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Sent: Thursday, February 02, 2017 8:49 AM
Subject: Important Product Notification from Schwab Funds

Important Product Notification from Schwab Funds

New Fund launches effective February 23, 2017

Schwab® U.S. Aggregate Bond Index Fund (SWAGX; CUSIP 808517718)
Schwab® Short-Term Bond Index Fund (SWSBX; CUSIP 808517692)

- Effective February 23, 2017 the Schwab U.S. Aggregate Bond Index Fund and Schwab Short-Term Bond Index Fund will be open and be available for purchase

Fund Soft Close effective February 23, 2017

Schwab Total Bond Market Fund™ (SWLBX; CUSIP 808517502)
Schwab Short-Term Bond Market Fund™ (SWBDX; CUSIP 808517205)

- The Funds listed above will stop accepting purchases and exchanges into the Funds for new accounts on trade date February 23, 2017.
Note: Subsequent trades submitted through the NSCC that are identified by the Fund's transfer agent as a new account will be rejected
- Existing accounts will have the ability to make additional purchases and exchanges during the soft close period.
- Existing qualified plans can continue to accept new participants during the soft close period.

Fund Hard Close effective May 16, 2017

Schwab Total Bond Market Fund (SWLBX; CUSIP 808517502)
Schwab Short-Term Bond Market Fund (SWBDX; CUSIP 808517205)

- The Funds listed above will stop accepting purchases and exchanges into the Funds for existing accounts on trade date May 16, 2017.
- Existing qualified plans can no longer accept new participants as of the hard close date

Fund Mergers effective May 22, 2017, Pending Shareholder Approval

Schwab Total Bond Market Fund (SWLBX; CUSIP 808517502) to merge into Schwab® U.S. Aggregate Bond Index Fund (SWAGX; CUSIP 808517718)

Schwab Short-Term Bond Market Fund (SWBDX; CUSIP 808517205) to merge into Schwab® Short-Term Bond Index Fund (SWSBX; CUSIP 808517692)

Potential Close-out Distribution (Date TBD)

Schwab Total Bond Market Fund (SWLBX; CUSIP 808517502)
Schwab Short-Term Bond Market Fund (SWBDX; CUSIP 808517205)

- The Funds listed above will continue to declare daily income distributions, paid monthly to shareholders of the Funds up until the final distribution date which will be determined and communicated at a later date.

If you have any additional questions please contact us at SchwabIntermediaryOversight@schwab.com

Thank you

Schwab Intermediary Oversight Team

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