



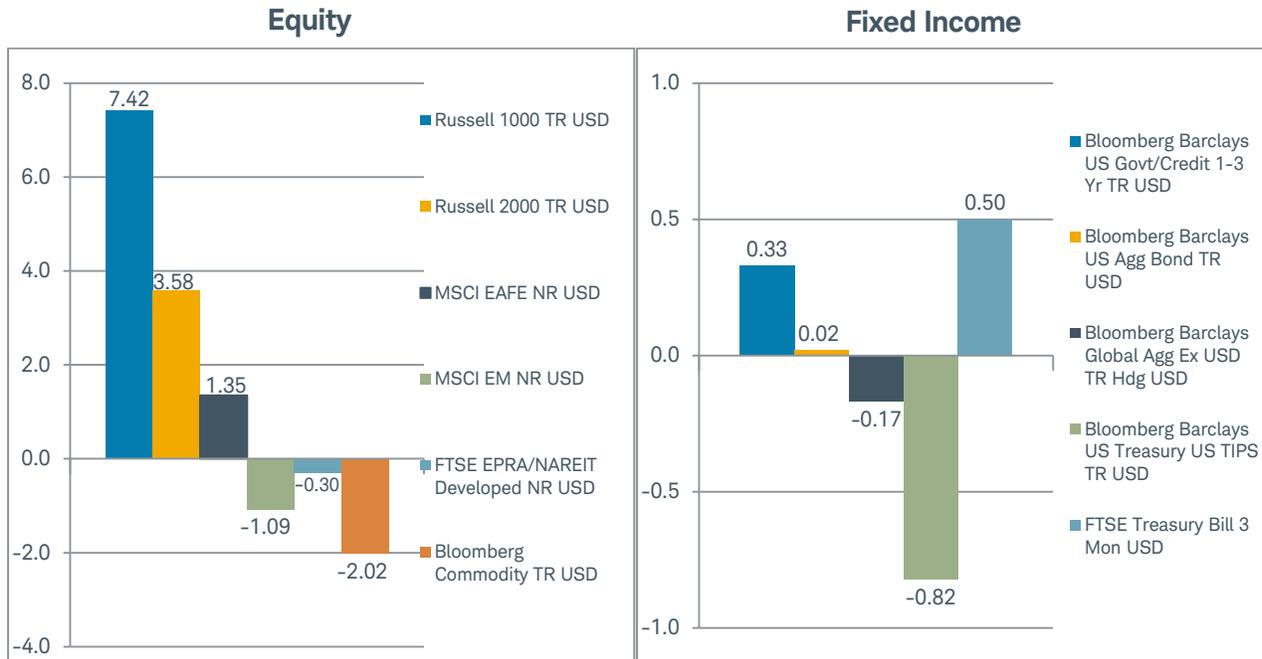
# Schwab Indexed Retirement Trust Funds® (SIRT) Schwab Bank Target date collective trust funds

Commentary as of September 30, 2018

## Market Overview

3Q2018

### Components of the SIRT Custom Indices

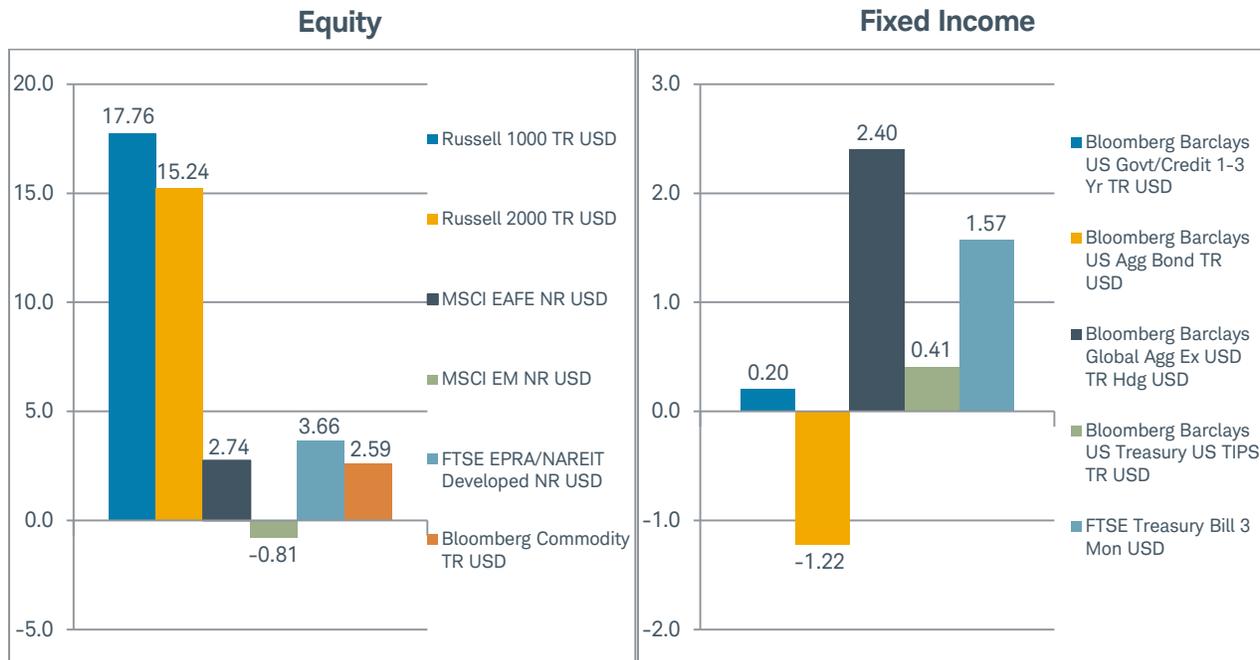


Source: Morningstar, Inc.

U.S. equities continued to hit record highs, delivering strong returns in the third quarter. Growth and large cap equities outperformed value and small cap equities. Developed international equities ended the quarter slightly up while emerging markets equities ended the quarter slightly down. International markets improved during the quarter due to the stabilization in the traded U.S. dollar, global economic data meeting expectations and ease in some trade tensions. Global REITs and commodities ended the quarter in negative territory. Within domestic sectors, all ten sectors ended the quarter in positive territory with healthcare being the top performer and materials being the bottom performer. Within international sectors, health care was also the top performer followed by information technology and industrial. Conversely, materials, utilities and consumer staples ended the quarter in the bottom three. Within fixed income, rising interest rates negatively impacted longer term bonds while having less of an effect on shorter term bonds.

## 1-year ending September 30, 2018

### Components of the SIRT Custom Indices



Source: Morningstar, Inc.

For the 1-year period, U.S. equities strongly outperformed international equities and fixed income. U.S. large cap equities ended the period in the top spot posting over a 17% return, followed by U.S. small cap equities. Growth outperformed value. Within U.S. sectors; consumer discretionary, information technology and health care were the top performers. Conversely, consumer staples, utilities and materials underperformed. Internationally, information technology, energy and consumer discretionary were the top performers while telecom services, utilities and consumer staples landed in the bottom three. Commodities and global REITs posted positive returns for the 1-year period; however, they continued to lag domestic equities. Within fixed income, the Bloomberg Barclays Global Aggregate ex-US Hedged Index outperformed the Bloomberg Barclays Aggregate Bond Index which ended the period in negative territory as U.S. interest rates continued to rise sharply over this time period compared with international rates.

**SIRT Funds  
3Q2018 Performance Summary**

Fund	Unit Class I Performance	Unit Class I Performance vs. Custom Index <sup>1</sup> (+/-) %	Unit Class I Category Percentile Ranking <sup>2</sup>	Key Comments
SIRT 2010	1.90	-0.02	15	For the 3 <sup>rd</sup> quarter, the funds ranked in the 21 <sup>st</sup> percentile on average versus peers. Performance versus custom blended indices was in line with expectations.
SIRT 2015	2.03	0.01	27	
SIRT 2020	2.31	0.00	28	Dispersion for the funds was primarily a result of fair value pricing and ranged from -2 bps to 6 bps during the quarter. On a non-fair value pricing basis, dispersion was within tracking error expectations for the period.
SIRT 2025	2.87	0.00	21	
SIRT 2030	3.27	0.02	16	<b>Glide Path Impact:</b> Impact from the glide path was positive for quarter due to a higher overall allocation to equities which outperformed fixed income. Longer dated funds benefitted the most from the higher allocation to equity versus fixed income.
SIRT 2035	3.56	0.02	19	
SIRT 2040	3.81	0.02	18	
SIRT 2045	3.98	0.02	27	<b>Asset Allocation:</b> Impact from the funds' strategic asset allocation was positive. Relative to peers, a higher allocation to domestic equity, which outperformed international equities, and a lower allocation to emerging markets equity, which was negative for the quarter, benefited all of the funds in the suite.
SIRT 2050	4.09	0.04	18	
SIRT 2055	4.17	0.04	20	
SIRT 2060	4.24	0.06	17	

Past performance is no guarantee of future results. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than original cost. Fund performance includes the reinvestment of all income and is presented net of all fees. The values of the target date fund will fluctuate up to and after the target date. There is no guarantee the funds will provide adequate income at or through retirement.

<sup>1</sup>The composite indices are custom blended indices developed by Charles Schwab Investment Management, Inc. based on each fund's asset allocation. The components that make up a composite index may vary over time, see Disclosures for more detail.

<sup>2</sup>The percentile rank is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) is 100.

## SIRT Strategy Overview

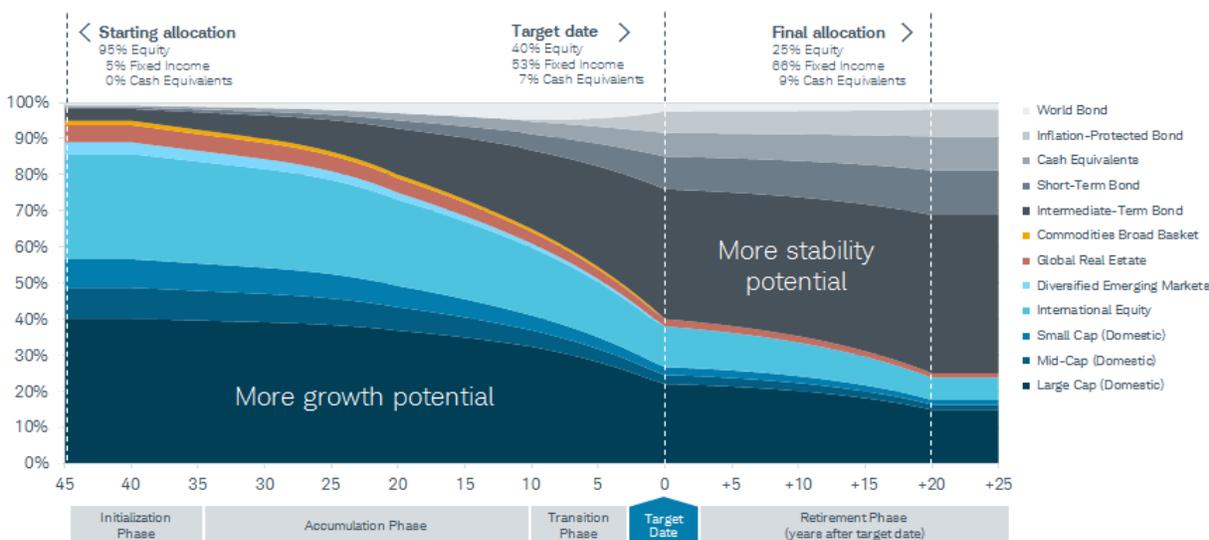
Seeking to provide total return for investors in or near particular target dates, the SIRT Funds\* are:

- Composed of strategies that are sub-advised or managed<sup>3</sup> by industry-recognized investment managers
- Comprehensive investment portfolios that utilizes passive strategies
- Diversified through exposure to a variety of asset classes that may include, but are not limited to, domestic and international equity, emerging markets, global real estate, commodities, world bond, intermediate-term bonds, inflation-protected bonds (U.S. TIPS), short-term bonds and cash/cash equivalents
- Structured as collective trust funds to help limit costs for plan sponsors and participants

The goal of the funds leading up to the target date is to emphasize return potential while balancing drawdown risks. In the years following the target date, the funds seek to ensure that investors are able to maintain a sustainable inflation-adjusted, or “real,” withdrawal rate while reducing the probability of exhausting assets.

- The starting policy allocation of approximately 95% equity<sup>4</sup> and 5% fixed income<sup>4</sup> reaches approximately 40% equity and 60% fixed income at the target date
- Subsequent to the targeted time frame, the funds will continue to reduce their equity positions for an additional twenty years until reaching their most conservative policy allocation of 25% equity and 75% fixed income.
- All points on the glide path consider downside risk

### SIRT Funds glide path (and underlying asset classes)



The values of the target fund will fluctuate up to and after the target date. There is no guarantee the funds will provide adequate income at or through retirement.

<sup>3</sup>Charles Schwab Bank uses an open-architecture sub-advised approach to investing. Fund investments are selected based on advice received from, or products (such as mutual funds, collective trust funds, or ETFs) offered by industry-recognized investment management firms (“sub-advisors”). The funds may invest in other Schwab Bank Collective Trust Funds to access the underlying sub-advised strategies.

<sup>4</sup>Equity includes Domestic Equity, International Equity, Emerging Markets, Commodities and Global Real Estate exposure. Fixed Income includes Intermediate-Term Bond, World Bond, Short-Term Bond, Cash/Cash Equivalents and Inflation-Protected Bond exposure.

**SIRT Funds**  
**1-Year Performance Summary as of September 30, 2018**

Fund	Unit Class I Performance	Unit Class I Performance vs. Custom Index <sup>1</sup> (+/-) %	Unit Class I Category Percentile Ranking <sup>2</sup>	Key Comments
SIRT 2010	4.37	-0.06	12	<p>For the year, the funds ranked in the 19<sup>th</sup> percentile on average versus peers. Performance versus the funds' custom blended indices was in line with expectations.</p> <p>Dispersion for the 2010 to 2060 funds ranged from -6 bps to 5 bps.</p> <p><b>Glide Path Impact:</b>  Relative performance from the glide path was mixed along the glide path. Longer dated funds, which have a higher allocation to equities, benefited from the strong equity markets. Conversely, shorter dated funds lagged due to a lower allocation to equities. Returns for Unit Class IV ranged from 10.59% in the later dated funds to 4.37% in the nearer dated funds.</p> <p><b>Asset Allocation:</b>  Results from the funds' strategic asset allocation were positive for the period as an overweight to domestic equity, which outperformed international equity, was beneficial. Additionally, relative to peers, a higher allocation to domestic small cap equity and a lower allocation to emerging market equity also contributed positively to performance. In the shorter dated funds, relative to peers, a higher allocation to short term fixed income was positive.</p>
SIRT 2015	4.66	-0.02	32	
SIRT 2020	5.73	-0.05	20	
SIRT 2025	7.18	-0.01	9	
SIRT 2030	8.16	-0.01	12	
SIRT 2035	8.93	-0.01	22	
SIRT 2040	9.62	-0.01	21	
SIRT 2045	10.07	0.01	20	
SIRT 2050	10.33	0.02	19	
SIRT 2055	10.59	0.05	18	
SIRT 2060	10.59	-0.03	22	

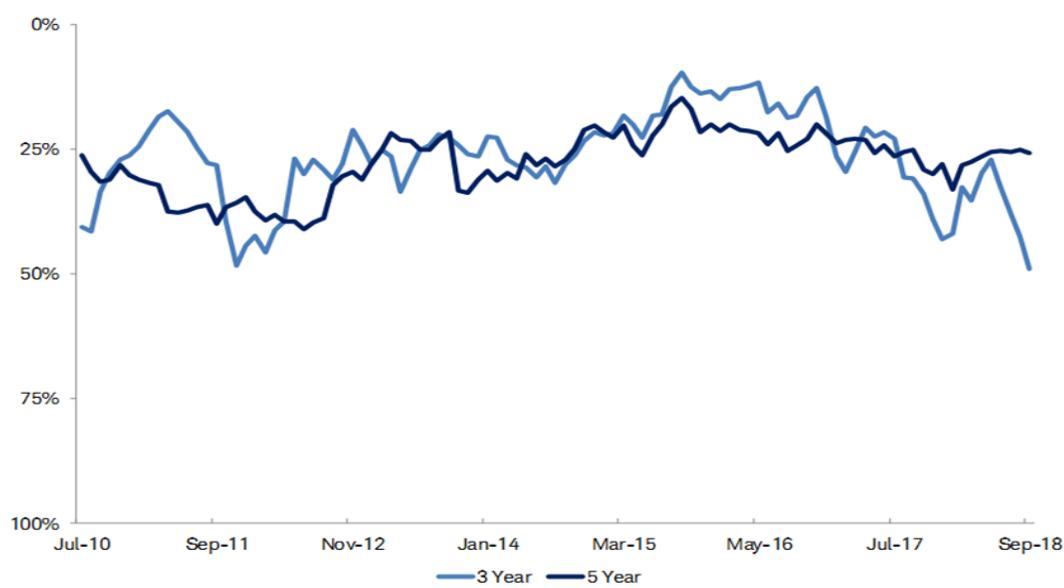
Past performance is no guarantee of future results. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than original cost. Fund performance includes the reinvestment of all income and is presented net of all fees. The values of the target date fund will fluctuate up to and after the target date. There is no guarantee the funds will provide adequate income at or through retirement.

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<sup>2</sup> The percentile rank is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) is 100.

## SIRT Funds – Rankings Summary

### Average 3 and 5 Year Category Rankings (Unit Class I) as of September 30, 2018



Schwab Indexed Retirement Trust Funds® Morningstar Percentile Ranks						
As of September 30, 2018						
Fund	Category % Rank One Year		Category % Rank Three Year		Category % Rank Five Year	
	Funds in Category	Unit Class I	Funds in Category	Unit Class I	Funds in Category	Unit Class I
<b>SIRT 2010</b> Morningstar Category: Target-Date 2000-2010 MF	137	12	113	69	91	38
<b>SIRT 2015</b> Morningstar Category: Target-Date 2015 MF	139	32	111	78	77	51
<b>SIRT 2020</b> Morningstar Category: Target-Date 2020 MF	253	20	205	49	171	30
<b>SIRT 2025</b> Morningstar Category: Target-Date 2025 MF	223	9	180	40	141	19
<b>SIRT 2030</b> Morningstar Category: Target-Date 2030 MF	242	12	195	41	161	22
<b>SIRT 2035</b> Morningstar Category: Target-Date 2035 MF	218	22	175	46	136	22
<b>SIRT 2040</b> Morningstar Category: Target-Date 2040 MF	242	21	195	39	161	20
<b>SIRT 2045</b> Morningstar Category: Target-Date 2045 MF	218	20	175	37	136	19
<b>SIRT 2050</b> Morningstar Category: Target-Date 2050 MF	238	19	190	30	156	12
<b>SIRT 2055</b> Morningstar Category: Target-Date 2055 MF	218	18	173	19	112	2
<b>SIRT 2060</b> Morningstar Category: Target-Date 2060+ MF	190	22	--	--	--	--

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The percentile rank is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) is 100.

Source: Morningstar, Inc. Charles Schwab Bank and Morningstar, Inc. are not affiliated.

## Thought leadership and insights on the target date industry:

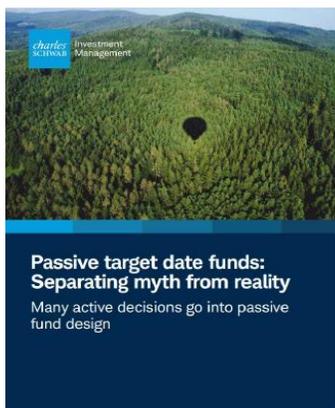
Click on each image for access to the white papers



### Behavior-driven glide path design

- Discusses improving investor outcomes through a behaviorally driven asset allocation approach in target date funds

<http://www.schwabbankfunds.com/public/file/P-10456249/Behavior-Driven Glide Path Design.pdf>



### Passive target date funds: Separating myth from reality

- Reviews the many active decisions that go into passive fund design

<http://www.schwabbankfunds.com/public/file/P-11284257/Passive-target-date-fund-myths.electronic.pdf>



### Are there hidden fixed income risks in your TDF?

- Provides three reasons to re-examine your fund's fixed income exposure in today's market climate

<http://www.schwabbankfunds.com/public/file/P-11284265/Hidden fees to fixed income.pdf>

## News & Updates:

On August 6<sup>th</sup>, it was announced that The Charles Schwab Corporation has formed a new institution, Charles Schwab Trust Bank (CSTB), a fiduciary-oriented trust bank focused on serving the retirement plan market.

Effective January 2019, Schwab Bank Collective Trust Funds will transfer from Charles Schwab Bank to Charles Schwab Trust Bank, as successor trustee of the funds:

- Schwab Managed Retirement Trust Funds™
- Schwab Indexed Retirement Trust Funds®
- Schwab Institutional Trust Funds®

There will be no changes to the investment strategy, process or daily operations of the funds as managed by CSTB and no action is required on your part.

This announcement serves as advance notice of the transition for clients, service providers and advisors.

For more information, please see the full announcement on the Charles Schwab Bank website:

[http://www.schwabbankfunds.com/public/file/P-11517073/General\\_Note.pdf](http://www.schwabbankfunds.com/public/file/P-11517073/General_Note.pdf)

## Organizational Update

Marie Chandoha, President and CEO of Charles Schwab Investment Management (CSIM), has decided to retire at the end of March 2019. Jonathan de St. Paer,\* Senior Vice President of CSIM's Business Strategy and Product Management, was named President of CSIM, effective October 1, 2018, and will become CEO upon Marie's retirement.

\*Employee of Charles Schwab & Co. Inc.

A condensed table with our products and pricing is listed below

Funds	Unit Class	Expense	Revenue Credit	Minimum Investment/ Availability
SMRT Fund Series	I	0.89%	0.44%	No minimum
	II	0.69%	0.24%	
	III	0.54%	0.09%	
	IV	0.45%	0.00%	
	V	0.35%	0.00%	\$100MM initial investment or plan assets >\$400MM
	VI	0.33%	0.00%	\$1Billion
SIRT Fund Series	I	0.08%	0.00%	No minimum
Schwab Large Cap Value ITF	Select	0.42%	0.00%	No minimum
Schwab Large Cap Growth ITF	Retirement	0.74%	0.20%	No minimum
	Institutional	0.54%	0.00%	
Schwab Diversified International ITF	Retirement	1.04%	0.25%	No minimum
	Institutional	0.79%	0.00%	
Schwab Core Plus Fixed Income ITF	I	0.55%	0.20%*	No minimum
	III	0.35%	0.00%*	

\*Represents revenue off platform, revenue for Schwab Institutional Core Plus Fixed Income Trust Fund on platform for both unit classes is 5 bps higher.

## Disclosures

The material in this presentation is based on information from a variety of sources we consider reliable, but we do not represent that the information is accurate or complete. Errors and omissions can occur. None of the information constitutes a recommendation or a solicitation of an offer to buy or sell any security by Schwab Bank or any of its affiliates. Please review the trust and participation agreement, Schwab Bank Fund Fact Sheet and other disclosure materials before making any decision to invest in the funds. Performance data quoted is past performance and is no indication (or "guarantee") of future results. Current performance may be lower or higher. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than original cost.

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### Collective Trust Fund Disclosures

The Schwab Managed Retirement Trust Funds™, Schwab Indexed Retirement Trust Funds®, and Schwab Institutional Trust Funds® 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 decision to invest in the funds should be carefully considered. 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.

Please be advised that effective January 1, 2019, Schwab Bank is transferring its collective trust funds business, which includes the SMRT Funds, SIRT Funds and Schwab Institutional Trust Funds (the funds) to Charles Schwab Trust Bank (CSTB), a Nevada non-depository trust company subsidiary of The Charles Schwab Corporation. CSTB will serve as successor trustee of the funds pursuant to the funds' Declaration of Trust and succeed to the rights and obligations of Schwab Bank under the funds' Participation Agreement. Current participants in the funds will not be required to execute a new Participation Agreement and in all other material respects, the provisions of the Participation Agreement will remain the same. An Amended and Restated Declaration of Trust reflecting CSTB as successor trustee of the funds will be made available on or about January 1, 2019.

### Fund Affiliations

The Charles Schwab Corporation provides services to retirement and other employee benefit plans and participants through its separate but affiliated companies and subsidiaries: Charles Schwab Bank (Schwab Bank); Charles Schwab & Co., Inc.; Charles Schwab Investment Management, Inc. (CSIM); and Schwab Retirement Plan Services, Inc. Trust and custody products and service are offered by Schwab Bank. Brokerage products and services are offered by Charles Schwab & Co., Inc. (Member SIPC). Schwab Retirement Plan Services, Inc. provides recordkeeping and related services to retirement plans. CSIM provides investment research, advisory and fund administration services to Schwab Bank and the funds. CSIM is an investment adviser registered with the Securities and Exchange Commission.

The Schwab Bank Collective Trust Funds select investments based on advice received from, or products offered by industry-recognized investment management firms ("sub-advisors"). The funds access investment strategies through various investment vehicles including, but not limited to, collective trust funds, mutual funds, and/or exchange-traded funds and may also access strategies through sub-advisors engaged by Charles Schwab Bank to advise one or more separate accounts of a Fund. Exposure to some strategies may be indirect through investment in other Schwab Bank Collective Trust Funds. The SMRT Funds invest in the Schwab Institutional Large Cap Value Trust Fund, Schwab Institutional Large Cap Growth Trust Fund, Schwab Institutional Small Cap Fund, Schwab Institutional International Diversified Trust Fund, and Schwab Institutional Core Plus Fixed Income Trust Fund.

Diversification and asset allocation strategies do not ensure a profit and cannot protect against losses in a declining market. **There is no guarantee the funds will provide adequate income at or through retirement.**

### Significant Risks of the Funds

Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost.

**Cash Equivalents Risk.** Cash Equivalents investments are cash management strategies that seek to prevent the loss of an investment's total value. Although a cash management product may seek to maintain a stable or constant net asset value, there can be no assurance it will do so.

**Commodities Risk.** Since a commodity fund is typically not diversified and focuses its investments in a single commodity or basket of commodities, the fund may involve a greater degree of risk than an investment in other mutual funds with greater diversification.

**Diversified Funds Risk.** Diversification strategies do not ensure a profit and do not protect against losses in declining markets. Schwab Bank's portfolio management process includes an effort to monitor and manage risk, but should not be confused with and does not imply either low risk or the ability to control risk.

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

**Global Real Estate Risk.** International investing does pose special risks including currency fluctuation, economic and political risks not found in investments that are solely domestic. Risks of the REIT's are similar to those associated with direct ownership of real estate, such as changes in real estate values and property taxes, interest rates, cash flow of underlying real estate assets, supply and demand, and the management skill and credit worthiness of the issuer.

**Inflation-Protected Security Risk.** Treasury Inflation Protected Securities (TIPS) are inflation-linked securities issued by the U.S. 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 U.S. Government and may be adjusted for inflation to become the greater of either the original face amount at issuance or that face amount plus an adjustment for inflation.

**Interest Rate Risk.** Interest rates will rise and fall over time. During periods when interest rates are low, an underlying strategy's yield and total return also may be low. Changes in interest rates also may affect the strategy's share price: a sharp rise in interest rates could cause the strategy's share price to fall. The longer the strategy's duration, the more sensitive to interest rate movements its share price is likely to be.

**International Risk.** International investments involve additional risks, which include differences in financial accounting standards, currency fluctuations, political instability, foreign taxes and regulations, and the potential for illiquid markets. Investing in emerging markets may accentuate these risks.

**Securities Lending Risk.** Each Fund's Declaration of Trust authorizes securities lending and the funds may invest in underlying funds that participate in securities lending. There are various risks associated with securities lending including but not limited to the risk that a borrower fails to return some or all of the securities in a timely manner and investments acquired with cash collateral may decline in value. Charles Schwab Bank, in coordination with each fund's underlying investment sub-advisors, actively monitors any securities lending activity to minimize any potential impact to the funds.

**Target Date Funds Risk.** Diversification and asset allocation strategies do not ensure a profit and cannot protect against losses in a declining market. The funds are subject to market volatility and risks associated with the underlying investments. Risks include exposure to international and emerging markets, small company and sector equity securities, and fixed income securities subject to changes in inflation, interest rates, market valuations, liquidity, prepayments, and early redemption. The funds are built for investors who expect to start gradual withdrawals of fund assets on the target date, to begin covering expenses in retirement. The principal value of the funds is not guaranteed at any time, and will continue to fluctuate up to and after the target date. There is no guarantee the funds will provide adequate income at or through retirement.

SMRT & SIRT Funds 2018 Custom Index Allocations	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010	Income <sup>1</sup>
Russell 1000 Index	49.8	49.3	48.4	47.4	45.5	42.6	39.3	34.8	28.1	24.6	23.4	17.1
Russell 2000 Index	6.8	6.6	6.3	5.9	5.3	4.5	3.6	2.9	2.0	1.6	1.5	0.9
MSCI EAFE Index (Net)	26.1	25.7	24.9	24.1	22.7	20.7	18.7	16.1	12.7	10.8	9.8	5.7
MSCI Emerging Markets Index (Net)	6.3	6.1	5.6	5.2	4.4	3.5	2.6	1.7	0.7	0.0	0.0	0.0
FTSE EPRA/NAREIT Developed Index (Net)	4.8	4.7	4.5	4.4	4.2	3.8	3.4	3.0	2.3	1.9	1.8	1.3
Bloomberg Commodity Index	1.2	1.2	1.2	1.1	1.1	1.0	0.8	0.7	0.5	0.0	0.0	0.0
Bloomberg Barclays US 1-3 Year Government/Credit Bond Index	0.5	0.7	0.9	1.3	1.9	2.8	3.9	5.5	7.8	9.3	9.8	12.4
Bloomberg Barclays US Aggregate Bond Index	3.3	4.2	5.8	7.7	10.9	15.3	20.0	25.3	32.5	36.6	37.9	43.9
Bloomberg Barclays US Treasury Inflation-Linked Bond Index (Series-L)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4	4.2	6.1	6.3	7.5
Bloomberg Barclays Global Aggregate Bond ex-US Hedged Index	0.8	1.0	1.3	1.8	2.5	3.5	4.5	4.6	3.4	2.4	2.3	1.9
FTSE 3 Month U.S. Treasury Bill Index	0.5	0.7	0.9	1.2	1.7	2.4	3.2	4.2	5.7	6.7	7.2	9.4

The above represent target policy allocations for 2018, effective January 31, 2018. Percentages listed may not total 100% due to rounding. The custom index is a custom blended index developed by Charles Schwab Investment management, Inc. based on each fund's asset allocation glide schedule and will become more conservative as time elapses.

<sup>1</sup>Available in the SMRT Funds.

Source: Charles Schwab Investment Management, Inc.

## Index Definitions:

- **The FTSE 3 Month U.S. Treasury Bill Index** is an index that measures monthly total return equivalents of yield averages that are not marked to market. The Three-Month Treasury Bill Index consists of the last three three-month Treasury bill issues.
- **The Bloomberg Barclays 1-5 Year US Aggregate Bond Index** is an unmanaged sub-index of securities with maturities of 1-5 years based on the Barclays U.S. Aggregate Bond Index. The Barclays U.S. Aggregate Bond Index represents securities that are SEC registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset backed securities.
- **The Bloomberg Barclays Global Aggregate ex-US Hedged Index** is a subset of the flagship Global Aggregate Index that measures multi-currency global investment grade debt but excludes those denominated in USD. This multi-currency benchmark includes fixed-rate treasury, government-related, corporate and securitized bonds from both developed and emerging markets issuers. The Global Aggregate ex USD Index is largely comprised of the regional Pan-European Aggregate and Asian-Pacific Aggregate Indices. In addition to securities from these two benchmarks, the index also includes investment grade Euro-Yen and Canadian securities.
- **The Bloomberg Barclays US 1-3 Year Government/Credit Index** is a subset of US Government/Credit Index that is the non-securitized component of the US Aggregate Index. The index includes US Treasuries, Government-Related issues (e.g., US agency, sovereign, supranational, and local authority debt), and USD Corporates with a remaining maturity of 1-3 years.
- **The Bloomberg Barclays US Aggregate Bond Index** represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.
- **The Bloomberg Barclays US Treasury Inflation-Linked Bond Index (Series L)** is a market value-weighted index that tracks inflation-protected securities issued by the U.S. Treasury. To prevent the erosion of purchasing power, TIPS are indexed to the non-seasonally adjusted Consumer Price Index for All Urban Consumers, or the CPI-U (CPI).
- **Bloomberg Commodity Index:** The Index is calculated on an excess return basis and composed of futures contracts on 22 physical commodities. It reflects the return of underlying commodity futures price movements.
- **The CRSP (Center for Research in Security Prices) US Mid Cap Index** is an index that targets inclusion of the U.S. companies that fall between the top 70%-85% of investable market capitalization.
- **The Russell indices** are market-capitalization weighted and subsets of the Russell 3000® Index, which contains the largest 3,000 companies incorporated in the United States and represents approximately 98% of the investable U.S. equity market. **The Russell 2000® Index** is composed of the 2000 smallest companies in the Russell 3000 Index. **The Russell 2000® Growth Index** contains those Russell 2000 securities with a greater-than-average growth orientation. **The Russell 2000® Value Index** contains those Russell 2000 securities with a less-than-average growth orientation. **The Russell 1000® Index** is composed of the 1000 largest companies in the Russell 3000® Index. **The Russell 1000® Growth Index** contains those Russell 1000 securities with a greater-than-average growth orientation. **The Russell 1000® Value Index** contains those Russell 1000 securities with a less-than-average growth orientation.
- **The MSCI EAFE® Net Index (Europe, Australasia, Far East)** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. This series approximates the minimum possible dividend reinvestment.
- **The MSCI EAFE® Small Cap Net Index** represents the small cap segment in 21 developed equity markets outside of North America. This series approximates the minimum possible dividend reinvestment.
- **The FTSE EPRA/NAREIT Global Real Estate Net Index Series** is designed to represent general trends in eligible real estate equities worldwide. Relevant real estate activities are defined as the ownership, disposure and development of income-producing real estate. This series approximates the minimum possible dividend reinvestment.
- Indexes are unmanaged, do not incur management expenses and cannot be invested in directly.