

INVESTMENT OPTIONS
AND
ADMINISTRATIVE FEES



SCHWAB CHARITABLE FUND™

FUNDING A FUTURE OF CHARITABLE GIVING®

Effective August 2009

Schwab Charitable Fund Investment Options

Choose a combination of the following investment pools to recommend a balanced charitable portfolio based on your particular risk tolerance and the anticipated timing of your grant recommendations.

Individual Investment Pools *(for donors who want to recommend a customized investment strategy by combining pools with specific objectives)*

Money Market Pool

RISK

This pool should be considered by donors who are most concerned with safety and stability.

More Conservative More Aggressive

Income Pool

This pool seeks current income and relative stability of principal. The pool invests primarily in intermediate-term investment grade bonds with 3-6 year durations.

More Conservative More Aggressive

Treasury Inflation Protected Securities Pool

This pool seeks to provide both total return and inflation protection by investing primarily in inflation-indexed securities issued by the U.S. Treasury and has no average maturity limitations.

More Conservative More Aggressive

Large Cap Equity Index Pool

This pool seeks long-term growth by investing in domestic large-cap stocks that track the performance of the S&P 500 Index (the largest 500 publicly-traded companies in the U.S.).

More Conservative More Aggressive

Large Cap Equity Managed Pool

This pool seeks long-term growth with current income provided by dividend-producing stocks. It invests primarily in domestic large-cap stocks and employs the Schwab Equity Ratings^{®1} system for stock selection.

More Conservative More Aggressive

Socially Responsible Pool

This pool seeks both current income and long-term growth by investing in large-cap companies that adhere to socially responsible and financial criteria.

More Conservative More Aggressive

Small Cap Equity Pool

This pool seeks to provide exposure to small capitalization U.S. stocks by tracking the performance of the Schwab Small-Cap Index. This index represents the stocks of the second-largest 1,000 publicly-traded companies in the United States.

More Conservative More Aggressive

¹ Schwab Equity Ratings represent Schwab's opinion on the expected relative performance of approximately 3,000 stocks of companies traded primarily on US exchanges.

International Equity Index Pool²

This pool seeks long-term growth by investing in large-cap stocks that track the performance of the FTSE RAFI³ Developed ex US 1000 Index (the largest 1000 listed companies incorporated outside of the U.S. ranked by fundamental value).

More Conservative More Aggressive

International Equity Managed Pool²

This pool seeks maximum long-term growth. The pool achieves its objective primarily by investing in the common stocks of companies from around the world and may invest in both developed and emerging markets. Donors who understand the risks of international investing who are seeking diversification beyond domestic investments may wish to consider this pool.

More Conservative More Aggressive

Asset Allocation Pools *(for donors who want to recommend a diversified investment strategy with one investment choice)*

Conservative Pool

This pool seeks to protect capital while also generating income through a conservative mix of approximately 80% bonds & cash investments and 20% stocks.

RISK

More Conservative More Aggressive

Balanced Pool

This pool seeks long-term capital growth while also seeking to preserve capital and generate current income through an actively allocated mix of approximately 50% bonds & cash investments and 50% stocks.

More Conservative More Aggressive

Growth Pool

This pool seeks growth with less volatility than an all-stock portfolio through a target allocation of approximately 80% stocks and 20% bonds & cash investments.

More Conservative More Aggressive

Charitable Asset ManagementTM (\$250,000 Account minimum)

With this innovative feature, instead of allocating assets among select investment pools, you can nominate an independent investment advisor to actively manage the assets in your Charitable Gift Account. While donors may nominate an advisor, the Fund must approve the recommendation. Advisors must meet certain eligibility requirements and adhere to Fund investment and fee guidelines.

² Due to risk, the Fund discourages the use of these pools for a total of more than 25% of any Charitable Gift Account balance.

³ Schwab is a registered trademark of Charles Schwab & Co., Inc. Fundamental Index, Fundamental International, and RAFI are trademarks of Research Affiliates, LLC. FTSE is a trademark jointly owned by the London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited under license. Schwab Fundamental Index Funds are not sponsored, endorsed, sold or promoted by FTSE or RA, and FTSE and RA do not make any representation regarding the advisability of investing in shares of the fund.

Expenses & Fees

There are two separate costs associated with a Charitable Gift Account: an Investment Management Expense and an Administrative Fee.

Investment Management Expense (as of 8/09)

Individual Investment Pools

Money Market Pool	0.25%
Income Pool	0.75%
Treasury Inflation Protected Securities (TIPS) Pool	0.49%
Large Cap Equity Index Pool	0.09%
Large Cap Equity Managed Pool	0.89%
Socially Responsible Pool	1.01%
Small Cap Equity Pool	0.19%
International Equity Index Pool	0.35%
International Equity Managed Pool	1.16%

Asset Allocation Pools

Conservative Pool	0.90%
Balanced Pool	0.79%
Growth Pool	0.65%

Charitable Asset Management⁴

Varies, depending on the advisor and the assets under management

Prospectuses for the registered underlying mutual funds are available from the Fund upon request. Donors should read prospectuses carefully before making contributions or recommending investment of funds.

Market fluctuations may cause the value of investment pool shares held in a Charitable Gift Account to be worth more or less than the value of the original contribution to the pools. Past performance does not guarantee future performance.

⁴ Charitable Asset Management is available only through independent investment advisors working with Schwab Advisor Services™ (formerly Schwab Institutional) and requires \$250,000 or more in Account assets. Schwab Advisor Services is a business segment of The Charles Schwab Corporation serving independent investment advisors and includes the custody, trading and support services of Charles Schwab & Co., Inc.

Underlying Investment (Trading Symbol)⁵

Schwab Value Advantage Money Fund Institutional Prime Shares[®] (SNAXX)

PIMCO Total Return Bond Fund (PTTDX)

American Century Inflation Adjusted Bond Fund (ACITX)

Schwab Institutional[®] Select S&P 500 Fund (ISLCX)⁶

Schwab Dividend Equity Fund[™] Select Shares[®] (SWDSX)⁶

Parnassus Equity Income (PRBLX)

Schwab Small Cap Index Fund[®] Select Shares[®] (SWSMX)⁶

Schwab Fundamental International¹ Large Company Index Institutional (SFNNX)

Manning & Napier World Opportunities A (EXWAX)

Underlying Investment (Trading Symbol)⁵

Manning & Napier Pro-Blend Conservative Term S (EXDAX)

Janus Balanced (JABAX)

Schwab MarketTrack Growth Portfolio[™] Preferred Shares (SWPGX)

Advisors may customize an investment portfolio consisting of individual (\$250,000 Account minimum) stocks, bonds, and mutual funds in any combination.

⁵ Some funds may focus on certain sectors that may involve a greater degree of risk than other funds, that provide broader diversification. Funds that invest in foreign stocks may be exposed to additional risks, including currency fluctuations, political volatility, foreign taxes, and foreign regulators, and the potential for illiquid markets. Historically, small-cap stocks have been more volatile than stocks of larger, more established companies.

⁶ Select Shares[®] are a special class of Schwab Funds[®] with lower operating expenses that are only available to investors with initial minimum investments of \$50,000. Select Shares are available to Schwab Charitable Fund because the Fund purchases Schwab Fund Select Shares in aggregate amounts for each fund.

Administrative Fees

Average Daily Value	Administrative Fee
First \$500,000	0.60% ⁷
Next \$500,000	0.30%
Next \$1,500,000	0.20%
Next \$12,500,000	0.15%
\$15,000,000 and above ⁸	0.10%

⁷ The minimum individual Account administrative fee will be the greater of \$100 or 0.60%.

⁸ Contact us for administrative fees for Accounts of \$30M or more. Pricing may vary for such Accounts, based on granting and investment complexity.

Sample Fees

Based on the preceding administrative fee schedule, actual fees assessed for various sample asset levels in a Charitable Gift Account would be as follows:

Average Daily Value	Administrative Fee	
	Percentage Value ⁹	Cash Value
\$500,000	0.60%	\$3,000
\$2,000,000	0.33%	\$6,500
\$10,000,000	0.19%	\$18,750
\$20,000,000	0.16%	\$31,250

To calculate administrative fees for a specific Account size you may have in mind, please use the administrative fee calculator at: www.schwabcharitable.org/fee_calculator

⁹ Percentages rounded to two decimal places.

FOR MORE INFORMATION ABOUT THE FUND'S
INVESTMENT CHOICES, VISIT OUR WEBSITE AT
WWW.SCHWABCHARITABLE.ORG/FEES

Accounts invested through Charitable Asset Management. In addition to the fee schedule shown to the left, there is a \$250 quarterly fee for Accounts of under \$1,000,000 to cover expenses associated with oversight of the Charitable Asset Management program.

How fees are charged: Accounts invested among the Fund's investment pools are assessed an annualized administrative fee of 0.60%, which is collected as part of the operating expenses of the investment pools. Fees for Accounts of more than \$500,000 that are invested among the Fund's investment pools will be reduced via the payment of a rebate to the Account on or around July 31 annually. Only Accounts that are open at the time of the fee rebate will receive it. There is a \$100 minimum for annual Account fees, assessed on an annual basis (on or around July 31), less any administrative fees that have been collected during the year. For Accounts invested through Charitable Asset Management, we assess the administrative fee quarterly, based on the Account's average daily value for the preceding quarter.

If you would like help recommending an appropriate investment allocation for your Account go to www.schwabcharitable.org/advicetool to complete our quick Donor Profile Questionnaire or view a list of suggested investment allocation strategies.

You should revisit your investments annually to make sure that your Charitable Gift Account is properly invested to fit your philanthropic goals.



SCHWAB CHARITABLE FUND™

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