

Our evolved asset allocation strategies are the latest innovation from Schwab designed to help you reach your financial goals. Created for today's changing market conditions, these strategies seek to reduce risk in your portfolio to help you meet new market realities head on.

A modern approach to portfolio construction.

+ Expanded Asset Choices

+ Sophisticated Portfolio Construction

+ Broader Diversification

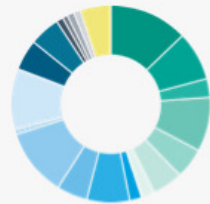
Growth or income? Together, let's decide what's right for you.

Depending on your financial goals and circumstances, you can choose an asset allocation strategy focused on either growing your portfolio or generating income.

Total Return Moderate Strategy With Taxable Bonds

For those who don't need current income and want growth potential.

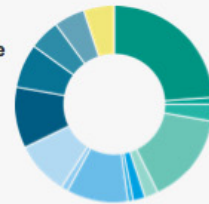
+ See expanded asset classes



Income Moderate Strategy With Taxable Bonds

For those who want current income and are willing to accept higher exposure to credit events.

+ See expanded asset classes



charles SCHWAB

High Income

Asset Allocation Strategy

With Muni Bonds

Asset Allocation Objective

Our evolved asset allocation strategies are designed to help you reach your financial goals while reducing your risk through diversification. An appropriately allocated portfolio helps weather the ups and downs of the market over the long run.

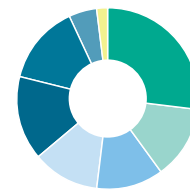
The High Income Asset Allocation Strategy With Muni Bonds may be appropriate for long-term investors who primarily want high income and who are willing to accept a lower potential for capital appreciation and higher exposure to credit events in exchange for current income. A high income asset allocation strategy may entail substantial year-to-year volatility in exchange for potentially high current income and modest growth potential.

Investment Objective

- High income

Strategy Description

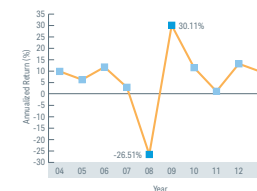
- Interest and dividends are the desired primary sources of returns.
- Generate income over the investment time horizon.
- Suited for investors with a tolerance for investment losses, even over extended time periods.
- Best used as an income-focused portion of an otherwise well-diversified portfolio.



Target Asset Allocation (%)

- 40% **Stocks**
 - 27% U.S. Stocks
 - 13% International Stocks
- 58% **Fixed Income**
 - 12% Municipal Bonds
 - 12% U.S. Corporate High Yield Bonds
 - 15% International Emerging Markets Bonds
 - 14% Preferred Stock
 - 5% Bank Loan and Other FRNs
- 2% **Cash Investments**
 - 2% Cash Investments

Hypothetical Blended Model Performance



Past performance is no guarantee of future results. Please see page 2 for important disclosures.

Investment Time Horizon



Risk Level



High

No representation is being made that any investor will or is likely to achieve profits or losses similar to those shown.

High Income Asset Allocation Strategy With Muni Bonds

charles SCHWAB

Total Return Conservative

Asset Allocation Strategy

With Taxable Bonds

Asset Allocation Objective

Our evolved asset allocation strategies are designed to help you reach your financial goals while reducing your risk through diversification. An appropriately allocated portfolio helps weather the ups and downs of the market over the long run.

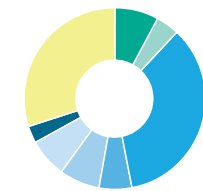
The Total Return Conservative Asset Allocation Strategy With Taxable Bonds may be appropriate for investors who seek liquidity, current income, and stability, and who are less concerned about growth.

Investment Objectives

- Liquidity
- Income
- Stability

Strategy Description

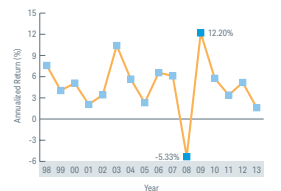
- Liquidity, stability, and current income are wanted.
- Immediate access to assets may be needed.
- Suited for investors with a low tolerance for investment losses, regardless of investment time horizon.
- Current income is wanted, but stability and liquidity are a high priority.



Target Asset Allocation (%)

- 12% **Stocks**
 - 8% U.S. Stocks
 - 4% International Stocks
- 58% **Fixed Income**
 - 35% Core Bonds
 - 6% U.S. Inflation Protected Bonds
 - 7% International Developed Country Bonds
 - 7% U.S. Corporate High Yield Bonds
 - 3% International Emerging Markets Bonds
- 30% **Cash Investments**
 - 30% Cash Investments

Hypothetical Blended Model Performance



Past performance is no guarantee of future results. Please see page 2 for important disclosures.

Investment Time Horizon



Risk Level



Low

No representation is being made that any investor will or is likely to achieve profits or losses similar to those shown.

Total Return Conservative Asset Allocation Strategy With Taxable Bonds