

# 2023 Return of Capital Distributions

The following funds are reporting certain distributions, or portions of certain distributions, previously made and reported to you during 2023 as return of capital (ROC) distributions. This is necessary to reflect the correct tax character of the distributions paid and to properly reflect how these distributions are reported on your IRS Form 1099-DIV. Actual ROC amounts to be used for tax reporting purposes are located in Box 3 of Form 1099-DIV.

Return of capital distributions are different from other types of distributions as they reduce the cost basis in your investment and are generally tax-free unless your cost basis has been reduced to zero.

Fund Name	Ticker	Distribution Date	Income Amount Per Share (\$)	Short-Term Capital Gain Per Share (\$)	Long-Term Capital Gain Per Share (\$)	ROC (%)	ROC (\$)
<b>Schwab Monthly Income Fund—Flexible Payout (formerly known as Schwab Monthly Income Fund—Enhanced Payout)</b>	SWKRX	1/17/2023	0.0396	-	-	4.57	0.0018
		2/15/2023	0.0396	-	-	4.57	0.0018
		3/15/2023	0.0396	-	-	4.57	0.0018
		4/17/2023	0.0396	-	-	4.57	0.0018
		5/15/2023	0.0396	-	-	4.57	0.0018
		6/15/2023	0.0396	-	-	4.57	0.0018
		7/17/2023	0.0396	-	-	4.57	0.0018
		8/15/2023	0.0396	-	-	4.57	0.0018
		9/15/2023	0.0396	-	-	4.57	0.0018
		10/16/2023	0.0396	-	-	4.57	0.0018
		11/15/2023	0.0396	-	-	4.57	0.0018
		12/28/2023	0.0396	-	-	4.57	0.0018
<b>Schwab Monthly Income Fund—Target Payout (formerly known as Schwab Monthly Income Fund—Moderate Payout)</b>	SWJRX	1/17/2023	0.0392	-	-	11.83	0.0046
		2/15/2023	0.0392	-	-	11.83	0.0046
		3/15/2023	0.0392	-	-	11.83	0.0046
		4/17/2023	0.0406	-	-	11.83	0.0048
		5/15/2023	0.0406	-	-	11.83	0.0048
		6/15/2023	0.0406	-	-	11.83	0.0048
		7/17/2023	0.0400	-	-	11.83	0.0047
		8/15/2023	0.0400	-	-	11.83	0.0047
		9/15/2023	0.0400	-	-	11.83	0.0047
		10/16/2023	0.0397	-	-	11.83	0.0047
		11/15/2023	0.0397	-	-	11.83	0.0047
		12/28/2023	0.0397	-	-	11.83	0.0047

**Investors should consider carefully information contained in the prospectus, or if available, the summary prospectus, including investment objectives, risks, charges and expenses. You can obtain a prospectus, or if available, a summary prospectus by visiting [schwabassetmanagement.com/schwabfunds\\_prospectus](https://schwabassetmanagement.com/schwabfunds_prospectus). Please read it carefully before investing.**

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.

This information is not intended to be a substitute for specific individualized tax, legal, or investment planning advice. Where specific advice is necessary or appropriate, you should consult with a qualified tax advisor, CPA, financial planner or investment manager.

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