Charles Schwab Stable Value Fund  (Closed to new retirement plans)
Select Unit Class

As of March 31, 2012

Key Statistics
Management Co.  Charles Schwab Bank
Inception Date  08/03/1998
Total Fund Assets  (Mar 31, 2012)  $3.9 Billion
Spot Yield\(^1\) (Mar 31, 2012)  NM

Expenses
Fund Expense Ratio  0.40%

CSTC charges an annual investment management fee equal to the "Expense Ratio" on all assets within the Fund. There are also fees associated with the underlying investment vehicles and financial institutions providing wrapped investment contracts. These fees are deducted directly from the value of the applicable investments and contracts.

Investment Style
Conservative  Aggressive

Investments as of Mar 31, 2012
Wells Fargo Government Money Market Fund  29.01%
State Street Government Short Term Investment Fund  28.53%
JP Morgan Government Money Market Fund  27.77%
Dreyfus Government Cash Management Fund  14.69%

Wrap Providers\(^5\) as of Mar 31, 2012
State Street  27.72%
Cash Liquidity  72.28%

Fund Description
Charles Schwab Bank recently announced that the Schwab Stable Value Fund (the "Fund") will terminate and liquidate effective as of April 30, 2012. The Fund will continue to pursue its stable value investment objectives, including preservation of principal and liquidity over its remaining life, although these objectives are not guaranteed.

In preparation for liquidation, the Fund has shortened the duration of its fixed income holdings to cash or near cash levels to reduce portfolio volatility and raise liquidity. The Fund completed the sale of its bond holdings in a net gain position. The financial benefit of those gains is now being passed along through the Fund’s daily NAV and the Fund’s performance may be temporarily higher than usual during this process.

Fund yields are subject to change and any higher than normal Fund yields are a temporary event arising in connection with the Fund's preparation to liquidate.

The Fund is available for investment only by participants in eligible qualified employer retirement plans.

Performance  as of Mar 31, 2012

Annualized  YTD\(^*\)  1 Month\(^*\)  3 Month\(^*\)  1 Year  3 Year  5 Year  10 Year

Select Unit Class  0.64%  0.22%  0.64%  4.26%  3.14%  3.59%  3.92%  4.38%
3 Month Treasury Bill\(^3\)  0.01%  0.00%  0.01%  0.05%  0.11%  1.12%  1.81%  -
5 Year CMT Avg. Yield\(^4\)  0.60%  0.19%  0.60%  2.69%  3.22%  3.48%  3.90%  -

Calendar Year  2002  2003  2004  2005  2006  2007  2008  2009  2010  2011

Select Unit Class  5.02%  4.10%  3.76%  4.08%  4.44%  4.58%  4.35%  2.88%  2.44%  4.18%
3 Month Treasury Bill\(^3\)  1.70%  1.07%  1.24%  3.00%  4.76%  4.74%  1.80%  0.16%  0.13%  0.08%
5 Year CMT Avg. Yield\(^4\)  5.26%  4.74%  4.37%  3.89%  3.75%  3.84%  3.91%  3.74%  3.42%  2.86%

Performance quoted is past performance, is no guarantee of future results and assumes that dividends and distributions are reinvested. Current performance may be lower or higher. Investment value will fluctuate, and shares, when redeemed, may be worth more or less than original cost.

Stable Value Fund investment returns include the reinvestment of all income and are presented net of all fees.

\(^*\)Cumulative
\(^1\)Spot Yield is the yield on one-day investments.
\(^2\)Wrap Providers are providers of investment solutions that participants may choose for their retirement plans.
\(^3\)3 Month Treasury Bill is a benchmark for short-term investments.
\(^4\)5 Year CMT Avg. Yield is the average yield for US Treasury Bills over a 5-year period.

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Select Unit Class

Definitions

1. **Spot Yield:** The Fund's Spot Yield is the interest rate paid by the fund as of the specified date. The Spot Yield is quoted before the Fund's expense ratio has been deducted from the returns, but after underlying investment and wrap expenses have been subtracted.

During the Fund's termination process, the Fund may experience more volatile monthly returns that would significantly affect the spot yield calculation. Beginning 11/30/2011 the Spot Yield will not be displayed.

2. **Wrap Providers:** Stable Value Funds utilize insurance-like provisions, known as wrap contracts, to help protect an investors' principal and accumulated interest, as well as provide a steadier rate of return over time. The wrap contracts are typically underwritten by large insurance companies or banks, referred to as Wrap Providers. Cash Liquidity does not require a Wrap Contract.

3. **3 Month Treasury Bill:** The Citigroup 3-Month T-Bill Index computes the total return for U.S. Treasury 90-Day T-Bills. It is not possible to invest directly in any index.

4. **5 Year CMT Avg. Yield:** The 5 year constant maturity Treasury average yield is calculated by taking the average yields of the latest 60 month ending daily spot yields of the 5 year constant maturity treasury yields obtained from the Federal Reserve Statistical Release H.15. The 5 year constant maturity treasury yields are interpolated by the Treasury from the daily yield curve. This curve, which relates the yield on a security to its time to maturity, is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of quotations obtained by the Federal Reserve Bank of New York. The yield values are read from the yield curve at 5 year fixed maturities. This method provides a yield for a 5 year maturity even if no outstanding security has exactly 5 years remaining to maturity.

Disclosures

The Schwab Stable Value Fund™ and Schwab Institutional Trust Funds® are collective trust funds maintained by Charles Schwab Bank, trustee of the Funds. The Charles Schwab Bank collective trust funds are not insured by FDIC or any other type of deposit insurance; are not deposits or other obligations of, and are not guaranteed by Charles Schwab Bank or any of its affiliates; and involve investment risks, including possible loss of principal invested. The Funds are not mutual funds, and their units are not registered under the Securities Act of 1933, as amended, or applicable securities laws of any state or other jurisdiction. The Funds are exempt from registration under the Investment Company Act of 1940, as amended, or other applicable law, and unit holders are not entitled to the protections of the 1940 Act. As more specifically defined in the Funds' Declaration of Trust and Participation Agreement documents, the Funds are available for investment by (i) retirement plan trusts that qualify for exemption from federal income tax pursuant to Section 401(a) and 501(a) of the internal Revenue Code, or are maintained by a governmental employer under Section 414(d) of the Internal Revenue Code, or (ii) group trusts which consist solely of the assets of these types of plans. The decision to invest in the Funds should be carefully considered. The unit values for the Funds will fluctuate, and investors may lose money.

The Schwab Corporation provides services to retirement and other benefit plans and participants through its separate but affiliated companies and subsidiaries: Charles Schwab Bank; Charles Schwab & Co., Inc.; Schwab Retirement Plan Services, Inc; and Schwab Retirement Plan Services Company. Brokerage products and services are offered by Charles Schwab & Co., Inc. (Member SIPC). Trust and custody products and service are offered by Schwab Bank (Member FDIC). Schwab Retirement Plan Services, Inc. and Schwab Retirement Plan Services Company provide recordkeeping and related services with respect to retirement plans.

Charles Schwab Bank charges an annual investment management fee equal to the "Expense Ratio" on all assets within the Fund. There are also fees associated with underlying investment management sub-advisors and financial institutions providing wrapped investment contracts. These fees are deducted directly from the value of the applicable investments and contracts.

As of Mar 31, 2012:
- Asset Weighted Wrap Provider Fees: 0.083%
- Asset Weighted Underlying Investment Vehicle Expense: 0.153%