cap ETF™	28.18
Schwab International Equity ETF™	9.94
Schwab Short-Term US Treasury ETF™	6.03
Schwab US TIPS ETF™	5.75
Schwab Variable Share Price Money Ultra	3.32
Schwab US REIT ETF™	3.00
Schwab US Small-Cap ETF™	1.71
Total Number of Holdings	9
Annual Turnover Ratio %	18.00
Total Fund Assets (\$mil)	240.56

### Morningstar Sectors as of 08-31-23

Sector	% Fund	S&P 500 %
Cyclical	36.06	27.79
Basic Materials	3.40	2.21
Consumer Cyclical	10.19	10.85
Financial Services	12.75	12.36
Real Estate	9.72	2.37
Sensitive	43.49	49.86
Communication Services	6.71	8.87
Energy	4.39	4.72
Industrials	10.17	8.16
Technology	22.22	28.11
Defensive	20.46	22.33
Consumer Defensive	6.34	6.52
Healthcare	11.79	13.40
Utilities	2.33	2.41

## Principal Risks as of 08-31-23

Emerging Markets, Foreign Securities, Loss of Money, Not FDIC Insured, Capitalization, High Portfolio Turnover, Market/Market Volatility, Equity Securities, ETF, Industry and Sector Investing, Restricted/Illiquid Securities, Underlying Fund/Fund of Funds, Derivatives, Leverage, Fixed-Income Securities, Conflict of Interest, Management, Target Date, Money Market Fund Ownership

# Schwab Target 2025 Index SWYDX

## Benchmark

Morningstar Lifetime Mod 2025 TR USD

## Overall Morningstar Rating™

★★★★

Out of 196 Target-Date 2025 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

## Morningstar Return

Above Average

## Morningstar Risk

Below Average

## Investment Objective & Strategy

From investment's prospectus

The investment seeks to provide capital appreciation and income consistent with its current asset allocation.

The fund seeks to achieve its investment objective by investing primarily in affiliated Schwab exchange-traded funds (ETFs). It has a policy to invest, under normal circumstances, at least 80% of its assets (net assets, including, for this purpose, any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The fund is managed based on the specific retirement date (target date) included in its name and assumes a retirement age of 65.

### Fees and Expenses as of 07-28-23

Prospectus Net Expense Ratio	0.08%
Total Annual Operating Expense	0.12%
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

Waiver Data	Type	Exp. Date	%
ExpenseRatio	Contractual	—	0.04

### Operations and Management

Fund Inception Date	08-25-16
Portfolio Manager(s)	Zifan Tang, CFA Patrick Kwok, CFA
Name of Issuer	Schwab Funds
Telephone	877-824-5615
Web Site	www.schwab.com

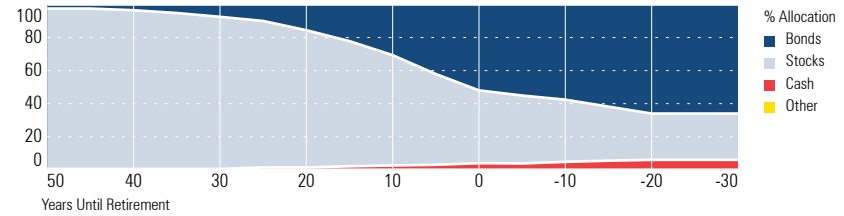
### Benchmark Description: Morningstar Lifetime Mod 2025 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who has a target maturity date of 2025. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility. This Index does not incorporate Environmental, Social, or Governance (ESG) criteria.

### Category Description: Target-Date 2025

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2021-2025) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

## Allocation of Assets



## Performance

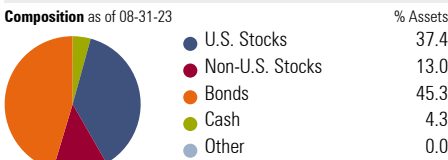
Trailing Returns	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Investment Return %	4.73	10.86	2.14	4.04	—	5.36
Benchmark Return %	2.47	9.56	0.62	3.24	—	4.57
Category Average %	3.83	9.84	1.76	3.50	—	4.76
Morningstar Rating™	—	—	★★★★	★★★★	—	—
# of Funds in Category	—	—	196	178	—	—

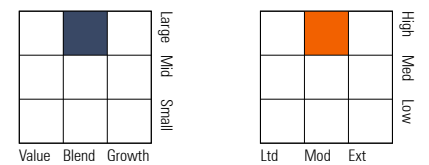
Quarter End Returns as of 09-30-23	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund Return %	4.73	10.86	2.14	4.04	—	5.36
Standardized Return %	4.73	10.86	2.14	4.04	—	5.36

**Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.**

## Portfolio Analysis as of 08-31-23



## Morningstar Style Box™ as of 08-31-23(E0) ; 06-30-23(F-I)



## Top 10 Holdings as of 08-31-23

Top 10 Holdings	% Assets
Schwab US Aggregate Bond ETF™	38.04
Schwab US Large-Cap ETF™	31.74
Schwab International Equity ETF™	11.94
Schwab Short-Term US Treasury ETF™	4.29
Schwab US TIPS ETF™	3.91
Schwab US REIT ETF™	3.50
Schwab Variable Share Price Money Ultra	2.54
Schwab US Small-Cap ETF™	2.15
Schwab Emerging Markets Equity ETF™	1.12
Total Number of Holdings	10
Annual Turnover Ratio %	18.00
Total Fund Assets (\$mil)	487.11

## Morningstar Sectors as of 08-31-23

Morningstar Sectors	% Fund	S&P 500 %
Cyclical	36.51	27.79
Basic Materials	3.56	2.21
Consumer Cyclical	10.27	10.85
Financial Services	13.02	12.36
Real Estate	9.66	2.37
Sensitive	43.18	49.86
Communication Services	6.70	8.87
Energy	4.43	4.72
Industrials	10.21	8.16
Technology	21.84	28.11
Defensive	20.30	22.33
Consumer Defensive	6.35	6.52
Healthcare	11.59	13.40
Utilities	2.36	2.41

## Principal Risks as of 08-31-23

Emerging Markets, Foreign Securities, Loss of Money, Not FDIC Insured, Capitalization, High Portfolio Turnover, Market/Market Volatility, Equity Securities, ETF, Industry and Sector Investing, Restricted/Illiquid Securities, Underlying Fund/Fund of Funds, Derivatives, Leverage, Fixed-Income Securities, Conflict of Interest, Management, Target Date, Money Market Fund Ownership

# Schwab Target 2030 Index SWYEX

## Benchmark

Morningstar Lifetime Mod 2030 TR USD

## Overall Morningstar Rating™

★★★★

Out of 198 Target-Date 2030 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

## Morningstar Return

Above Average

## Morningstar Risk

Below Average

## Investment Objective & Strategy

From investment's prospectus

The investment seeks to provide capital appreciation and income consistent with its current asset allocation.

The fund seeks to achieve its investment objective by investing primarily in affiliated Schwab exchange-traded funds (ETFs). It has a policy to invest, under normal circumstances, at least 80% of its assets (net assets, including, for this purpose, any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The fund is managed based on the specific retirement date (target date) included in its name and assumes a retirement age of 65.

## Fees and Expenses as of 07-28-23

Prospectus Net Expense Ratio	0.08%
Total Annual Operating Expense	0.12%
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

Waiver Data	Type	Exp. Date	%
ExpenseRatio	Contractual	—	0.04

## Operations and Management

Fund Inception Date	08-25-16
Portfolio Manager(s)	Zifan Tang, CFA Patrick Kwok, CFA
Name of Issuer	Schwab Funds
Telephone	877-824-5615
Web Site	www.schwab.com

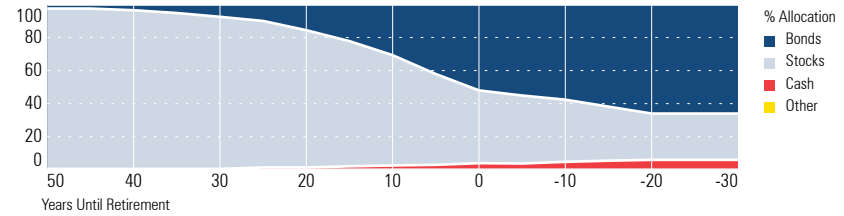
## Benchmark Description: Morningstar Lifetime Mod 2030 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who has a target maturity date of 2030. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility. This Index does not incorporate Environmental, Social, or Governance (ESG) criteria.

## Category Description: Target-Date 2030

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2026-2030) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

## Allocation of Assets



## Performance

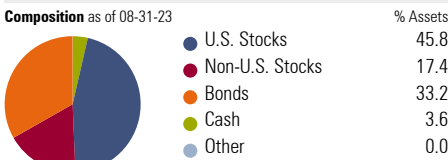
Trailing Returns	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Investment Return %	5.85	13.14	3.31	4.69	—	6.18
Benchmark Return %	3.02	10.93	1.61	3.57	—	5.25
Category Average %	4.68	11.52	2.73	4.10	—	5.49
Morningstar Rating™	—	—	★★★★	★★★★	—	—
# of Funds in Category	—	—	198	176	—	—

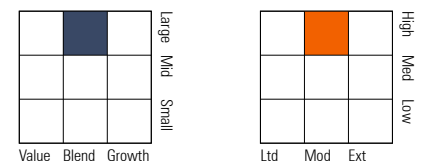
Quarter End Returns as of 09-30-23	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund Return %	5.85	13.14	3.31	4.69	—	6.18
Standardized Return %	5.85	13.14	3.31	4.69	—	6.18

**Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.**

## Portfolio Analysis as of 08-31-23



## Morningstar Style Box™ as of 08-31-23(E0) ; 06-30-23(F-I)



## Top 10 Holdings as of 08-31-23

Top 10 Holdings	% Assets
Schwab US Large-Cap ETF™	38.32
Schwab US Aggregate Bond ETF™	30.65
Schwab International Equity ETF™	15.30
Schwab US REIT ETF™	4.43
Schwab US Small-Cap ETF™	3.00
Schwab Emerging Markets Equity ETF™	2.27
Schwab Short-Term US Treasury ETF™	1.98
Schwab Variable Share Price Money Ultra	1.80
Schwab US TIPS ETF™	1.28
Total Number of Holdings	10
Annual Turnover Ratio %	14.00
Total Fund Assets (\$mil)	850.77

## Morningstar Sectors as of 08-31-23

Morningstar Sectors	% Fund	S&P 500 %
Cyclical	36.92	27.79
Basic Materials	3.68	2.21
Consumer Cyclical	10.31	10.85
Financial Services	13.19	12.36
Real Estate	9.74	2.37
Sensitive	42.89	49.86
Communication Services	6.66	8.87
Energy	4.47	4.72
Industrials	10.27	8.16
Technology	21.49	28.11
Defensive	20.18	22.33
Consumer Defensive	6.36	6.52
Healthcare	11.45	13.40
Utilities	2.37	2.41

## Principal Risks as of 08-31-23

Emerging Markets, Foreign Securities, Loss of Money, Not FDIC Insured, Capitalization, High Portfolio Turnover, Market/Market Volatility, Equity Securities, ETF, Industry and Sector Investing, Restricted/Illiquid Securities, Underlying Fund/Fund of Funds, Derivatives, Leverage, Fixed-Income Securities, Conflict of Interest, Management, Target Date, Money Market Fund Ownership

# Schwab Target 2035 Index SWYFX

## Benchmark

Morningstar Lifetime Mod 2035 TR USD

## Overall Morningstar Rating™

★★★★

Out of 189 Target-Date 2035 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

## Morningstar Return

Above Average

## Morningstar Risk

Below Average

## Investment Objective & Strategy

From investment's prospectus

The investment seeks to provide capital appreciation and income consistent with its current asset allocation.

The fund seeks to achieve its investment objective by investing primarily in affiliated Schwab exchange-traded funds (ETFs). It has a policy to invest, under normal circumstances, at least 80% of its assets (net assets, including, for this purpose, any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The fund is managed based on the specific retirement date (target date) included in its name and assumes a retirement age of 65.

### Fees and Expenses as of 07-28-23

Prospectus Net Expense Ratio	0.08%
Total Annual Operating Expense	0.12%
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

Waiver Data	Type	Exp. Date	%
ExpenseRatio	Contractual	—	0.04

### Operations and Management

Fund Inception Date	08-25-16
Portfolio Manager(s)	Zifan Tang, CFA Patrick Kwok, CFA
Name of Issuer	Schwab Funds
Telephone	877-824-5615
Web Site	www.schwab.com

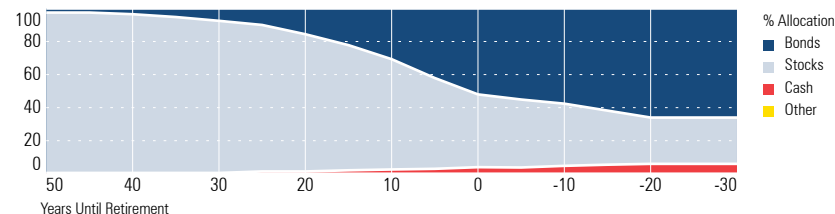
### Benchmark Description: Morningstar Lifetime Mod 2035 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who has a target maturity date of 2035. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility. This Index does not incorporate Environmental, Social, or Governance (ESG) criteria.

### Category Description: Target-Date 2035

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2031-2035) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

## Allocation of Assets



## Performance

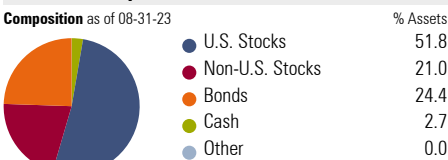
Trailing Returns	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Investment Return %	6.65	14.69	4.21	5.09	—	6.76
Benchmark Return %	3.92	12.85	3.10	4.06	—	6.03
Category Average %	5.72	13.68	3.90	4.68	—	6.37
Morningstar Rating™	—	—	★★★	★★★★	—	—
# of Funds in Category	—	—	189	175	—	—

Quarter End Returns as of 09-30-23	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund Return %	6.65	14.69	4.21	5.09	—	6.76
Standardized Return %	6.65	14.69	4.21	5.09	—	6.76

**Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.**

## Portfolio Analysis as of 08-31-23



### Top 10 Holdings as of 08-31-23

Holder	% Assets
Schwab US Large-Cap ETF™	42.89
Schwab US Aggregate Bond ETF™	24.02
Schwab International Equity ETF™	17.93
Schwab US REIT ETF™	5.11
Schwab US Small-Cap ETF™	3.79
Schwab Emerging Markets Equity ETF™	3.29
Schwab Variable Share Price Money Ultra	1.24
Schwab Short-Term US Treasury ETF™	0.94
Total Number of Holdings	9
Annual Turnover Ratio %	13.00
Total Fund Assets (\$mil)	585.59

### Morningstar Style Box™ as of 08-31-23(E0) ; 06-30-23(F-I)



### Morningstar Sectors as of 08-31-23

Sector	% Fund	S&P 500 %
Cyclical	37.20	27.79
Basic Materials	3.77	2.21
Consumer Cyclical	10.35	10.85
Financial Services	13.32	12.36
Real Estate	9.76	2.37
Sensitive	42.69	49.86
Communication Services	6.63	8.87
Energy	4.49	4.72
Industrials	10.33	8.16
Technology	21.24	28.11
Defensive	20.11	22.33
Consumer Defensive	6.37	6.52
Healthcare	11.36	13.40
Utilities	2.38	2.41

## Principal Risks as of 08-31-23

Emerging Markets, Foreign Securities, Loss of Money, Not FDIC Insured, Capitalization, High Portfolio Turnover, Market/Market Volatility, Equity Securities, ETF, Industry and Sector Investing, Restricted/Illiquid Securities, Underlying Fund/Fund of Funds, Derivatives, Leverage, Fixed-Income Securities, Conflict of Interest, Management, Target Date, Money Market Fund Ownership

# Schwab Target 2040 Index SWYGX

## Benchmark

Morningstar Lifetime Mod 2040 TR USD

## Overall Morningstar Rating™

★★★★

Out of 192 Target-Date 2040 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

## Morningstar Return

Average

## Morningstar Risk

Below Average

## Investment Objective & Strategy

From investment's prospectus

The investment seeks to provide capital appreciation and income consistent with its current asset allocation.

The fund seeks to achieve its investment objective by investing primarily in affiliated Schwab exchange-traded funds (ETFs). It has a policy to invest, under normal circumstances, at least 80% of its assets (net assets, including, for this purpose, any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The fund is managed based on the specific retirement date (target date) included in its name and assumes a retirement age of 65.

### Fees and Expenses as of 07-28-23

Prospectus Net Expense Ratio	0.08%
Total Annual Operating Expense	0.12%
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

Waiver Data	Type	Exp. Date	%
ExpenseRatio	Contractual	—	0.04

### Operations and Management

Fund Inception Date	08-25-16
Portfolio Manager(s)	Zifan Tang, CFA Patrick Kwok, CFA
Name of Issuer	Schwab Funds
Telephone	877-824-5615
Web Site	www.schwab.com

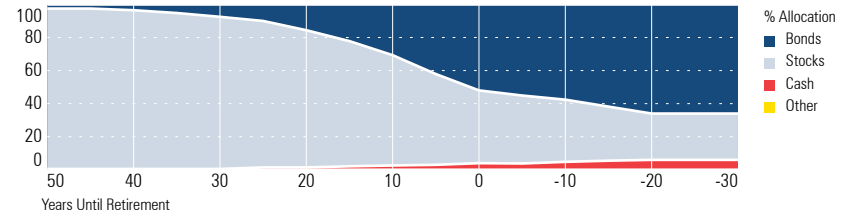
### Benchmark Description: Morningstar Lifetime Mod 2040 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who has a target maturity date of 2040. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility. This Index does not incorporate Environmental, Social, or Governance (ESG) criteria.

### Category Description: Target-Date 2040

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2036-2040) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

## Allocation of Assets



## Performance

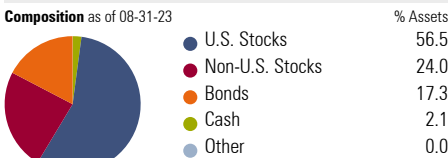
Trailing Returns	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Investment Return %	7.30	15.97	4.97	5.41	—	7.25
Benchmark Return %	4.91	14.88	4.59	4.57	—	6.69
Category Average %	6.59	15.44	4.83	5.17	—	6.84
Morningstar Rating™	—	—	★★★	★★★★	—	—
# of Funds in Category	—	—	192	176	—	—

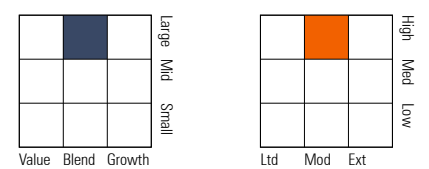
Quarter End Returns as of 09-30-23	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund Return %	7.30	15.97	4.97	5.41	—	7.25
Standardized Return %	7.30	15.97	4.97	5.41	—	7.25

**Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.**

## Portfolio Analysis as of 08-31-23



## Morningstar Style Box™ as of 08-31-23(E0) ; 06-30-23(F-I)



Top 10 Holdings as of 08-31-23	% Assets
Schwab US Large-Cap ETF™	46.19
Schwab International Equity ETF™	20.02
Schwab US Aggregate Bond ETF™	17.14
Schwab US REIT ETF™	5.65
Schwab US Small-Cap ETF™	4.63
Schwab Emerging Markets Equity ETF™	4.26
Schwab Variable Share Price Money Ultra	0.80
Schwab Short-Term US Treasury ETF™	0.54
Total Number of Holdings	9
Annual Turnover Ratio %	12.00
Total Fund Assets (\$mil)	731.71

Morningstar Sectors as of 08-31-23	% Fund	S&P 500 %
Cyclical	37.42	27.79
Basic Materials	3.84	2.21
Consumer Cyclical	10.38	10.85
Financial Services	13.42	12.36
Real Estate	9.78	2.37
Sensitive	42.54	49.86
Communication Services	6.60	8.87
Energy	4.52	4.72
Industrials	10.39	8.16
Technology	21.03	28.11
Defensive	20.04	22.33
Consumer Defensive	6.37	6.52
Healthcare	11.29	13.40
Utilities	2.38	2.41

## Principal Risks as of 08-31-23

Emerging Markets, Foreign Securities, Loss of Money, Not FDIC Insured, Capitalization, High Portfolio Turnover, Market/Market Volatility, Equity Securities, ETF, Industry and Sector Investing, Restricted/Illiquid Securities, Underlying Fund/Fund of Funds, Derivatives, Leverage, Fixed-Income Securities, Conflict of Interest, Management, Target Date, Money Market Fund Ownership

# Schwab Target 2045 Index SWYHX

## Benchmark

Morningstar Lifetime Mod 2045 TR USD

## Overall Morningstar Rating™

★★★★

Out of 189 Target-Date 2045 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

## Morningstar Return

Average

## Morningstar Risk

Below Average

## Investment Objective & Strategy

From investment's prospectus

The investment seeks to provide capital appreciation and income consistent with its current asset allocation.

The fund seeks to achieve its investment objective by investing primarily in affiliated Schwab exchange-traded funds (ETFs). It has a policy to invest, under normal circumstances, at least 80% of its assets (net assets, including, for this purpose, any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The fund is managed based on the specific retirement date (target date) included in its name and assumes a retirement age of 65.

### Fees and Expenses as of 07-28-23

Prospectus Net Expense Ratio	0.08%
Total Annual Operating Expense	0.12%
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

Waiver Data	Type	Exp. Date	%
ExpenseRatio	Contractual	—	0.04

### Operations and Management

Fund Inception Date	08-25-16
Portfolio Manager(s)	Zifan Tang, CFA Patrick Kwok, CFA
Name of Issuer	Schwab Funds
Telephone	877-824-5615
Web Site	www.schwab.com

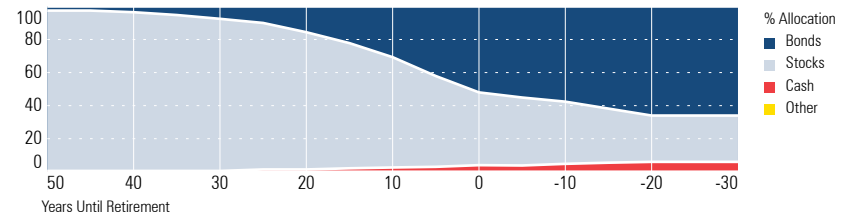
### Benchmark Description: Morningstar Lifetime Mod 2045 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who has a target maturity date of 2045. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility. This Index does not incorporate Environmental, Social, or Governance (ESG) criteria.

### Category Description: Target-Date 2045

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2041-2045) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

## Allocation of Assets



## Performance

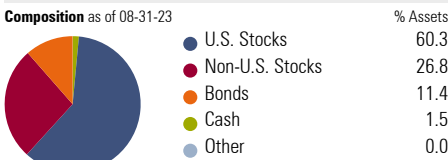
Trailing Returns	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Investment Return %	7.86	17.16	5.69	5.72	—	7.64
Benchmark Return %	5.61	16.35	5.56	4.91	—	7.06
Category Average %	7.36	16.84	5.56	5.52	—	7.36
Morningstar Rating™	—	—	★★★	★★★★	—	—
# of Funds in Category	—	—	189	175	—	—

Quarter End Returns as of 09-30-23	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund Return %	7.86	17.16	5.69	5.72	—	7.64
Standardized Return %	7.86	17.16	5.69	5.72	—	7.64

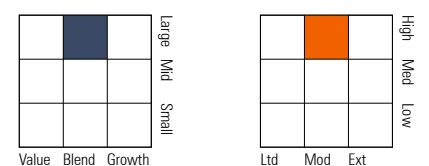
**Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.**

## Portfolio Analysis as of 08-31-23



Total 10 Holdings as of 08-31-23	% Assets
Schwab US Large-Cap ETF™	48.69
Schwab International Equity ETF™	21.81
Schwab US Aggregate Bond ETF™	11.12
Schwab US REIT ETF™	6.11
Schwab US Small-Cap ETF™	5.43
Schwab Emerging Markets Equity ETF™	5.24
Schwab Short-Term US Treasury ETF™	0.52
Schwab Variable Share Price Money Ultra	0.39
Total Number of Holdings	9
Annual Turnover Ratio %	10.00
Total Fund Assets (\$mil)	459.44

## Morningstar Style Box™ as of 08-31-23(E0) ; 06-30-23(F-I)



Morningstar Sectors as of 08-31-23	% Fund	S&P 500 %
Cyclical	37.65	27.79
Basic Materials	3.91	2.21
Consumer Cyclical	10.42	10.85
Financial Services	13.52	12.36
Real Estate	9.80	2.37
Sensitive	42.38	49.86
Communication Services	6.57	8.87
Energy	4.54	4.72
Industrials	10.44	8.16
Technology	20.83	28.11
Defensive	19.97	22.33
Consumer Defensive	6.36	6.52
Healthcare	11.22	13.40
Utilities	2.39	2.41

## Principal Risks as of 08-31-23

Emerging Markets, Foreign Securities, Loss of Money, Not FDIC Insured, Capitalization, High Portfolio Turnover, Market/Market Volatility, Equity Securities, ETF, Industry and Sector Investing, Restricted/Illiquid Securities, Underlying Fund/Fund of Funds, Derivatives, Leverage, Fixed-Income Securities, Conflict of Interest, Management, Target Date, Money Market Fund Ownership



# Schwab Target 2050 Index SWYMX

## Benchmark

Morningstar Lifetime Mod 2050 TR USD

## Overall Morningstar Rating™

★★★★

Out of 190 Target-Date 2050 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

## Morningstar Return

Average

## Morningstar Risk

Below Average

## Investment Objective & Strategy

From investment's prospectus

The investment seeks to provide capital appreciation and income consistent with its current asset allocation.

The fund seeks to achieve its investment objective by investing primarily in affiliated Schwab exchange-traded funds (ETFs). It has a policy to invest, under normal circumstances, at least 80% of its assets (net assets, including, for this purpose, any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The fund is managed based on the specific retirement date (target date) included in its name and assumes a retirement age of 65.

### Fees and Expenses as of 07-28-23

Prospectus Net Expense Ratio	0.08%
Total Annual Operating Expense	0.12%
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

Waiver Data	Type	Exp. Date	%
ExpenseRatio	Contractual	—	0.04

### Operations and Management

Fund Inception Date	08-25-16
Portfolio Manager(s)	Zifan Tang, CFA Patrick Kwok, CFA
Name of Issuer	Schwab Funds
Telephone	877-824-5615
Web Site	www.schwab.com

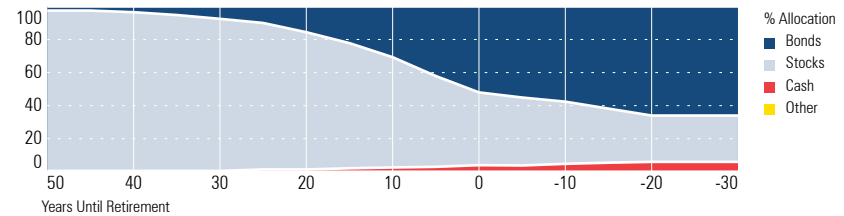
### Benchmark Description: Morningstar Lifetime Mod 2050 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who has a target maturity date of 2050. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility. This Index does not incorporate Environmental, Social, or Governance (ESG) criteria.

### Category Description: Target-Date 2050

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2046-2050) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

## Allocation of Assets



## Performance

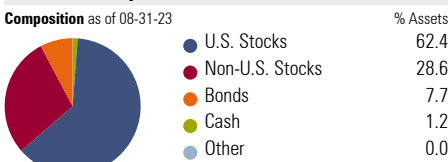
Trailing Returns	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Investment Return %	8.14	17.81	6.07	5.88	—	7.84
Benchmark Return %	5.92	17.03	5.93	5.03	—	7.16
Category Average %	7.67	17.47	5.80	5.61	—	7.39
Morningstar Rating™	—	—	★★★	★★★★	—	—
# of Funds in Category	—	—	190	176	—	—

Quarter End Returns as of 09-30-23	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund Return %	8.14	17.81	6.07	5.88	—	7.84
Standardized Return %	8.14	17.81	6.07	5.88	—	7.84

**Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.**

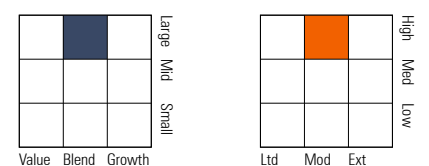
## Portfolio Analysis as of 08-31-23



### Top 10 Holdings as of 08-31-23

Asset	% Assets
Schwab US Large-Cap ETF™	49.97
Schwab International Equity ETF™	22.94
Schwab US Aggregate Bond ETF™	7.84
Schwab US REIT ETF™	6.39
Schwab US Small-Cap ETF™	6.00
Schwab Emerging Markets Equity ETF™	5.98
Schwab Variable Share Price Money Ultra	0.17
Total Number of Holdings	8
Annual Turnover Ratio %	9.00
Total Fund Assets (\$mil)	580.19

### Morningstar Style Box™ as of 08-31-23(E0) ; 06-30-23(F-I)



### Morningstar Sectors as of 08-31-23

Sector	% Fund	S&P 500 %
Cyclical	37.80	27.79
Basic Materials	3.95	2.21
Consumer Cyclical	10.44	10.85
Financial Services	13.59	12.36
Real Estate	9.82	2.37
Sensitive	42.28	49.86
Communication Services	6.55	8.87
Energy	4.56	4.72
Industrials	10.48	8.16
Technology	20.69	28.11
Defensive	19.92	22.33
Consumer Defensive	6.36	6.52
Healthcare	11.17	13.40
Utilities	2.39	2.41

## Principal Risks as of 08-31-23

Emerging Markets, Foreign Securities, Loss of Money, Not FDIC Insured, Capitalization, High Portfolio Turnover, Market/Market Volatility, Equity Securities, ETF, Industry and Sector Investing, Restricted/Illiquid Securities, Underlying Fund/Fund of Funds, Derivatives, Leverage, Fixed-Income Securities, Conflict of Interest, Management, Target Date, Money Market Fund Ownership

# Schwab Target 2055 Index SWYJX

## Benchmark

Morningstar Lifetime Mod 2055 TR USD

## Overall Morningstar Rating™

★★★★

Out of 189 Target-Date 2055 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

## Morningstar Return

Average

## Morningstar Risk

Average

## Investment Objective & Strategy

From investment's prospectus

The investment seeks to provide capital appreciation and income consistent with its current asset allocation.

The fund seeks to achieve its investment objective by investing primarily in affiliated Schwab exchange-traded funds (ETFs). It has a policy to invest, under normal circumstances, at least 80% of its assets (net assets, including, for this purpose, any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The fund is managed based on the specific retirement date (target date) included in its name and assumes a retirement age of 65.

### Fees and Expenses as of 07-28-23

Prospectus Net Expense Ratio	0.08%
Total Annual Operating Expense	0.12%
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

Waiver Data	Type	Exp. Date	%
ExpenseRatio	Contractual	—	0.04

### Operations and Management

Fund Inception Date	08-25-16
Portfolio Manager(s)	Zifan Tang, CFA Patrick Kwok, CFA
Name of Issuer	Schwab Funds
Telephone	877-824-5615
Web Site	www.schwab.com

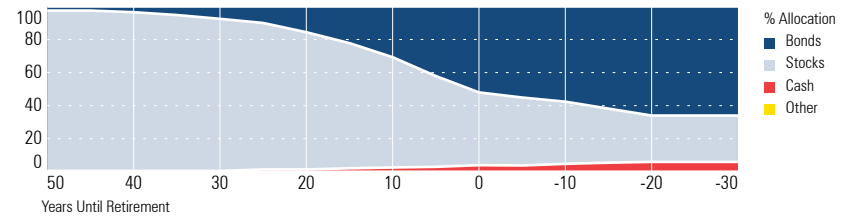
### Benchmark Description: Morningstar Lifetime Mod 2055 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who has a target maturity date of 2055. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility. This Index does not incorporate Environmental, Social, or Governance (ESG) criteria.

### Category Description: Target-Date 2055

Target-date portfolios provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2051-2055) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

## Allocation of Assets



## Performance

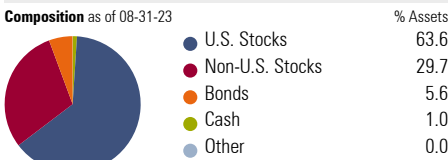
Trailing Returns	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Investment Return %	8.27	18.10	6.33	5.97	—	8.01
Benchmark Return %	5.94	17.15	5.96	5.00	—	7.12
Category Average %	7.78	17.68	5.91	5.67	—	7.60
Morningstar Rating™	—	—	★★★★	★★★	—	—
# of Funds in Category	—	—	189	175	—	—

Quarter End Returns as of 09-30-23	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund Return %	8.27	18.10	6.33	5.97	—	8.01
Standardized Return %	8.27	18.10	6.33	5.97	—	8.01

**Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.**

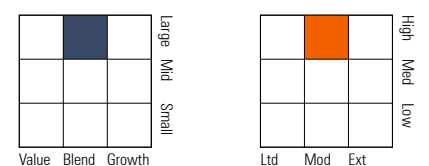
## Portfolio Analysis as of 08-31-23



### Top 10 Holdings as of 08-31-23

Asset	% Assets
Schwab US Large-Cap ETF™	50.69
Schwab International Equity ETF™	23.60
Schwab US REIT ETF™	6.55
Schwab Emerging Markets Equity ETF™	6.43
Schwab US Small-Cap ETF™	6.31
Schwab US Aggregate Bond ETF™	5.67
Schwab Variable Share Price Money Ultra	0.02
Total Number of Holdings	8
Annual Turnover Ratio %	8.00
Total Fund Assets (\$mil)	385.43

## Morningstar Style Box™ as of 08-31-23(E0) ; 06-30-23(F-I)



### Morningstar Sectors as of 08-31-23

Sector	% Fund	S&P 500 %
Cyclical	37.88	27.79
Basic Materials	3.98	2.21
Consumer Cyclical	10.45	10.85
Financial Services	13.63	12.36
Real Estate	9.82	2.37
Sensitive	42.22	49.86
Communication Services	6.54	8.87
Energy	4.57	4.72
Industrials	10.50	8.16
Technology	20.61	28.11
Defensive	19.89	22.33
Consumer Defensive	6.36	6.52
Healthcare	11.14	13.40
Utilities	2.39	2.41

## Principal Risks as of 08-31-23

Emerging Markets, Foreign Securities, Loss of Money, Not FDIC Insured, Capitalization, High Portfolio Turnover, Market/Market Volatility, Equity Securities, ETF, Industry and Sector Investing, Restricted/Illiquid Securities, Underlying Fund/Fund of Funds, Derivatives, Leverage, Fixed-Income Securities, Conflict of Interest, Management, Target Date, Money Market Fund Ownership

# Schwab Target 2060 Index SWYNX

## Benchmark

Morningstar Lifetime Mod 2060 TR USD

## Overall Morningstar Rating™

★★★★

Out of 184 Target-Date 2060 funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure page for details.

## Morningstar Return

Above Average

## Morningstar Risk

Average

## Investment Objective & Strategy

From investment's prospectus

The investment seeks to provide capital appreciation and income consistent with its current asset allocation.

The fund seeks to achieve its investment objective by investing primarily in affiliated Schwab exchange-traded funds (ETFs). It has a policy to invest, under normal circumstances, at least 80% of its assets (net assets, including, for this purpose, any borrowings for investment purposes) in underlying funds that are managed to seek investment returns that track particular market indices. The fund is managed based on the specific retirement date (target date) included in its name and assumes a retirement age of 65.

### Fees and Expenses as of 07-28-23

Prospectus Net Expense Ratio	0.08%
Total Annual Operating Expense	0.12%
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

Waiver Data	Type	Exp. Date	%
ExpenseRatio	Contractual	—	0.04

### Operations and Management

Fund Inception Date	08-25-16
Portfolio Manager(s)	Zifan Tang, CFA Patrick Kwok, CFA
Name of Issuer	Schwab Funds
Telephone	877-824-5615
Web Site	www.schwab.com

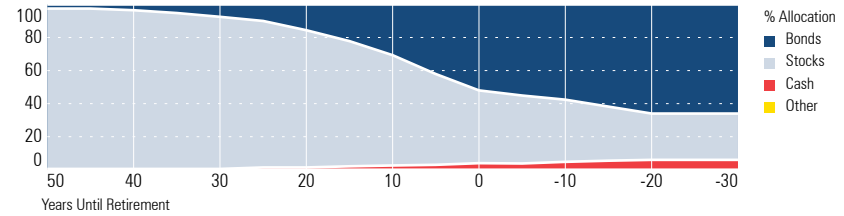
### Benchmark Description: Morningstar Lifetime Mod 2060 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who has a target maturity date of 2060. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility. This Index does not incorporate Environmental, Social, or Governance (ESG) criteria.

### Category Description: Target-Date 2060

Target-date portfolios provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2056-2060) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

## Allocation of Assets



## Performance

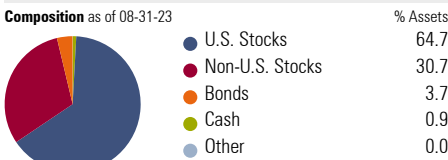
Trailing Returns	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Investment Return %	8.37	18.47	6.59	6.09	—	8.11
Benchmark Return %	5.89	17.17	5.91	4.93	—	7.05
Category Average %	7.84	17.81	6.03	5.71	—	7.66
Morningstar Rating™	—	—	★★★★	★★★	—	—
# of Funds in Category	—	—	184	164	—	—

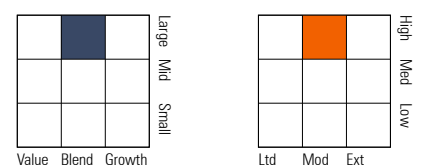
Quarter End Returns as of 09-30-23	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund Return %	8.37	18.47	6.59	6.09	—	8.11
Standardized Return %	8.37	18.47	6.59	6.09	—	8.11

**Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.**

## Portfolio Analysis as of 08-31-23



## Morningstar Style Box™ as of 08-31-23(EQ) ; 06-30-23(F-I)



Top 10 Holdings as of 08-31-23	% Assets
Schwab US Large-Cap ETF™	51.37
Schwab International Equity ETF™	24.20
Schwab Emerging Markets Equity ETF™	6.84
Schwab US REIT ETF™	6.70
Schwab US Small-Cap ETF™	6.58
Schwab US Aggregate Bond ETF™	3.70

Total Number of Holdings	7
Annual Turnover Ratio %	8.00
Total Fund Assets (\$mil)	447.25

Morningstar Sectors as of 08-31-23	% Fund	S&P 500 %
Cyclical	37.98	27.79
Basic Materials	4.01	2.21
Consumer Cyclical	10.47	10.85
Financial Services	13.67	12.36
Real Estate	9.83	2.37
Sensitive	42.15	49.86
Communication Services	6.53	8.87
Energy	4.57	4.72
Industrials	10.51	8.16
Technology	20.54	28.11
Defensive	19.87	22.33
Consumer Defensive	6.36	6.52
Healthcare	11.11	13.40
Utilities	2.40	2.41

## Principal Risks as of 08-31-23

Emerging Markets, Foreign Securities, Loss of Money, Not FDIC Insured, Capitalization, High Portfolio Turnover, Market/Market Volatility, Equity Securities, ETF, Industry and Sector Investing, Restricted/Illiquid Securities, Underlying Fund/Fund of Funds, Derivatives, Leverage, Fixed-Income Securities, Conflict of Interest, Management, Target Date, Money Market Fund Ownership

# Schwab Target 2065 Index SWYOX

## Benchmark

Morningstar Lifetime Mod 2060 TR USD

Overall Morningstar Rating™

Morningstar Return

Morningstar Risk

## Investment Objective & Strategy

From investment's prospectus

The investment seeks to provide capital appreciation and income consistent with its current asset allocation.

The fund seeks to achieve its investment objective by investing primarily in affiliated Schwab exchange-traded funds (ETFs). These underlying funds invest their assets directly in equity, fixed income, cash and cash equivalents (including money market funds) in accordance with their own investment objectives and policies. The fund is managed based on the specific retirement date (target date) included in its name and assumes a retirement age of 65.

### Fees and Expenses as of 07-28-23

Prospectus Net Expense Ratio	0.08%
Total Annual Operating Expense	0.13%
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

Waiver Data	Type	Exp. Date	%
ExpenseRatio	Contractual	—	0.05

### Operations and Management

Fund Inception Date	02-25-21
Portfolio Manager(s)	Zifan Tang, CFA Patrick Kwok, CFA
Name of Issuer	Schwab Funds
Telephone	877-824-5615
Web Site	www.schwab.com

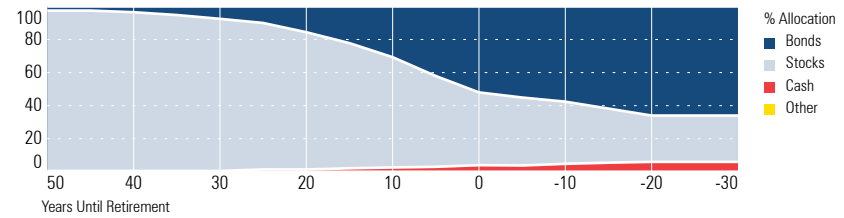
### Benchmark Description: Morningstar Lifetime Mod 2060 TR USD

The index measures the performance of a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS. This portfolio is held in proportions appropriate for a US investor who has a target maturity date of 2060. The Moderate risk profile is for investors who are comfortable with average exposure to equity market volatility. This Index does not incorporate Environmental, Social, or Governance (ESG) criteria.

### Category Description: Target-Date 2065+

Target-date portfolios provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2061-2065 and beyond) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

## Allocation of Assets



## Performance

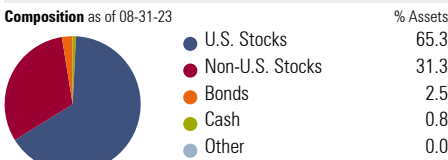
Trailing Returns	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Investment Return %	8.41	18.63	—	—	—	0.89
Benchmark Return %	5.89	17.17	—	—	—	-0.68
Category Average %	8.21	18.36	—	—	—	0.11
Morningstar Rating™	—	—	—	—	—	—
# of Funds in Category	—	—	—	—	—	—

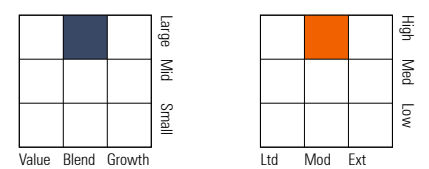
Quarter End Returns as of 09-30-23	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund Return %	8.41	18.63	—	—	—	0.89
Standardized Return %	8.41	18.63	—	—	—	0.89

**Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit the website listed under Operations and Management on this page.**

## Portfolio Analysis as of 08-31-23



## Morningstar Style Box™ as of 08-31-23(E0) ; 06-30-23(F-I)



Top 10 Holdings as of 08-31-23	% Assets
Schwab US Large-Cap ETF™	51.69
Schwab International Equity ETF™	24.55
Schwab Emerging Markets Equity ETF™	7.10
Schwab US REIT ETF™	6.78
Schwab US Small-Cap ETF™	6.78
Schwab US Aggregate Bond ETF™	2.50
Total Number of Holdings	7
Annual Turnover Ratio %	19.00
Total Fund Assets (\$mil)	64.24

Morningstar Sectors as of 08-31-23	% Fund	S&P 500 %
Cyclical	38.01	27.79
Basic Materials	4.02	2.21
Consumer Cyclical	10.47	10.85
Financial Services	13.69	12.36
Real Estate	9.83	2.37
Sensitive	42.12	49.86
Communication Services	6.52	8.87
Energy	4.58	4.72
Industrials	10.52	8.16
Technology	20.50	28.11
Defensive	19.85	22.33
Consumer Defensive	6.36	6.52
Healthcare	11.09	13.40
Utilities	2.40	2.41

## Principal Risks as of 08-31-23

Emerging Markets, Foreign Securities, Loss of Money, Not FDIC Insured, Capitalization, High Portfolio Turnover, Market/Market Volatility, Equity Securities, ETF, Industry and Sector Investing, Restricted/Illicit Securities, Underlying Fund/Fund of Funds, Derivatives, Leverage, Fixed-Income Securities, Conflict of Interest, Management, Target Date, Money Market Fund Ownership

# Important Disclosures

The Investment Profile is supplemental sales literature and must be preceded or accompanied by the fund's current prospectus as well as this disclosure statement. The performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return will fluctuate, so that an investor's shares when redeemed may be worth more or less than the original investment. Fund portfolio statistics change over time. The fund is not FDIC-insured, may lose value and is not guaranteed by a bank or other financial institution.

## Performance

Total return reflects performance without adjusting for sales charges or the effects of taxation, but is adjusted to reflect all actual ongoing fund expenses and assumes reinvestment of dividends and capital gains. If adjusted, sales charges would reduce the performance quoted.

Standardized Total Return is total return adjusted for sales charges.

NAV Return is based on net asset value for a fund. Net asset value is calculated by dividing the total net assets of the fund by the total number of shares. NAVs come directly from the fund company. ETF investors purchase shares on an exchange at the market price, which may be different than the NAV.

Market Return is the price at which an exchange-traded fund (ETF) may be bought or sold. The price listed may or may not be the same as the fund's NAV.

The fund's performance is compared with that of an index. The index is an unmanaged portfolio of specified securities and the index does not reflect any initial or ongoing expenses. The index cannot be invested in directly. A fund's portfolio may differ significantly from the securities in the index. The index is chosen by Morningstar.

## 7-day Yield

The 7-day yield is a measure of performance in the interest rates of money market funds. To the extent total returns differ from the 7-day yield, the 7-day yield more accurately reflects the current earnings of the fund.

## Morningstar Category

Morningstar Category is assigned by placing funds into peer groups based on their underlying holdings. The underlying securities in each portfolio are the primary factor in our analysis as the investment objective and investment strategy stated in a fund's prospectus may not be sufficiently detailed for our proprietary classification methodology. Funds are placed in a category based on their portfolio statistics and compositions over the past three years. Analysis of performance and other indicative facts are also considered. If the fund is new and has no portfolio history, Morningstar estimates where it will fall before giving it a permanent category assignment. Categories may be changed based on recent changes to the portfolio.

## Total Annual Operating Expense

This is the percentage of fund assets paid for operating expenses and management fees. The expense ratio typically includes the following types of fees: accounting, administrator, advisor, auditor, board of directors, custodial, distribution (12b-1), legal, organizational, professional, registration, shareholder reporting, sub-advisor, and transfer agency. The expense ratio does not reflect the fund's brokerage costs or any investor sales charges. In contrast to the net expense ratio, the gross expense ratio does not

reflect any fee waivers in effect during the time period.

Also known as the Prospectus Gross Expense Ratio, Morningstar pulls the prospectus gross expense ratio from the fund's most recent prospectus.

## Expense Ratio %

The expense ratio is the annual fee that all funds charge their shareholders. It expresses the percentage of assets deducted each fiscal year for fund expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Portfolio transaction fees, or brokerage costs, as well as front-end or deferred sales charges are not included in the expense ratio. The expense ratio, which is deducted from the fund's average net assets, is accrued on a daily basis. The gross expense ratio, in contrast to the net expense ratio, does not reflect any fee waivers in effect during the time period.

## Sales Fees

Also known as loads, sales fees list the maximum level of initial (front-end) and deferred (back-end) sales charges imposed by a fund. The scales of minimum and maximum charges are taken from a fund's prospectus. Because fees change frequently and are sometimes waived, it is wise to examine the fund's prospectus carefully for specific information before investing.

## 12b1 Expense %

A 12b-1 fee is a fee used to pay for a mutual fund's distribution costs. It is often used as a commission to brokers for selling the fund. The amount of the fee is taken from a fund's returns.

## Maximum Redemption Fee %

The Maximum Redemption Fee is the maximum amount a fund may charge if redeemed in a specific time period after the fund's purchase (for example, 30, 180, or 365 days).

## Asset Allocation

Asset Allocation reflects asset class weightings of the portfolio. The "Other" category includes security types that are not neatly classified in the other asset classes, such as convertible bonds and preferred stocks, or cannot be classified by Morningstar as a result of missing data. Morningstar may display asset allocation data in several ways, including tables or pie charts. In addition, Morningstar may compare the asset class breakdown of the fund against its three-year average, category average, and/or index proxy.

Asset allocations shown in tables may include a breakdown among the long, short, and net (long positions net of short) positions. These statistics summarize what the fund's managers are buying and how they are positioning the fund's portfolio. When short positions are captured in these portfolio statistics, investors get a more robust description of the fund's exposure and risk. Long positions involve buying the security outright and selling it later, with the hope the security's price rises over time. Short positions are taken with the hope of benefitting from anticipated price declines. The investor borrows the security from another investor, sells it and receives cash, and then is obligated to buy it back at some point in the future. If the price falls after the short sale, the investor will have sold high and can buy low to close the short position and lock in a profit. However, if the price of the security increases after the short sale, the investor will experience a loss buying it at a higher price than the sale price.

Most fund portfolios hold fairly conventional securities, such as long positions in equities and bonds. Morningstar may generate a colored pie chart for these portfolios. Other portfolios use other investment strategies or securities, such as short positions or derivatives, in an attempt to reduce transaction costs, enhance returns, or reduce risk. Some of these securities and strategies behave like conventional securities, while other have unique return and risk characteristics. Portfolios that incorporate investment strategies resulting in short positions or portfolio with relatively exotic derivative positions often report data to Morningstar that does not meet the parameters of the calculation underlying a pie chart's generation. Because of the nature of how these securities are reported to Morningstar, we may not always get complete portfolio information to report asset allocation. Morningstar, at its discretion, may determine if unidentified characteristics of fund holdings are material. Asset allocation and other breakdowns may be rescaled accordingly so that percentages total to 100 percent. (Morningstar used discretion to determine if unidentified characteristics of fund holdings are material, pie charts and other breakdowns may rescale identified characteristics to 100% for more intuitive presentation.)

Note that all other portfolio statistics presented in this report are based on the long (or long rescaled) holdings of the fund only.

## Sector Weightings

Super Sectors represent Morningstar's broadest classification of equity sectors by assigning the 11 equity sectors into three classifications. The Cyclical Super Sector includes industries significantly impacted by economic shifts, and the stocks included in these sectors generally have betas greater than 1. The Defensive Super Sector generally includes industries that are relatively immune to economic cycles, and the stocks in these industries generally have betas less than 1. The Sensitive Super Sector includes industries that ebb and flow with the overall economy, but not severely so. Stocks in the Sensitive Super Sector generally have betas that are close to 1.

## Morningstar Rating™

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year

# Important Disclosures

rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

For private funds, the Morningstar Rating presented is hypothetical, because Morningstar does not independently analyze private funds. Rather, the rating is assigned as a means to compare these funds with the universe of mutual funds that Morningstar rates. The evaluation of this investment does not affect the retail mutual fund data published by Morningstar.

## Morningstar Return

The Morningstar Return rates a fund's performance relative to other managed products in its Morningstar Category. It is an assessment of a product's excess return over a risk-free rate (the return of the 90-day Treasury Bill) in comparison with the products in its Morningstar category. In each Morningstar category, the top 10% of products earn a High Morningstar Return (High), the next 22.5% Above Average (+Avg), the middle 35% Average (Avg), the next 22.5% Below Average (-Avg), and the bottom 10% Low (Low). Morningstar Return is measured for up to three time periods (three, five, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the product. Products with less than three years of performance history are not rated.

## Morningstar Risk

Morningstar Risk evaluates a fund's downside volatility relative to that of other products in its Morningstar Category. It is an assessment of the variations in monthly returns, with an emphasis on downside variations, in comparison with the products in its Morningstar category. In each Morningstar category, the 10% of products with the lowest measured risk are described as Low Risk (Low), the next 22.5% Below Average (-Avg), the middle 35% Average (Avg), the next 22.5% Above Average (+Avg), and the top 10% High (High). Morningstar Risk is measured for up to three time periods (three, five, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the product. Products with less than three years of performance history are not rated.

## Morningstar Style Box™

The Morningstar Style Box™ reveals a fund's investment strategy as of the date noted on this report.

For equity funds, the vertical axis shows the market capitalization of the long stocks owned, and the horizontal axis shows the investment style (value, blend, or growth.) A darkened cell in the style box matrix indicates the weighted average style of the portfolio.

For portfolios holding fixed-income investments, a Fixed Income Style Box is calculated. The vertical axis shows the credit quality based on credit ratings and the horizontal axis shows interest-rate sensitivity as measured by effective duration. There are three credit categories - "High", "Medium", and "Low"; and there are three interest rate sensitivity categories - "Limited", "Moderate", and "Extensive"; resulting in nine possible combinations. As in the Equity Style Box, the combination of credit and interest rate sensitivity for a portfolio is represented by a darkened square in the matrix. Morningstar uses credit rating information from credit rating agencies (CRAs) that have been designated Nationally Recognized Statistical Rating Organizations (NRSROs) by the Securities and Exchange Commission (SEC) in the United

States. For a list of all NRSROs, please visit <https://www.sec.gov/ocf/ocf-current-nrsros.html>. Additionally, Morningstar will use credit ratings from CRAs which have been recognized by foreign regulatory institutions that are deemed the equivalent of the NRSRO designation. To determine the rating applicable to a holding and the subsequent holding weighted value of a portfolio two methods may be employed. First is a common methodology approach where if a case exists such that two CRAs have rated a holding, the lower rating of the two should be applied; if three or more CRAs have rated a holding, the median rating should be applied; and in cases where there are more than two ratings and a median rating cannot be determined, the lower of the two middle ratings should be applied.

Alternatively, if there is more than one rating available an average can be calculated from all and applied.

Please Note: Morningstar, Inc. is not an NRSRO nor does it issue a credit rating on the fund. Credit ratings for any security held in a portfolio can change over time.

Morningstar uses the credit rating information to calculate a weighted-average credit quality value for the portfolio. This value is based only upon those holdings which are considered to be classified as "fixed income", such a government, corporate, or securitized issues. Other types of holdings such as equities and many, though not all, types of derivatives are excluded. The weighted-average credit quality value is represented by a rating symbol which corresponds to the long-term rating symbol schemas employed by most CRAs. Note that this value is not explicitly published but instead serves as an input in the Style Box calculation. This symbol is then used to map to a Style Box credit quality category of "low," "medium," or "high". Funds with a "low" credit quality category are those whose weighted-average credit quality is determined to be equivalent to the commonly used High Yield classification, meaning a rating below "BBB", portfolios assigned to the "high" credit category have either a "AAA" or "AA+" average credit quality value, while "medium" are those with an average rating of "AA-" inclusive to "BBB-". It is expected and intended that the majority of portfolios will be assigned a credit category of "medium".

For assignment to an interest-rate sensitivity category, Morningstar uses the average effective duration of the portfolio. From this value there are three distinct methodologies employed to determine assignment to category. Portfolio which are assigned to Morningstar municipal-bond categories employ static breakpoints between categories. These breakpoints are: "Limited" equal to 4.5 years or less, "Moderate" equal to 4.5 years to less than 7 years; and "Extensive" equal to more than 7 years. For portfolios assigned to Morningstar categories other than U.S. Taxable, including all domiciled outside the United States, static duration breakpoints are also used: "Limited" equals less than or equal to 3.5 years, "Moderate" equals greater than 3.5 years but less than or equal to 6 years, and "Extensive" is assigned to portfolios with effective durations of more than 6 years.

Note: Interest-rate sensitivity for non-U.S. domiciled portfolios (excluding those in Morningstar convertible categories) may be assigned using average modified duration when average effective duration is not available.

For portfolios Morningstar classifies as U.S. Taxable Fixed-Income, interest-rate sensitivity category assignment is based on the effective duration of the Morningstar Core Bond Index (MCBI). The classification assignment is dynamically determined relative to the benchmark index value. A "Limited" category will be assigned to portfolios whose average effective duration is between 25% to 75% of MCBI

average effective duration, where the average effective duration is between 75% to 125% of the MCBI the portfolio will be classified as "Moderate", and those portfolios with an average effective duration value 125% or greater of the average effective duration of the MCBI will be classified as "Extensive".

## Principal Risks

The specific risks associated with investing in this fund. Please see the Risk Definitions document for more information on each type of risk.

## Investment Risk

*Foreign Securities Funds/Emerging Markets Funds:* The investor should note that funds that invest in foreign securities involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

*Specialty/Sector Funds:* The investor should note that funds that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

*Non-Diversified Funds:* The investor should note that funds that invest more of their assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

*Small Cap Funds:* The investor should note that funds that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

*Mid Cap Funds:* The investor should note that funds that invest in companies with market capitalizations below \$10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

*High-Yield Bond Funds:* The investor should note that funds that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

*Tax-Free Municipal Bond Funds:* The investor should note that the income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax.