
Notice of Termination of the Schwab Diversified Allocation Trust Funds

Charles Schwab Bank, as Trustee (the "Trustee") of the Schwab Diversified Conservative Allocation Trust Fund, Schwab Diversified Growth Allocation Trust Fund and the Schwab Diversified Aggressive Allocation Trust Fund (together, the "Funds") will redeem all of the Funds' outstanding units, pay a final liquidating distribution of proceeds, and terminate the Funds as of the close of business on August 29, 2017 (the "Termination Date"). The Trustee is providing this termination notice to all retirement plans participating in the Funds (each, a "Plan") in accordance with the Declaration of Trust of the Schwab Bank Collective Trust Funds (the "Declaration of Trust").

Effective May 1, 2017, no additional retirement plans will be accepted for participation in the Funds. Plans already admitted and participating in the Funds may continue to participate as they normally would, except as noted below.

Plan participants may continue to make contributions to the Funds and Plans may process withdrawals from the Funds in the manner provided for in the Declaration of Trust until the last 3 business days prior to the Termination Date. There will be a 3 business day black-out period in the 3 business days prior to the Termination Date during which no trading activity in the Funds will be permitted in the Funds. This will allow the Trustee to finalize the accounting of expenses and other necessary Fund closure activities.

Complete Plan Withdrawals before the Termination Date

Plans may request a complete withdrawal from the Funds at any time prior to the Termination Date by providing written notice to the Trustee a minimum of 30 days prior to such date, in accordance with the Declaration of Trust. The notice periods may be waived or modified at the Trustee's discretion.

Please be advised that the Trustee reserves the right to do all acts in its judgment necessary or desirable with respect to the disposition or liquidation of any assets of the Funds, including liquidating the Funds' outstanding units at any time the Trustee finds it to be in the best interest of the Funds.

Unless otherwise provided above, on the Termination Date, August 29, 2017, the Trustee will issue a valuation for the last time, discontinue operations and liquidate the Funds.

As with other fund changes, Schwab Bank will work with your retirement plan providers to support the transition to a replacement fund. Please contact your retirement plan provider and/or plan advisor to discuss replacement options. If you have any questions about changes to the Funds, please contact your Account Relationship Manager or email CTFAdmin@schwab.com.

The Schwab Diversified Conservative Allocation Trust Fund, Schwab Diversified Growth Allocation Trust Fund and the Schwab Diversified Aggressive Allocation Trust Fund are collective trust funds maintained by Charles Schwab Bank (Schwab Bank), as trustee of the Funds. They are available for investment only by eligible retirement plans and entities. Schwab Bank Collective Trust Funds (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 Schwab Bank or any of its affiliates; and involve investment risks, including possible loss of principal invested. The Funds are not mutual funds and are exempt from registration and regulation under the Investment Company Act of 1940 (the "1940 Act"), and their units are not registered under the Securities Act of 1933, or applicable securities laws of any state or other jurisdiction. Unit holders of the Funds are not entitled to the protections of the 1940 Act. The Funds' unit values will fluctuate and may be worth more or less when redeemed, so unit holders may lose money. The Funds are not sold by prospectus and are not available for investment by the public; Fund prices are not quoted in newspapers.