

The enclosed information may be useful in the preparation of your federal, state, and/or city tax returns.

- U.S. Government Obligations Information
- Percentage of Income Subject to the Federal Alternative Minimum Tax (AMT)
- Percentage of Income Earned by State and U.S. Territory

U.S. Government Obligations Information

In most states, fund dividends derived from U.S. government obligations are generally exempt from state income taxes. The percentage shown below is the portion of the dividend income paid by certain funds that qualifies for this exemption. To calculate the amount of income earned from U.S. government obligations, multiply the percentage by the ordinary dividends (excluding any short-term capital gain distributions) you received from the fund during the 2021 calendar year. Shareholders in CA, CT and NY should note that only the funds denoted with an asterisk (*) meet the minimum investment requirements of these states to permit the "pass-through" of exempt income. Funds not shown had 0% dividend income derived from U.S. government obligations.

Fund Name	U.S. Government Obligation %
Schwab Treasury Inflation Protected Securities Index Fund*	100.00%
Schwab U.S. Aggregate Bond Index Fund	24.55%
Schwab Short-Term Bond Index Fund*	45.84%
Schwab MarketTrack Growth Portfolio™	3.84%
Schwab MarketTrack Balanced Portfolio™	8.87%
Schwab MarketTrack Conservative Portfolio™	13.98%
Schwab Balanced Fund	3.64%
Schwab Target 2010 Fund	22.87%
Schwab Target 2015 Fund	21.60%
Schwab Target 2020 Fund	20.42%
Schwab Target 2025 Fund	10.98%
Schwab Target 2030 Fund	5.05%
Schwab Target 2035 Fund	2.50%
Schwab Target 2040 Fund	1.69%
Schwab Target 2045 Fund	0.96%
Schwab Target 2050 Fund	0.61%
Schwab Target 2055 Fund	0.41%
Schwab Target 2060 Fund	0.22%
Schwab Target 2065 Fund	0.12%
Schwab Target 2010 Index Fund	29.88%
Schwab Target 2015 Index Fund	28.39%
Schwab Target 2020 Index Fund	27.34%
Schwab Target 2025 Index Fund	17.97%

Fund Name	U.S. Government Obligation %
Schwab Target 2030 Index Fund	10.85%
Schwab Target 2035 Index Fund	7.11%
Schwab Target 2040 Index Fund	5.26%
Schwab Target 2045 Index Fund	3.56%
Schwab Target 2050 Index Fund	2.52%
Schwab Target 2055 Index Fund	1.89%
Schwab Target 2060 Index Fund	1.27%
Schwab Target 2065 Index Fund	0.75%
Schwab Government Money Fund ¹	37.27%
Schwab Retirement Government Money Fund	42.84%
Schwab Treasury Obligations Money Fund ¹	69.05%
Schwab U.S. Treasury Money Fund ¹	84.04%
Schwab Value Advantage Money Fund ¹	1.90%
Schwab Variable Share Price Money Fund	2.10%
Schwab Monthly Income Fund – Moderate Payout	7.73%
Schwab Monthly Income Fund – Enhanced Payout	11.54%
Schwab Monthly Income Fund – Maximum Payout	16.57%
Schwab U.S. Aggregate Bond ETF	25.73%
Schwab U.S. TIPS ETF*	100.00%
Schwab Short-Term U.S. Treasury ETF*	99.99%
Schwab Intermediate-Term U.S. Treasury ETF*	100.00%
Schwab Long-Term U.S. Treasury ETF*	100.00%

¹ Percentages apply to all share classes.

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

You could lose money by investing in the Schwab Money Funds. All Schwab Money Funds with the exception of Schwab Variable Share Price Money Fund seek to preserve the value of your investment at \$1.00 per share, but cannot guarantee they will do so. Because the share price of Schwab Variable Share Price Money Fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. All Schwab Money Funds with the exception of Schwab Government Money Fund, Schwab Retirement Government Money Fund, Schwab U.S. Treasury Money Fund, Schwab Treasury Obligations Money Fund and Schwab Government Money Market Portfolio may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Schwab Money Funds is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Schwab Money Funds' sponsor has no legal obligation to provide financial support to the Funds, and you should not expect that the sponsor will provide financial support to the Funds at any time.

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Percentage of Income Earned by State and U.S. Territory

Most states do not impose income tax on interest income derived from their own municipal obligations. The following table shows the percentage of income paid by each fund on a state-by-state basis. To calculate the amount of income attributable to a particular state or territory, you should multiply Form 1099-DIV box 11 total tax-exempt income you received in 2021 from a particular fund by the appropriate percentage below. Shareholders who are residents of CA and MN should note that investment thresholds and income limitations may prevent the "pass-through" of state-exempt income. For the Schwab California Tax-Free Bond Fund and Schwab California Municipal Money Fund, the amount of income attributable to California is 100%. For the Schwab New York Municipal Money Fund, the amount of income attributable to New York is 100%.

State	Schwab Municipal Money Fund ¹ (%)	Schwab AMT Tax-Free Money Fund ¹ (%)	Schwab Tax-Free Bond Fund (%)	Schwab Opportunistic Municipal Bond Fund (%)
Alabama	1.67%	2.52%	1.23%	0.59%
Alaska	0.01%	0.03%	0.25%	0.00%
Arizona	0.44%	0.46%	0.76%	2.37%
Arkansas	0.00%	0.00%	1.36%	0.00%
California	9.49%	9.14%	10.36%	1.66%
Colorado	2.15%	1.87%	2.11%	1.45%
Connecticut	0.10%	1.26%	1.92%	0.26%
Delaware	0.10%	0.00%	0.03%	0.00%
District of Columbia	1.33%	2.48%	0.27%	0.52%
Florida	5.54%	1.16%	3.97%	6.47%
Georgia	1.24%	0.93%	0.90%	1.46%
Guam	0.00%	0.00%	0.00%	1.50%
Hawaii	0.85%	0.53%	0.18%	0.00%
Idaho	0.03%	0.09%	0.35%	0.03%
Illinois	5.07%	5.48%	9.79%	4.85%
Indiana	0.65%	3.02%	0.41%	0.00%
Iowa	1.60%	1.85%	0.84%	0.00%
Kansas	0.23%	0.00%	1.37%	0.00%
Kentucky	0.94%	0.57%	0.14%	0.00%
Louisiana	1.43%	2.38%	0.30%	3.69%
Maine	0.05%	0.00%	0.85%	0.68%
Maryland	1.86%	2.23%	1.65%	1.22%
Massachusetts	2.97%	0.65%	2.48%	1.50%
Michigan	3.09%	0.66%	1.59%	2.60%
Minnesota	1.30%	0.56%	1.03%	28.87%
Mississippi	0.40%	0.00%	0.42%	0.00%
Missouri	0.73%	0.44%	3.19%	0.80%
Montana	0.00%	0.00%	0.46%	0.00%
Nebraska	0.45%	0.01%	0.75%	0.00%
Nevada	0.86%	0.18%	0.22%	0.80%
New Hampshire	0.84%	0.00%	0.01%	0.00%
New Jersey	0.74%	1.76%	4.04%	6.01%
New Mexico	0.00%	0.00%	0.30%	0.00%
New York	23.12%	24.43%	14.55%	7.23%
North Carolina	0.34%	0.98%	3.03%	0.64%
North Dakota	0.10%	0.00%	0.58%	0.00%
Ohio	2.03%	3.89%	2.57%	0.44%
Oklahoma	0.00%	0.00%	0.86%	1.15%
Oregon	0.66%	0.40%	5.00%	0.71%
Pennsylvania	1.81%	2.44%	1.21%	4.39%
Puerto Rico	0.00%	0.00%	0.00%	1.84%
Rhode Island	0.06%	0.00%	0.06%	0.00%
South Carolina	0.41%	0.58%	1.41%	0.90%
South Dakota	0.19%	0.00%	0.11%	0.00%
Tennessee	0.40%	0.94%	0.99%	1.88%
Texas	19.49%	20.31%	7.23%	5.65%
Utah	0.25%	0.22%	0.13%	0.28%
Vermont	0.00%	0.00%	1.31%	0.00%
Virginia	0.44%	0.94%	0.88%	0.58%
Washington	2.20%	2.52%	3.57%	2.84%
West Virginia	0.00%	0.00%	0.33%	0.87%
Wisconsin	1.83%	2.09%	2.31%	2.74%
Wyoming	0.51%	0.00%	0.34%	0.53%
Total	100.00%	100.00%	100.00%	100.00%

¹ Percentages apply to all share classes.

Percentage of Income Subject to the Federal Alternative Minimum Tax (AMT)

Depending on your individual tax situation, you may be required to file IRS Form 6251, Alternative Minimum Tax—Individuals. Please refer to box 12 on your Form 1099-DIV from Charles Schwab & Co., Inc. for the amount of tax-exempt interest dividends you earned that should be included on IRS Form 6251, if any. For more information about national and state-specific money funds and bond funds, please visit schwabassetmanagement.com.

Note: Capital gains from municipal ("tax-free", "tax-exempt") securities are not exempt from Federal taxation.