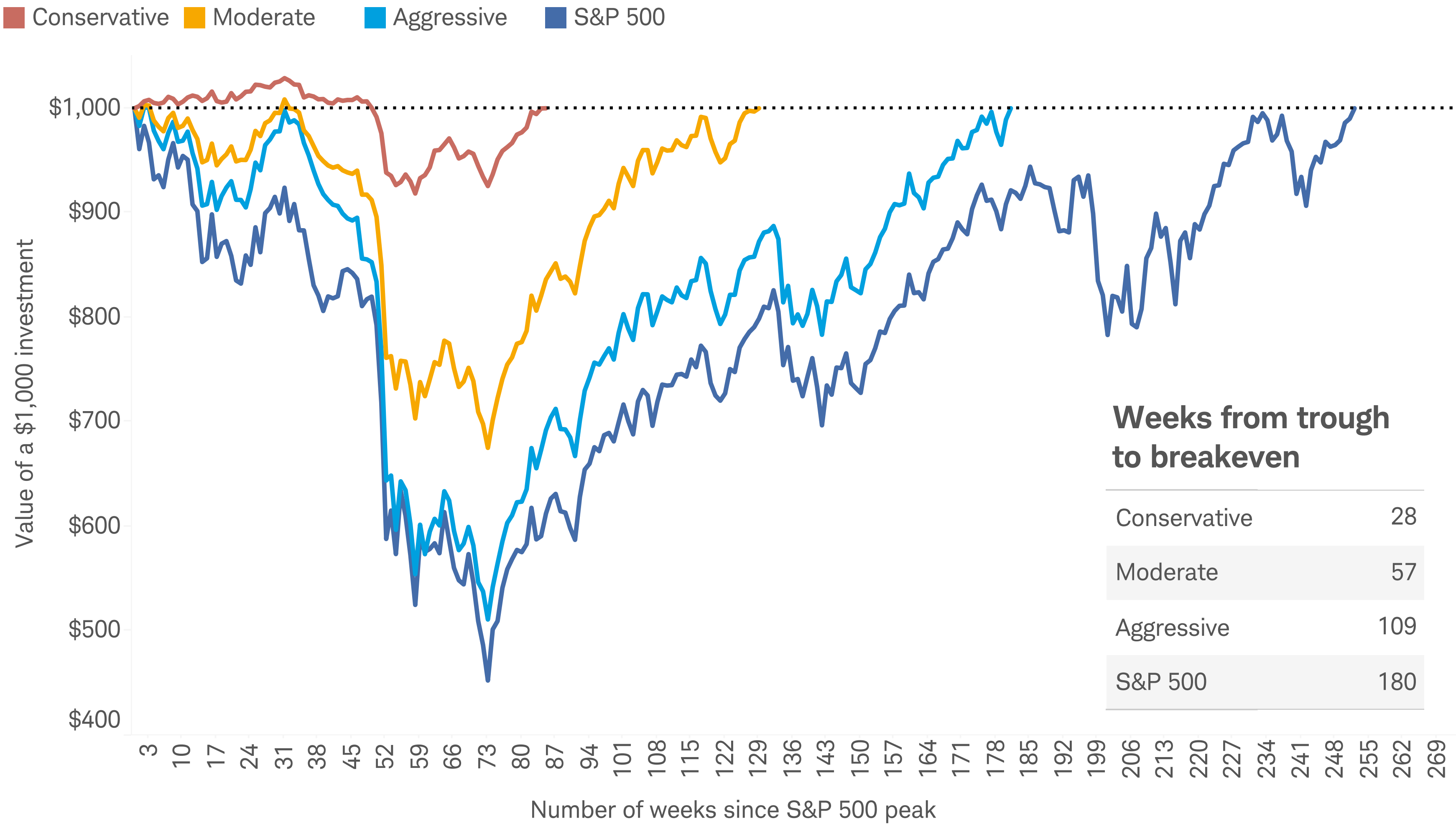
Asset allocation helped with speed of recovery following the financial crisis

Time to breakeven starting October 13, 2007



Weeks from trough to breakeven

Conservative	28
Moderate	57
Aggressive	109
S&P 500	180

Source: Schwab Center for Financial Research with data provided by Morningstar, Inc. The portfolios shown are Schwab 3.0 total return model portfolios with taxable bonds. The lines show the amount of weeks it took the portfolios to breakeven based on an initial $1,000 investment, using the S&P 500 as the benchmark for the starting date. Some portfolios initially rose above $1,000 after 10/13/2007 before dropping to their trough. Returns include reinvestment of dividends and interest. Indices are unmanaged, do not incur fees or expenses, and cannot be invested in directly. For additional information, please see Schwab.com/IndexDefinitions. **Past performance is no guarantee of future results.** Diversification strategies do not ensure a profit and do not protect against losses in declining markets.

Model Asset Allocation Disclosures

Total Return with Taxable Bonds Model Allocation

Conservative: 8% US stocks, 4% international stocks, 35% core bonds, 6% US inflation protected securities, 7% international developed country bonds, 7% US corporate high yield bonds, 3% international emerging markets bonds, and 30% cash investments.

Moderate: 24% US stocks, 21% international stocks, 25% core bonds, 1% US inflation protected securities, 5% international developed country bonds, 10% US corporate high yield bonds, 5% international emerging markets bonds, 4% commodities, and 5% cash investments.

Aggressive: 34% US stocks, 35% international stocks, 8% US corporate high yield bonds, 9% international emerging markets bonds, 9% commodities, and 5% cash investments.

The indices representing each asset class are S&P US BMI Index (US Stocks), S&P Global Ex US BMI Index (International Stocks), Bloomberg US Aggregate Bond Index (Core Bonds), Bloomberg Inflation Protected Treasuries-TIPS (Series-L) Index (US Inflation Protected Bonds), Bloomberg Global Aggregate Ex US Index (International Developed Country Bonds), Bloomberg US VLI High Yield Index (US Corporate High Yield Bonds), Bloomberg Emerging Markets USD Aggregate Bond Index (International Emerging Market Bonds), S&P GSCI Index (Commodities), Bloomberg Short Treasury 1-3 Month Index (Cash).

Disclosures

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Diversification and asset allocation do not eliminate the risk of investment losses.

Rebalancing may cause investors to incur transaction costs, and when rebalancing a non-retirement account, taxable events may be created that may affect your tax liability.

Fixed income securities are subject to increased loss of principal during periods of rising interest rates. Fixed income investments are subject to various other risks including changes in credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, tax ramifications and other factors.

International investments involve additional risks, which include differences in financial accounting standards, currency fluctuations, geopolitical risk, foreign taxes and regulations, and the potential for illiquid markets.

Small cap stocks are subject to greater volatility than those in other asset categories.

Treasury Inflation Protected Securities (TIPS) are inflation-linked securities issued by the US Government whose principal value is adjusted periodically in accordance with the rise and fall in the inflation rate. Thus, the dividend amount payable is also impacted by variations in the inflation rate, as it is based upon the principal value of the bond. It may fluctuate up or down. Repayment at maturity is guaranteed by the US Government and may be adjusted for inflation to become the greater of the original face amount at issuance or that face amount plus an adjustment for inflation.

Commodity-related products, including futures, carry a high level of risk and are not suitable for all investors. Commodity-related products may be extremely volatile, illiquid and can be significantly affected by underlying commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions, regardless of the length of time shares are held.

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