

Starting 3/1, expenses for Schwab market cap index mutual funds will be aligned with their Schwab ETFs™ equivalentsⁱ – with NO investment minimumsⁱⁱ
 Schwab index mutual funds will also move to a unitary fee structureⁱⁱⁱ, making fund expenses straight forward

Schwab Index Mutual Fund	Ticker	Net expenses as of 2/2/17 ^{iv}	Expenses effective 3/1/17	Schwab ETFs Equivalent ^v	Ticker	Expenses as of 2/2/17 ^{vi}
Domestic Equities						
US Broad Cap						
Schwab Total Stock Market Index Fund	SWTSX	0.09%	0.03%	Schwab U.S. Broad Market ETF	SCHB	0.03%
US Large Cap						
Schwab S&P 500 Index Fund	SWPPX	0.09%	0.03%	Schwab U.S. Large-Cap ETF	SCHX	0.03%
US Large/Mid Cap						
Schwab 1000 Index Fund	SNXFX	0.29%	0.05%	N/A	N/A	N/A
US Small Cap						
Schwab Small-Cap Index Fund	SWSSX	0.17%	0.06%	Schwab U.S. Small-Cap ETF	SCHA	0.06%
Global/International Equities						
Developed – Broad/Large						
Schwab International Index Fund	SWISX	0.19%	0.07%	Schwab International Equity ETF	SCHF	0.07%
Fixed Income						
US Inflation Protected						
Schwab TIPS Index Fund	SWRSX	0.19%	0.05%	Schwab U.S. TIPS ETF	SCHP	0.05% ^{vii}

New Schwab index bond mutual funds

New Schwab index bond mutual funds, which are expected to launch on or around 2/23/17, will have no investment minimums

Schwab Mutual Fund	Ticker	Expenses effective 2/23/17	Schwab ETF Equivalent	Ticker	Expenses as of 2/2/17
Aggregate Bond					
Schwab US Aggregate Bond Index Fund	SWAGX	0.04%	Schwab US Aggregate Bond ETF	SCHZ	0.04%
Short-Term Investment Grade					
Schwab Short-Term Bond Index Fund	SWSBX	0.06%	Schwab Short-Term US Treasury ETF	SCHO	0.06%

In addition, CSIM will voluntarily waive expenses on the Schwab Short-Term Bond Market Fund™ and Schwab Total Bond Market Fund™ to 0.10%, until the funds are reorganized into the new Schwab index bond mutual funds, pending shareholder approval.

Starting 3/1, with Schwab market-cap index mutual funds, everyone pays the same low expenses no matter how much they have to invest

Expenses at various investment amounts for Schwab funds vs. funds in same Lipper Category^{viii}

	If you invest...		
	\$1	\$5,000	\$5,000,000
Schwab S&P 500 Index Fund	0.03%	0.03%	0.03%
Vanguard 500 Index Fund	N/A	0.16%	---% ^{ix}
Fidelity 500 Index Fund	N/A	0.09%	0.035%
Schwab Total Stock Market Index Fund	0.03%	0.03%	0.03%
Vanguard Total Stock Market Index Fund	N/A	0.16%	0.04%
Fidelity Total Market Index Fund	N/A	0.09%	0.035%
Schwab 1000 Index Fund	0.05%	0.05%	0.05%
Vanguard Large Cap Index Fund	N/A	0.20%	0.07%
Schwab Small-Cap Index Fund	0.06%	0.06%	0.06%
Vanguard Small Cap Index Fund	N/A	0.20%	0.07%
Fidelity Small Cap Index Fund	N/A	0.19%	0.06%
Schwab International Index Fund	0.07%	0.07%	0.07%
Vanguard Developed Markets Index Fund	N/A	0.20%	0.07%
Fidelity International Index Fund	N/A	0.19%	0.06%
Schwab US Aggregate Bond Index Fund	0.04%	0.04%	0.04%
Vanguard Total Bond Market Index Fund	N/A	0.16%	0.05%
Fidelity US Bond Index Fund	N/A	0.15%	0.04%
Schwab Short-Term Bond Index Fund	0.06%	0.06%	0.06%
Vanguard Short-Term Bond Index Fund	N/A	0.16%	0.06%
Schwab Treasury Inflation Protected Securities Index Fund	0.05%	0.05%	0.05%
Vanguard Short-Term Inflation-Protected Securities Index Fund	N/A	0.16%	0.04%
Fidelity Inflation Protected Bond Index Fund	N/A	0.19%	0.06%

Expenses for Schwab Fundamental Index* products will be aligned
Fundamental Index mutual funds will have no investment minimums effective 5/1/17

Schwab Fundamental Index Mutual Funds ^x	Ticker	Net expenses as of 2/2/17 ^{xi}	Expenses effective 5/1/17
Schwab Fundamental US Large Company Index Fund	SFLNX	0.35%	0.25%
Schwab Fundamental US Small Company Index Fund	SFSNX	0.35%	0.25%
Schwab Fundamental International Large Company Index Fund	SFNNX	0.35%	0.25%
Schwab Fundamental International Small Company Index Fund	SFILX	0.49%	0.39%
Schwab Fundamental Global Real Estate Index Fund	SFREX	0.49%	0.39%
Schwab Fundamental Emerging Markets Large Company Index Fund	SFENX	0.49%	0.39%

Schwab Fundamental Index ETFs	Ticker	Expenses as of 2/2/17	Expenses effective 3/1/17
Schwab Fundamental U.S. Broad Market Index ETF	FNDB	0.32%	0.25%
Schwab Fundamental U.S. Large Company Index ETF	FNDX	0.32%	0.25%
Schwab Fundamental U.S. Small Company Index ETF	FNDA	0.32%	0.25%
Schwab Fundamental International Large Company Index ETF	FNDF	0.32%	0.25%
Schwab Fundamental International Small Company Index ETF	FNDC	0.46%	0.39%
Schwab Fundamental Emerging Markets Large Company Index ETF	FNDE	0.47% ^{xii}	0.40%^{xi}

*Schwab is a registered trademark of Charles Schwab & Co., Inc. Fundamental Index is a registered trademark of Research Affiliates.

ⁱ Expenses are subject to change and may not always align among strategies. Some mutual funds do not have an ETF equivalent.

ⁱⁱ Minimums are subject to change.

ⁱⁱⁱ A “unitary fee structure” means that each fund will pay Charles Schwab Investment Management (CSIM) for the advisory and administration services rendered to the fund and CSIM will in turn pay substantially all of the operating expenses of the funds, excluding acquired fund fees and expenses, taxes, any brokerage expenses and extraordinary or non-routine expenses. This differs from the previous expense structure in which each fund paid CSIM a management fee and paid all fund operating expenses.

^{iv} As stated in the current prospectus. Operating expenses represent a fund’s fees less any contractual waiver. The investment adviser and its affiliates have agreed to limit the total annual fund operating expenses (excluding interest, taxes and certain non-routine expenses) as stated in the prospectus of each fund for so long as the investment adviser serves as the adviser to the fund. This agreement is limited to each fund’s direct operating expenses and does not apply to acquired fund fees and expenses. The Board has approved the termination of this agreement with respect to each fund effective March 1, 2017.

^v Mutual fund and ETF equivalents fall under same asset category but may not always track the same underlying index.

^{vi} As stated in prospectus unless otherwise noted.

^{vii} Expense of 0.05% for SCHP will go into effect on 3/1/17. Expenses as of 2/2/17 was 0.07%.

^{viii} The table is based on prospectus net expense ratio data comparisons between Schwab market-cap index mutual funds and non-Schwab market-cap index mutual funds. The non-Schwab mutual funds shown represent Vanguard and Fidelity index mutual funds with the lowest expense ratio with a \$10,000 minimum investment within their fund family in their respective Lipper category. Schwab operating expense ratios (OERs) listed reflect OERs expected to be effective on 3/1/17. Competitor OERs obtained from prospectuses and Strategic Insight Simfund, as reflected on 1/31/2017. Funds in the same Lipper category may track different indexes, have differences in holdings, and show different performance. Competitors may offer more than one market cap index mutual fund in a Lipper category, including funds that are not market cap index mutual funds. Expense ratios are subject to change.

^{ix} An Institutional share class is expected to become available on 3/1/17, according to an initial prospectus filing on 12/23/16, and the operating expense ratio is unknown. Vanguard offers the Vanguard Institutional Index Fund – Institutional class at 0.04%, which is a separate fund from the Vanguard 500 Index Fund, but is designed to track the S&P 500 Index.

^x With the exception of Schwab Fundamental Emerging Markets Large Company Index Fund, all changes are pending shareholder approval of an Amended and Restated Investment Advisory and Administration Agreement.

^{xi} As stated in the current prospectus. Operating expenses represent a fund's fees less any contractual waiver. The investment adviser and its affiliates have agreed to limit the total annual fund operating expenses (excluding interest, taxes and certain non-routine expenses) as stated in the prospectus for each fund for so long as the investment adviser serves as the adviser to the fund. The Board has approved the termination of this agreement with respect to each fund subject to applicable shareholder approval of an Amended and Restated Investment Advisory and Administration Agreement.

^{xii} Includes 0.01% of acquired fund fees and expenses (AFFE), which reflect the fees and expenses incurred indirectly by the fund through its investments in other investment companies during its prior fiscal year.

Investors should consider carefully information contained in the prospectus, or if available, the summary prospectus, including investment objectives, risks, charges and expenses. You can download a prospectus by visiting www.csimfunds.com/schwabfunds_prospectus. Please read it carefully before investing.

Broker-assisted trades may be subject to service or account fees.

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