

Schwab Managed Retirement Trust Funds  
Declaration of Trust

Amended and Restated as of May 15, 2012

**CHARLES SCHWAB BANK**  
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**TABLE OF CONTENTS**

	<b>Page</b>
<b>ARTICLE 1 - DEFINITIONS .....</b>	<b>2</b>
1.01 "ACTIVELY MANAGED SERIES" .....	2
1.02 "AFFILIATE." .....	2
1.03 "CLASS." .....	2
1.04 "CODE." .....	2
1.05 "DECLARATION OF TRUST." .....	2
1.06 "DEDICATED ACCOUNT." .....	2
1.07 "DESCRIPTION OF CLASSES." .....	2
1.08 "ERISA." .....	2
1.09 "FUND." .....	2
1.10 "INDEXED SERIES" .....	2
1.11 "INVESTMENT CHARACTERISTICS." .....	2
1.12 "LIQUIDATING ACCOUNT." .....	2
1.13 "LOCAL CURRENCY." .....	2
1.14 "PARTICIPATION AGREEMENT." .....	2
1.15 "PARTICIPATING TRUST." .....	2
1.16 "PLAN FIDUCIARY." .....	2
1.17 "QUALIFIED TRUST." .....	2
1.18 "REVENUE RULING 81-100." .....	2
1.19 "TARGET DATE OR TARGET YEAR." .....	3
1.20 "TRUSTEE." .....	3
1.21 "UNIT." .....	3
1.22 "U.S." .....	3
1.23 "VALUATION DATE." .....	3
<b>ARTICLE 2 - ESTABLISHMENT OF FUNDS AND CLASSES OF UNITS .....</b>	<b>3</b>
2.01 ESTABLISHMENT OF FUNDS. ....	3
2.02 ESTABLISHMENT OF CLASSES. ....	3
2.03 NO CERTIFICATES. ....	3
<b>ARTICLE 3 - PARTICIPATION .....</b>	<b>3</b>
3.01 CONDITIONS OF PARTICIPATION .....	3
3.02 OTHER CONDITIONS OF PARTICIPATION .....	4
3.03 DEPOSITS/ADDITIONS. ....	4
3.04 WITHDRAWALS. ....	5
3.05 DISTRIBUTIONS UPON WITHDRAWAL. ....	5
3.06 INVESTMENT AND WITHDRAWAL EXPENSES. ....	5
3.07 UNIT ACCOUNTING. ....	6
<b>ARTICLE 4 - INVESTMENTS AND ADMINISTRATION .....</b>	<b>6</b>
4.01 INVESTMENT CHARACTERISTICS. ....	6
4.02 SHORT-TERM INVESTMENTS. ....	6
4.03 CASH BALANCES. ....	6
4.04 TEMPORARY NET CASH OVERDRAFTS. ....	6
4.05 OWNERSHIP OF ASSETS. ....	6
4.06 DEALINGS WITH THE FUNDS. ....	7
4.07 MANAGEMENT AUTHORITY. ....	7
4.08 MANAGEMENT AND ADMINISTRATIVE POWERS. ....	7

---

ARTICLE 5 - VALUATION, ACCOUNTING, RECORDS, AND REPORTS .....	10
5.01 VALUATION OF UNITS. ....	10
5.02 VALUATION OF ASSETS. ....	10
5.03 SUSPENSION OF VALUATIONS AND DEPOSIT/ ADDITION AND WITHDRAWAL RIGHTS. ....	11
5.04 ACCOUNTING RULES AND FISCAL YEAR. ....	11
5.05 EXPENSES AND TAXES. ....	11
5.06 RECORDS, ACCOUNTS AND AUDITS. ....	12
5.07 FINANCIAL REPORTS. ....	12
5.08 JUDICIAL ACCOUNTING. ....	12
5.09 GOVERNMENT FILING. ....	12
ARTICLE 6 - CONCERNING THE TRUSTEE.....	12
6.01 MERGER, CONSOLIDATION OF TRUSTEE.....	12
6.02 LIMITATION OF LIABILITY. ....	12
6.03 TRUSTEE COMPENSATION. ....	13
6.04 TRUSTEE’S AUTHORITY.....	13
6.05 RELIANCE ON EXPERTS AND OTHERS. ....	13
6.06 RELIANCE ON COMMUNICATIONS.....	13
6.07 ACTION BY TRUSTEE. ....	13
6.08 DISCRETION OF THE TRUSTEE. ....	13
ARTICLE 7 - AMENDMENT AND TERMINATION .....	13
7.01 AMENDMENT.....	13
7.02 TERMINATION. ....	14
7.03 NOTICES. ....	14
ARTICLE 8 - LIQUIDATING ACCOUNTS AND DEDICATED ACCOUNTS.....	14
8.01 ESTABLISHMENT. ....	14
8.02 ADDITIONAL POWERS AND DUTIES OF TRUSTEE. ....	14
8.03 LIMITATION ON CONTRIBUTIONS TO LIQUIDATING ACCOUNT.....	15
8.04 DISTRIBUTIONS. ....	15
8.05 EFFECT OF ESTABLISHING LIQUIDATING ACCOUNTS AND DEDICATED ACCOUNTS. ....	15
8.06 FEES AND EXPENSES. ....	15
ARTICLE 9 - GENERAL PROVISIONS .....	16
9.01 DIVERSION, ASSIGNMENT PROHIBITED. ....	16
9.02 GOVERNING LAW. ....	16
9.03 SITES OF FUND. ....	16
9.04 INSPECTION. ....	16
9.05 TITLES. ....	16
9.06 INVALID PROVISIONS. ....	16
9.07 STATUS OF INSTRUMENT. ....	16

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# Schwab Managed Retirement Trust Funds Declaration of Trust

Amended and Restated as of May 15, 2012

**WHEREAS**, Charles Schwab Bank has established the Declaration of Trust of the Schwab Managed Retirement Trust Funds (the “Collective Trust”) as of August 1, 2002 in order to provide for the collective investment and reinvestment of assets of certain tax-exempt employee benefit plans that participate therein, and hereby amends and restates this Declaration of Trust;

**WHEREAS**, Charles Schwab Bank hereby declares that it shall act as trustee and shall hold and administer, in trust, on the terms and conditions set forth in this Declaration of Trust, all property that may be transferred to or received by it from time to time as trustee hereunder.

**WHEREAS**, Charles Schwab Bank, as Trustee, has established the Collective Trust, including ten specific collective trust fund portfolios (each, a “Fund” and, collectively, the “Funds”) known as the:

## Actively Managed Series

- Schwab Managed Retirement Trust Fund 2010
- Schwab Managed Retirement Trust Fund 2015
- Schwab Managed Retirement Trust Fund 2020
- Schwab Managed Retirement Trust Fund 2025
- Schwab Managed Retirement Trust Fund 2030
- Schwab Managed Retirement Trust Fund 2035
- Schwab Managed Retirement Trust Fund 2040
- Schwab Managed Retirement Trust Fund 2045
- Schwab Managed Retirement Trust Fund 2050
- Schwab Managed Retirement Trust Fund 2055
- Schwab Managed Retirement Trust Fund Income

## Indexed Series (also generally referred to as the ‘Schwab Indexed Retirement Trust Funds’)

- Schwab Indexed Retirement Trust Fund 2010
- Schwab Indexed Retirement Trust Fund 2015
- Schwab Indexed Retirement Trust Fund 2020
- Schwab Indexed Retirement Trust Fund 2025
- Schwab Indexed Retirement Trust Fund 2030
- Schwab Indexed Retirement Trust Fund 2035
- Schwab Indexed Retirement Trust Fund 2040
- Schwab Indexed Retirement Trust Fund 2045
- Schwab Indexed Retirement Trust Fund 2050
- Schwab Indexed Retirement Trust Fund 2055

in accordance with the provisions of Article 2 of this Declaration of Trust.

**WHEREAS**, Charles Schwab Bank, as Trustee, may establish, from time to time, such additional separate and distinct collective investment funds which, when established, shall become Funds within the Collective Trust as it may deem necessary and desirable, each with such separate classes or divisions (each, a “Class”) of interests as it may deem necessary and desirable in accordance with the terms hereof;

**WHEREAS**, it is intended that each of the Funds established hereunder shall qualify as a group trust under Internal Revenue Service Revenue Ruling 81-100, 1981-1 C.B. 326, as amended, and any successor

ruling, regulation, or similar pronouncement, and this Declaration of Trust shall be construed, and each Fund established hereunder shall be administered, to give effect to that intention.

#### ARTICLE 1 - DEFINITIONS

1.01 “Actively Managed Series” The Fund series in which the Trustee utilizes a predominantly actively-managed investment process for selection of underlying fund investments.

1.02 “Affiliate.” Any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, investment trust, or similar organization controlling, controlled by, or under common control with the Trustee.

1.03 “Class.” Has the meaning ascribed to it in the preamble.

1.04 “Code.” The Internal Revenue Code of 1986, as amended from time to time. Any reference to a provision of the Code in this Declaration of Trust also shall be deemed to refer to any successor provision.

1.05 “Declaration of Trust.” This Amended and Restated Declaration of Trust of The Schwab Managed Retirement Trust Funds, as amended from time to time.

1.06 “Dedicated Account.” A segregated account established and maintained in accordance with Article 8.

1.07 “Description of Classes.” Has the meaning ascribed to it in Section 2.02.

1.08 “ERISA.” The Employee Retirement Income Security Act of 1974, as amended from time to time.

1.09 “Fund.” Has the meaning ascribed to it in the preamble.

1.10 “Indexed Series” The Fund series in which the Trustee utilizes a predominantly passively managed investment process for selection of underlying fund investments. The Indexed Series may also be generally referred to as the ‘Schwab Indexed Retirement Trust Funds’

1.11 “Investment Characteristics.” Has the meaning ascribed to it in Section 4.01.

1.12 “Liquidating Account.” A segregated account established and maintained in accordance with Article 8 primarily in order to facilitate the liquidation and pricing of the assets contained therein for the benefit of any Participating Trust holding a beneficial interest therein.

1.13 “Local Currency.” Has the meaning ascribed to it in Section 5.02(c).

1.14 “Participation Agreement.” The agreement entered into by the Trustee and a Qualified Trust, which provides for the admission of such Qualified Trust to the Fund as a Participating Trust.

1.15 “Participating Trust.” The Qualified Trust which, with the consent of the Trustee, has made a deposit to the Fund (or the Dedicated Account), and has a beneficial interest in the Fund (or Dedicated Account).

1.16 “Plan Fiduciary.” The person or persons, or his, her or its duly authorized agent, who directs the investments of the assets of a Participating Trust in the Fund, but shall not include the Trustee in its capacity as Trustee of the Fund. If the person who directs the investments of any assets of a Participating Trust in the Fund is a participant or beneficiary, or the duly authorized agent of such participant or beneficiary, entitled to benefit from the Participating Trust and is acting in his capacity as such, then Plan Fiduciary shall mean the plan sponsor or appropriate plan fiduciary, or any duly authorized agent thereof,

which has authorized the use of the Fund as an investment option for participants and beneficiaries of the relevant Participating Trust.

1.17 “Qualified Trust.” Any of the following with respect to which Charles Schwab Bank has been appointed to hold assets in any capacity, including, but not limited to, as trustee, investment manager, managing agent, custodian (of governmental plans), or agent, and which Charles Schwab Bank, in its sole discretion, has accepted as a Participating Trust:

(a) a retirement, pension, profit sharing, stock bonus, or other employee benefit trust that (i) is exempt from Federal income taxation under Section 501(a) of the Code by reason of qualifying under Section 401(a) of the Code and, if such trust covers one or more self employed individuals within the meaning of Section 401(c)(1) of the Code, that satisfies the applicable requirements of the Securities Act of 1933, as amended from time to time, or Rule 180 of the Securities and Exchange Commission thereunder, or any successor ruling, regulation, or similar pronouncement, regarding participation by such plan in a collective investment trust, (ii) is maintained pursuant to a plan or trust instrument that specifically authorizes it to either (A) participate in the Fund or (B) participate in collective or commingled trust funds generally, (iii) is maintained pursuant to a plan or trust instrument that specifically or in substance and effect adopts as a part of the plan of which such trust is a part either (A) this Declaration of Trust or (B) the declarations of trust or other governing instruments under which collective or commingled trust funds in which such plan participates generally are maintained, or

(b) any eligible governmental plan trust or custodial account under Section 457(b) of the Code that (i) is exempt from Federal income taxation under Section 457(g) of the Code, (ii) is maintained pursuant to a plan, trust or custodial instrument or under statutes or regulations that specifically authorize it to either (A) participate in the Fund or (B) participate in collective or commingled trust funds generally, (iii) is maintained pursuant to a plan, trust or custodial instrument or under statutes or regulations that specifically or in substance and effect adopt as a part of the plan of which such trust or custodial account is a part either (A) this Declaration of Trust or (B) the declarations of trust or other governing instruments under which collective or commingled trust funds in which such plan participates generally are maintained, or

(c) any common, collective, or commingled trust fund, including, but not limited to, any such fund maintained by Trustee or an Affiliate or any third-party, that (i) consists solely of the assets of trusts and plans described in Sections 1.14(a) and (b), (ii) is exempt from Federal income taxation under Section 501(a) of the Code by reason of qualifying as a “group trust” under Revenue Ruling 81-100, (iii) is maintained pursuant to an instrument that specifically authorizes it to either (A) participate in the Fund or (B) participate in collective or commingled trust funds generally and (iv) is maintained pursuant to an instrument that specifically or in substance and effect adopts as a part thereof either (A) this Declaration of Trust or (B) the declarations of trust or other governing instruments under which collective or commingled trust funds in which such fund participates generally are maintained; or

(d) any other plan or trust permitted by Revenue Ruling 81-100 to be commingled in trust for investment purposes with the assets of other Participating Trusts hereunder with the resulting commingled trust being exempt from Federal income taxation under Section 501(a) of the Code by reason of qualifying as a “group trust”; provided, however, that the organizational documents, maintenance, actions and activities of such plan or trust satisfy any applicable conditions of Revenue Ruling 81-100 and any other applicable legal requirements identified by the Trustee.

1.18 “Revenue Ruling 81-100.” Revenue Ruling 81-100 issued by the Internal Revenue Service, 1981-1 C. B. 326, as amended and supplemented from time to time, and any successor ruling, regulation, or similar pronouncement.

1.19 “Target Date or Target Year.” The date or year at or near which an investor expects to retire, as applicable, as further defined pursuant to the provisions of Appendix A.

1.20 “Trustee.” Charles Schwab Bank, as trustee of the Funds, or any trustee succeeding the Trustee in accordance with Section 6.01.

1.21 “Unit.” A book-entry record used to determine the value of the beneficial interest of each Participating Trust in the Fund.

1.22 “U.S.” The United States of America.

1.23 “Valuation Date.” Any day on or as of which the Trustee determines the value of the Units and generally means each day the Trustee is open for business; however, the Trustee may designate any other date as a special Valuation Date.

## ARTICLE 2 - ESTABLISHMENT OF FUNDS AND CLASSES OF UNITS

2.01 Establishment of Funds. The Trustee shall have the authority to establish from time to time in accordance with this Declaration of Trust such Fund or Funds as it may deem necessary and advisable to provide for the collective investment and reinvestment of assets of Participating Trusts. Each Fund shall constitute a separate trust and the Trustee shall separately hold, manage, administer, value, invest, reinvest, account for and otherwise deal with each such Fund. Each Fund established pursuant to this Declaration of Trust, together with a description of the investment characteristics thereof, is set forth in Appendix A hereto, which may be amended from time to time by the Trustee in its sole discretion.

2.02 Establishment of Classes. The Trustee, in its sole discretion, may divide a Fund into one or more Classes of Units representing beneficial interests in such Fund with differing fee and expense obligations. The Trustee shall establish such Classes by attaching a written description of classes as Appendix B to this Declaration of Trust (the “Description of Classes”), which shall specify the rate of Trustee compensation and other expenses, costs, charges and other liabilities specially allocable to each Class of Units, as well as any conditions to participation in such Class. With respect to a Class of Units of a Fund, each Unit shall be of equal value to every other Unit of the same Class. Each Unit of a Class of a Fund shall represent an undivided proportionate interest in all the assets of the Fund. The fact that a Fund shall have been established and designated without any specific establishment or designation of Classes, or that a Fund shall have more than one established and designated Class, shall not limit the authority of the Trustee, in its sole discretion and at any time, to subsequently establish and designate separate Classes, or one or more additional Classes, of said Fund. As of any Valuation Date, the Trustee, in its sole discretion, may make a uniform change in the Units of any Class of any Fund either by dividing such Units into a greater number of Units of lesser value, or combining such Units to produce a lesser number of Units of greater value, provided that the proportionate interest of each Participating Trust in the Fund shall not thereby be changed.

2.03 No Certificates. No transferable certificate shall be issued to evidence the interest of any Participating Trust in any Fund or any Liquidating Account established pursuant to Article 4, but the Trustee shall keep a record of the number of Units standing to the credit of each Participating Trust. A non-transferable certificate of participation may be issued to each Participating Trust having an interest in a Liquidating Account describing the assets held in the Liquidating Account and the Participating Trust’s proportionate interest therein.

## ARTICLE 3 - PARTICIPATION

3.01 Conditions of Participation. The Trustee shall accept deposits in a Fund only from Qualified Trusts. A Qualified Trust shall become a Participating Trust in a Fund as of a Valuation Date specified in



the Participation Agreement. Any such Qualified Trust shall establish to the Trustee's satisfaction that it meets the requirements of Section 1.16 and shall provide, at the request of the Trustee, written representations and other information (including, but not limited to, a written certificate or opinion of counsel regarding its status or a copy of a favorable determination letter from the Internal Revenue Service) or other assurances the Trustee may deem necessary or advisable. Unless an exemption from the registration requirements of the Securities Act of 1933 and the Investment Company Act of 1940 is applicable, an account established under Section 403(b) of the Code, as amended, is not a Qualified Trust eligible for participation in the Fund and may not be a Participating Trust. A Qualified Trust that has been accepted as a Participating Trust in a Fund shall continue to be eligible to participate in the Fund, subject to the following conditions:

(a) During such time as any assets of a Participating Trust are held in the Fund, (i) this Declaration of Trust shall govern the administration of such assets, and (ii) in the event of any inconsistency between the governing instrument of the Participating Trust and this Declaration of Trust relating to the management or administration of the Participating Trust's assets held hereunder or to the rights, powers, responsibilities or liabilities of the Trustee with respect thereto, the terms of this Declaration of Trust shall govern.

(b) If at any time a Participating Trust shall fail to satisfy all of the requirements of Section 1.16, or the Participating Trust becomes aware of facts that may cause its failure to satisfy such requirements, such Participating Trust shall promptly (and in every event within 5 days) notify the Trustee. If the Trustee receives written notice that a Participating Trust no longer satisfies the conditions of Section 1.16, or if the Trustee determines in its sole discretion that a Participating Trust should withdraw for any reason, the Trustee shall take all steps necessary to distribute to such Participating Trust its entire interest in the Fund or Funds established pursuant to this Declaration of Trust, other than any interest the Participating Trust may have in a Liquidating Account, as soon as practicable after the Trustee receives such notice.

3.02 Other Conditions of Participation. The Trustee may establish conditions for eligibility to participate in any particular Class of a Fund by setting forth such conditions in the Description of Classes.

3.03 Deposits/Additions.

(a) With the consent of the Trustee and upon such prior notice as the Trustee may specify from time to time, a Qualified Trust may, as of any Valuation Date, acquire a beneficial interest in any Class of Units of a Fund by depositing with the Trustee, either directly or, to the extent permitted by the Trustee in its sole discretion, through NSCC or other trade delivery mechanisms, such assets as (i) the Plan Fiduciary of such Qualified Trust shall instruct, or (ii) if such Qualified Trust permits participants and beneficiaries thereof to direct investment of their accounts, and such instructions are communicated to the Trustee by such participants and beneficiaries, as such participants and beneficiaries shall instruct. The Trustee shall be fully protected in following the instructions of the Plan Fiduciary (or of the participants and beneficiaries, if applicable) as to the amounts and proportions of the assets of any deposit to be placed in any Fund. Only money and such other assets as are permissible investments for the Fund, and acceptable to the Trustee, may be deposited in such Fund. Assets other than money deposited in a Fund shall be valued pursuant to Section 5.02 as of the Valuation Date on which such deposit/addition is made, subject to Section 3.06.

(b) The Trustee shall credit to the account of each Participating Trust which makes a deposit in a Fund that number of Units which the deposit/addition will purchase at the value of each Unit of the Class in which the Participating Trust will acquire an interest on the Valuation Date as of which the deposit/addition is made.



(c) Notwithstanding anything to the contrary elsewhere herein, the Trustee in its sole discretion may allocate deposits made by a Participating Trust to a Dedicated Account, pursuant to Article 8.

3.04 **Withdrawals.** Subject to Section 5.03, the Plan Fiduciary of a Participating Trust may, as of any Valuation Date, withdraw any number of Units from a Class of a Fund in which it has made a deposit and has a beneficial interest (acting in its discretion or if such Participating Trust permits participants and beneficiaries thereof to direct investment of their accounts, acting at the direction of such participants and beneficiaries), provided that such right of withdrawal may be further limited by the Investment Characteristics, the Description of Classes or the Participation Agreement applicable to such Fund or Class. Notice of withdrawal must be received by the Trustee, either directly or, to the extent permitted by the Trustee in its sole discretion, through NSCC or other trade delivery mechanisms, no later than ten business days prior to such Valuation Date or within such other prior notice period as the Trustee may establish in the Investment Characteristics or the Description of Classes, but the Trustee may waive this requirement in its sole discretion in any case or may otherwise establish as a general policy a longer notice period from time to time; provided, however, that in the event of complete withdrawal from all Funds, notice of withdrawal must be received by the Trustee no later than 30 business days prior to such Valuation Date.

3.05 **Distributions upon Withdrawal.** Upon the withdrawal of Units of any Class of Fund, subject to the provisions of Section 3.06, the Trustee shall distribute from such Fund to the Participating Trust making such withdrawal a sum arrived at by multiplying the number of Units withdrawn by the value of each Unit of such Class of such Fund as of the close of business on the Valuation Date on which such withdrawal is effected. Such sum shall be distributed in cash or in kind or partly in cash and partly in kind (including, but not limited to, as an in-kind distribution, beneficial interests in a Liquidating Account or Dedicated Account), as the Trustee in its sole discretion shall determine. In its sole discretion, the Trustee may determine that distributions to different Participating Trusts effected as of the same Valuation Date may be composed of different proportions of cash and non-cash assets. The value of any asset other than cash which is distributed from a Fund shall be deemed to be the value thereof as determined pursuant to the valuation rules of Section 5.02 as of the close of business on the Valuation Date as of which the withdrawal is effected. Such distribution shall be paid within a reasonable time following the applicable Valuation Date, except that such distribution payment may be delayed if the Trustee determines that it cannot reasonably make such distribution payment on account of an order, directive, or other interference by an official or agency of any government, or on account of any other cause reasonably beyond its control, including, but not limited to, illiquid markets or illiquid securities. The Participating Trust receiving such distribution shall not be entitled to any interest or other income earned on such monies for the period between the Valuation Date and actual payment of distribution.

3.06 **Investment and Withdrawal Expenses.** Notwithstanding any other provision of this Declaration of Trust to the contrary, the Trustee, in its sole discretion, may determine with respect to any Fund that the actual expenses incurred or estimated expenses expected to be incurred in connection with cash deposits/additions to such Fund or withdrawals of Units of such Fund which are to be paid in cash (including, but not limited to, brokerage fees, settlement, stamp taxes, duty, stock listing and related expenses determined by the Trustee to be allocable to such deposit/addition or withdrawals as the case may be) shall be borne by the Participating Trust making such deposits/additions or withdrawals. Such expenses shall be charged to such Participating Trust either (i) by establishing a Liquidating Account or Dedicated Account as contemplated by Article 8 or (ii) by reducing (a) the number of Units issued or to be issued to any such Participating Trust by a number of Units or fractions thereof equal in value to such costs, in the case of a cash deposit/addition to a Fund, or (b) the amount of cash to be distributed to any such Participating Trust by the amount of such costs, in the case of a withdrawal. If a Liquidating Account or Dedicated Account is not established, the actual and estimated expenses expected to be incurred in connection with any deposit/addition or withdrawal shall be determined by the Trustee in its

sole discretion and, for convenience of administration, may be determined using a standard formula or other appropriate methodology.

3.07 Unit Accounting. A Participating Trust making an addition to or a withdrawal from a Class of a Fund shall be considered for accounting purposes to have purchased or sold, respectively, that number of whole and/or fractional Units of such Class of such Fund having an aggregate value equal to the value of the addition or withdrawal. The price at which Units are purchased or sold for purposes of this Section shall be the Unit value with respect to the applicable Class determined by the Trustee in accordance with Article 5.

#### ARTICLE 4 - INVESTMENTS AND ADMINISTRATION

4.01 Investment Characteristics. Subject to the provisions of this Section, the Trustee shall invest and reinvest the assets of each Fund established pursuant to this Declaration of Trust in accordance with such investment objectives, guidelines and restrictions, and each Fund shall be operated and maintained in accordance with such terms and conditions (collectively, the "Investment Characteristics"), as the Trustee, in its sole discretion, may specify upon the establishment of such Fund and from time to time thereafter. The decision of the Trustee as to whether an investment is of a type which may be purchased by a Fund under the Investment Characteristics for such Fund or this Declaration of Trust shall be conclusive and binding on all persons having an interest in the Fund. In the case of any conflict between the specific terms of the Investment Characteristics and this Declaration of Trust, the Investment Characteristics shall control except that no term of the Investment Characteristics may vary any term or condition of this Declaration of Trust which would cause the Funds to fail to qualify as group trusts under Revenue Ruling 81-100.

4.02 Short-Term Investments. Notwithstanding the Investment Characteristics of a Fund, the Trustee may from time to time, in its sole discretion, invest such portion of the assets of a Fund as it may deem advisable temporarily in short-term money market instruments or vehicles, including, but not limited to, U.S. Government obligations, bankers acceptances, commercial paper, certificates of deposit and other deposit accounts insured by the Federal Deposit Insurance Corporation, repurchase agreements, money market mutual funds (including, but not limited to, but subject to applicable law, those sponsored or advised by the Trustee or any of its Affiliates), and any short-term investment fund (including, but not limited to, but subject to applicable law, any such fund maintained by the Trustee or any of its Affiliates including, but not limited to, a Fund established pursuant to this Declaration of Trust) for which the Fund is an eligible participant.

4.03 Cash Balances. The Trustee is authorized to hold such part of a Fund uninvested as may be reasonably necessary for orderly administration of the Fund, and to deposit cash awaiting investment or distribution in interest-bearing accounts maintained in the commercial or savings department of any bank or savings association, the deposits of which are insured by the Federal Deposit Insurance Corporation.

4.04 Temporary Net Cash Overdrafts. Except for temporary net cash overdrafts, or as otherwise permitted by law, the Trustee shall not lend money to a Fund or sell property to or buy property from the Fund.

4.05 Ownership of Assets. No Participating Trust shall be deemed to have any individual ownership of any asset of any Fund, but each Participating Trust shall have an undivided ownership interest in such Fund and shall share proportionately with all other Participating Trusts in the net income, profits, and losses thereof. Notwithstanding the foregoing, separate Classes of Units may have differing fee and expense obligations as contemplated by Section 2.02. The Trustee shall have legal title to the assets of the Fund and no Participating Trust shall be deemed to have individual ownership of any asset.

4.06 Dealings with the Funds. All persons extending credit to, contracting with, or having any claim of any type against any Fund (including, but not limited to, contract, tort and statutory claims) shall look only to the assets of such Fund (and not to the assets of any other Fund) for payment under such credit, contract or claim. No Participating Trust, nor any beneficiary, trustee, employee or agent thereof, nor the Trustee (or any Affiliate), nor any of the officers, directors, shareholders, partners, employees or agents of the Trustee (or any Affiliate) shall be personally liable for any obligation of any Fund. Every note, bond, contract, instrument, certificate, or undertaking and every other act or thing whatsoever executed or done by or on behalf of any Fund shall be conclusively deemed to have been executed or done only by or for such Fund and no Fund shall be answerable for any obligation assumed or liability incurred by another Fund established hereunder.

4.07 Management Authority. The Trustee shall have exclusive management and investment authority with respect to any Fund established pursuant to this Declaration of Trust. Subject to the foregoing, the Trustee may retain and consult with such investment advisors or other consultants, including, but not limited to, any Affiliate of the Trustee, as the Trustee, in its sole discretion, may deem advisable to assist it in carrying out its responsibilities under this Declaration of Trust pursuant to Section 4.08(v). Notwithstanding the appointment of an investment advisor or consultant, all final investment decisions for the Fund shall be made by the Trustee.

4.08 Management and Administrative Powers. The Trustee shall have the rights, powers, and privileges of an absolute owner in the management and administration of the Funds established pursuant to this Declaration of Trust. In addition to and without limiting the powers and discretion conferred on the Trustee elsewhere in this Declaration of Trust, but subject to any restrictions in the Investment Characteristics with respect to a Fund, or by applicable law, the Trustee shall have the following discretionary powers with respect to any Fund:

(a) To subscribe for and to invest and reinvest funds in, to enter into contracts with respect to, and to hold for investment and to sell or otherwise dispose of any property, real, personal, or mixed, wherever situated, and whether or not productive of income or consisting of wasting assets, including, but not limited to, securities issued by registered or unregistered investment companies (including, but not limited to, companies maintained, sponsored, managed and/or advised by the Trustee or any of its Affiliates); interests in collective investment trusts which are exempt from tax under the Code or applicable Internal Revenue Service rulings and regulations (including, but not limited to, interests in The Schwab Institutional Trust Funds and any other collective investment trust maintained by the Trustee or any of its Affiliates under Revenue Ruling 81-100) (and while the assets are so invested, such collective investment trusts (and the instruments pursuant to which such trusts are established) shall constitute a part of this Declaration of Trust with respect to such Fund which holds such interest); securities, instruments, foreign currencies, and other assets including, but not limited to, obligations issued or guaranteed by the U.S. Government (including, but not limited to, its agencies and instrumentalities), bonds, debentures, notes (including, but not limited to, structured notes), mortgages, commercial paper, bankers' acceptances, and all other evidences of indebtedness; trust and participation certificates; certificates of deposit, demand or time deposits (including, but not limited to, any such deposits bearing a reasonable rate of interest in the Trustee or any of its Affiliates); foreign securities; options on securities and indexes, foreign currencies, contracts for the immediate or future delivery of currency, financial instruments or other property, options on futures contracts, spot and forward contracts, puts, calls, straddles, spreads or any combination thereof; swap contracts; beneficial interests in any trusts (including, but not limited to, structured trusts); repurchase agreements and reverse repurchase agreements; variable and indexed interest notes and investment contracts; common and preferred stocks, convertible securities, subscription rights, warrants, limited partnership interests, profit-sharing interests or participations and all other contracts for or evidences of equity interests; and direct or indirect interests in real estate; and to hold cash uninvested pending investment or distribution;

(b) With respect to interests in collective investment trusts which are exempt from tax under the Code or applicable Internal Revenue Service rulings and regulations (including, but not limited to, any collective investment trust maintained by the Trustee or any of its Affiliates under Revenue Ruling 81-100 of the Code), to appoint the trustees of such collective investment trusts as the investment manager of the assets of the portfolios delivered to such trustees for inclusion in such trusts pursuant to the terms of the instruments under which such trusts are established;

(c) To lend, pledge, mortgage, hypothecate, write options on and lease, any of the securities, instruments or assets referred to in subsection (a) of this Section, and without limiting the foregoing, to engage in any securities lending program on behalf of a Fund (and in connection therewith to direct the investment of cash collateral and other assets received as collateral in connection therewith), and during the term of such loan of securities to permit the securities so lent to be transferred in the name of and voted by the borrower, or others;

(d) To make distributions to the Participating Trusts, payable in cash, property or any combination of cash and property as determined by the Trustee in its sole discretion, out of the assets of a Fund;

(e) To establish and maintain bank, brokerage, commodity, currency, and other similar accounts, whether domestic or foreign, to enter into agreements in connection therewith, and, from time to time, to deposit securities or other Fund assets in such accounts;

(f) To sell for cash or upon credit, to convert, redeem, or exchange for other securities or property, to tender securities pursuant to tender offers, or otherwise to dispose of any securities or other property at any time held by a Fund or the Trustee on behalf of such Fund;

(g) Subject to Section 4.04, to borrow funds and in connection with any such borrowing to issue notes or other evidences of indebtedness, to secure such borrowing by mortgaging, pledging, or otherwise subjecting the Fund assets to security interests, to lend Fund assets, to endorse or guarantee the payment of any notes or other obligations of any person, and to make contracts of guaranty or suretyship, or otherwise assume liability for payment thereof;

(h) To incur and pay out of the assets of a Fund any charges, taxes, and expenses which in the opinion of the Trustee are necessary or incidental to, or in support of, the carrying out of any of the purposes of this Declaration of Trust or the Investment Characteristics applicable to such Fund (including, but not limited to, the compensation and fees for the Trustee, custodians, the valuation committees or agents, depositories, pricing agents, transfer agents, accountants, attorneys, brokers and broker-dealers, proxy voting agents and other independent contractors or agents);

(i) To join with other holders of any securities or debt instruments in acting through a committee, depository, voting trustee or otherwise, and in that connection to deposit any security or debt instrument with, or transfer any security or debt instrument to, any such committee, depository or trustee, and to delegate to them such power and authority with relation to any security or debt instrument (whether or not so deposited or transferred) as the Trustee shall deem proper, and to agree to pay, and to pay, such portion of the expenses and compensation of such committee, depository or trustee as the Trustee shall deem proper;

(j) To enter into joint ventures, general or limited partnerships, limited liability companies, and any other combinations or associations formed for investment purposes;

(k) To collect and receive any and all money and other property due to any Fund and to give full discharge thereof;

- (l) To maintain the indicia of ownership of assets outside the U.S. to the extent permitted by applicable law, including, but not limited to, ERISA;
- (m) To transfer any assets of a Fund to a custodian or sub-custodian employed by the Trustee;
- (n) To retain any property received by it at any time; to sell or exchange any property, for cash or on credit, at public or private sale;
- (o) Subject to Section 4.04, to borrow money as may be necessary or desirable to protect the assets of a Liquidating Account and to encumber or hypothecate the assets of such Liquidating Account to secure repayment of such indebtedness;
- (p) To exercise or dispose of any conversion, subscription, or other rights, discretionary or otherwise, including, but not limited to, the right to vote and grant proxies, appurtenant to any property held by the Fund at any time; and to vote and grant proxies with respect to all investments held by the Fund at any time;
- (q) To renew or extend any obligation held by the Fund;
- (r) To register or cause to be registered such property in the name of a nominee of the Trustee or any custodian appointed by the Trustee; provided, the records of the Trustee and any such custodian shall show that such property belongs to the Fund;
- (s) To deposit securities with a securities depository and to permit the securities so deposited to be held in the name of the depository's nominee, and to deposit securities issued or guaranteed by the U.S. Government or any agency or instrumentality thereof, including, but not limited to, securities evidenced by book-entry rather than by certificate, with the U.S. Department of the Treasury, a Federal Reserve Bank, or other appropriate custodial entity; provided, the records of the Trustee or any custodian appointed by the Trustee shall show that such securities belong to the Fund;
- (t) To settle, compromise, or submit to arbitration any claims, debts, or damages due or owing to or from the Fund; to commence or defend suits or legal proceedings whenever, in the Trustee's judgment, any interest of the Fund so requires; and to represent the Fund in all suits or legal proceedings in any court or before any other body or tribunal; and to pay from the Fund all costs and reasonable attorneys' fees in connection therewith;
- (u) To organize or acquire one or more corporations, wholly or partly owned by the Fund, each of which may be exempt from federal income taxation under the Code; to appoint ancillary or subordinate trustees or custodians to hold title to or other indicia of ownership of property of the Fund in those jurisdictions, domestic or foreign, in which the Trustee is not authorized to do business and to define the scope of the responsibilities of such trustee or custodian;
- (v) Subject to Section 4.07, to employ suitable agents, including, but not limited to, agents or pricing services to perform valuations of the assets of the Fund, custodians, transfer agents, investment advisors, consultants, auditors, depositories, and counsel, domestic or foreign (including, but not limited to, entities which are Affiliates of the Trustee), and, subject to applicable law, to pay their reasonable expenses and compensation from the Fund; and
- (w) To make, execute, and deliver any and all contracts and other instruments and documents deemed necessary and proper for the accomplishment of any of the Trustee's powers and responsibilities under this Declaration of Trust.



In construing the provisions of this Declaration of Trust, the presumption shall be in favor of a grant of power to the Trustee. Such powers of the Trustee may be exercised without order of or resort to any court.

#### ARTICLE 5 - VALUATION, ACCOUNTING, RECORDS, AND REPORTS

5.01 Valuation of Units. As of each Valuation Date, the Trustee shall determine the value of each of the Units of each Fund established pursuant to this Declaration of Trust in accordance with the following procedures:

(a) The Trustee shall determine the value of the assets of a Fund in accordance with the rules set forth in Section 5.02. The Trustee shall reflect any changes in security positions no later than in the first calculation on the first business day following the trade date.

(b) The Trustee shall subtract from the net value determined under Section 5.01(a) any expenses, charges, or other liabilities incurred or accrued by the Fund and not allocated to a particular Class of the Fund in the Description of Classes, as determined by the Trustee in good faith in accordance with procedures consistently followed and uniformly applied.

(c) The Trustee shall allocate the net value determined under Sections 5.01(a) and 5.01(b) among the Classes established with respect to such Fund (proportionate to the aggregate net asset value of the Fund represented by each Class immediately prior to the allocation under this Section 5.01) and shall thereafter subtract from such value any expenses, charges or other liabilities incurred or accrued by the Fund only with respect to such Class in accordance with the Description of Classes.

(d) The Trustee shall divide the net value determined under Section 5.01(c) by the total number of Units of such Class in existence as of the relevant Valuation Date.

The Trustee shall have a reasonable period of time, not exceeding ten business days following the Valuation Date for which Unit values are being determined, within which to determine the value of the Units and the aggregate value of the beneficial interest of each Participating Trust in the Fund.

5.02 Valuation of Assets. The assets of a Fund shall be valued using the following valuation rules. The Trustee shall have the power and duty to determine the value of the assets of each Fund.

(a) Unless otherwise determined by the Trustee, in determining the value of the assets of a Fund on a Valuation Date, the Trustee shall, except as provided in paragraph (b) below, value all securities and other assets of the Fund at prices that, in the opinion of the Trustee, represent the fair value of such securities or assets. At the sole discretion of the Trustee, certain or all of the securities and other investments shall be stated at fair value based on valuations furnished by one or more pricing services or agents approved by the Trustee.

(b) Short-term investments having a maturity of up to 365 days may, in the sole discretion of the Trustee, be valued at cost with accrued interest, discount earned or premium amortized included or reflected, as the case may be, in interest receivable.

(c) Following the valuations of securities or other portfolio assets in terms of the currency in which the valuation is expressed ("Local Currency"), the Trustee shall calculate these assets in terms of U.S. dollars on the basis of conversion of the Local Currencies into U.S. dollars at the prevailing currency exchange rates as determined by the Trustee on the applicable date.

The Trustee and any pricing agents or services selected by the Trustee may in its or their sole discretion consider and rely upon any regularly published reports of sales, bid, asked and closing prices, and over-the-counter quotations for the values of any listed or unlisted securities, assets, or currencies. The

reasonable and equitable decision of the Trustee regarding whether a method of valuation fairly indicates fair value, and the selection of a pricing agent or service, shall be conclusive and binding upon all persons.

In its sole discretion, the Trustee may appoint a valuation committee and/or a valuation agent (either of which may be an Affiliate of the Trustee) to perform any or all of the functions, and to exercise any or all of the powers, of the Trustee under this Section 5.02, under the same terms and conditions as apply with regard to the Trustee hereunder (including, but not limited to, the authority to select and rely upon one or more pricing agents or services). Any determination by such a valuation committee or valuation agent shall have the same effect as a determination by the Trustee itself.

**5.03 Suspension of Valuations and Deposit/ Addition and Withdrawal Rights.** Notwithstanding anything to the contrary elsewhere in this Declaration of Trust or the Investment Characteristics with respect to any Fund, the Trustee, in its sole discretion, may suspend the valuation of the assets or Units of any Fund pursuant to this Article 5 and/or the right to make deposits/additions to and withdrawals from such Fund in accordance with Article 3, for the whole or any part of any period when (a) any market or stock exchange on which a significant portion of the investments of such Fund are quoted is closed (other than for ordinary holidays) or dealings therein are restricted or suspended, or a closing of any such market or stock exchange or a suspension or restriction of dealings is threatened; (b) there exists any state of affairs which, in the opinion of the Trustee, constitutes an emergency as a result of which disposition of the assets of such Fund would not be reasonably practicable or would be seriously prejudicial to the Participating Trusts; (c) there has been a breakdown in the means of communication normally employed in determining the price or value of any of the investments of such Fund, or of current prices on any stock exchange on which a significant portion of the investments of such Fund are quoted, or when for any reason the prices or values of any investments owned by such Fund cannot reasonably be promptly and accurately ascertained; (d) the transfer of funds involved in the realization or acquisition of any investment cannot, in the opinion of the Trustee, be effected at normal rates of exchange; or (e) the normal settlement procedures for the purchase or sale of securities or other assets cannot be effected in the customary manner or in accordance with generally applicable time periods.

**5.04 Accounting Rules and Fiscal Year.** The Trustee shall account for the financial operations of the Fund on an accrual basis, and for any Liquidating Account on a cash basis, in accordance with generally accepted accounting principles. The fiscal year of the Fund initially shall be the calendar year.

**5.05 Expenses and Taxes.** The Trustee may charge to a Fund (i) the cost of money borrowed, (ii) costs, commissions, income taxes, withholding taxes, transfer and other taxes and expenses associated with the holding, purchase and/or sale, and receipt of income from, investments, (iii) the reasonable expenses of an audit of the Fund, (iv) reasonable attorneys' fees and litigation expenses, (v) the Trustee's compensation as provided in Section 6.03, (vi) the fees and expenses of any investment advisor or consultant engaged by the Trustee in accordance with Section 4.07 and 4.08(v), except to the extent provided in the Investment Characteristics with respect to the applicable Fund, and (vii) any other expense, claim, or charge properly payable from a Fund under this Declaration of Trust and applicable law, including, but not limited to, fees, expenses, charges and other liabilities due to an Affiliate of the Trustee. The Trustee may also charge to a particular Class of a Fund any other expense, claim or charge to be specifically allocated to such Class under the Description of Classes. The Trustee shall allocate among the Funds (and Classes of Units therein) established pursuant to this Declaration of Trust the charges and expenses described in this Section 5.05 in such manner as it shall deem equitable, and such allocation shall be conclusive and binding. Notwithstanding the foregoing, the compensation to be received by the Trustee for its services with respect to a Fund (and, if applicable, a particular Class of Units of a Fund) may be paid by the individual Participating Trusts pursuant to an arrangement that the Trustee may make with each such Participating Trust independently of this Declaration of Trust.



5.06 Records, Accounts and Audits. The Trustee shall keep such records as it deems necessary or advisable in its sole discretion to account properly for the operation and administration of the Fund. At least once during each period of 12 months, the Trustee shall cause a suitable audit to be made of the Fund by auditors responsible only to the Trustee's Board of Directors who by proper resolution shall formally appoint them for such audit. The reasonable compensation and expenses of the auditors for their services with respect to a Fund shall be charged to the Fund in accordance with Section 5.05.

5.07 Financial Reports. Within 90 days after the close of each fiscal year of the Fund and after the termination of the Fund, the Trustee shall prepare a written financial report, based on the audit referred to in Section 5.06, containing such information as may be required by applicable law and regulations.

(a) A copy of the report shall be furnished, or notice given that a copy thereof is available and will be furnished without charge on request, to each person to whom a regular periodic accounting would ordinarily be rendered with respect to each Participating Trust. In addition, a copy of the report shall be furnished on request to any person and the Trustee may make a reasonable charge therefore.

(b) If no written objections to specific items in the financial report are filed with the Trustee within 60 days after the report is sent by the Trustee, the report shall be deemed to have been approved with the same effect as though judicially approved by a court of competent jurisdiction in a proceeding in which all persons interested were made parties and were properly represented before such court, and, to the fullest extent permitted by applicable law, the Trustee shall be released and discharged from liability and accountability with respect to the propriety of its acts and transactions disclosed in the report. Any such written objection shall apply only to the proportionate share of the Participating Trust on whose behalf the objection is filed and shall not affect the proportionate share of any other Participating Trust. The Trustee shall, in any event, have the right to a settlement of its accounts in a judicial proceeding if it so elects.

(c) Except as otherwise required by this Declaration of Trust or applicable law, the Trustee shall have no obligation to render an accounting to any Participating Trust or beneficiary thereof.

5.08 Judicial Accounting. Except to the extent otherwise provided by applicable law, only the Trustee and any person entitled to a regular periodic accounting under the provisions of any Participating Trust may require the judicial settlement of the Trustee's account, or bring any other action against the Trustee with respect to a Fund or the Trustee's action as Trustee. In any such action or proceeding it shall be necessary to join as parties only the Trustee and such persons, and any judgment or decree which may be entered therein shall be conclusive.

5.09 Government Filing. The Trustee intends to file directly with the U.S. Department of Labor the information called for by Department of Labor regulations under Section 103(b)(4) of ERISA (29 CFR 2520.103-9).

## ARTICLE 6 - CONCERNING THE TRUSTEE

6.01 Merger, Consolidation of Trustee. Any corporation or association (i) into which the Trustee may be merged or with which it may be consolidated, (ii) resulting from any merger, consolidation, or reorganization to which the Trustee may be a party, or (iii) to which all or any part of the Trustee's fiduciary business which includes the Funds may be transferred shall become successor Trustee, and shall have all the rights, powers, and obligations of the Trustee under this Declaration of Trust, without the necessity of executing any instrument or performing any further act.

6.02 Limitation of Liability. Except as otherwise provided by applicable law, (i) the Trustee shall not be liable by reason of the purchase, retention, sale, or exchange of any investment, or for any loss in connection therewith, except to the extent such loss shall have been caused by its own negligence, willful

misconduct, or lack of good faith, and (ii) the Trustee shall not be liable for any mistake made in good faith in the administration of the Fund if, promptly after discovering the mistake, the Trustee takes whatever action the Trustee, in its sole discretion, may deem to be practicable under the circumstances to remedy the mistake.

6.03 Trustee Compensation. The Trustee may charge and pay from the Fund reasonable compensation for its services in managing and administering the Fund. Notwithstanding the foregoing, the Fund shall pay, or bear, any fees charged to any pooled investment fund or other entity in which the Fund may have invested to the extent permitted by applicable law.

6.04 Trustee's Authority. No person dealing with the Trustee shall be under any obligation to inquire regarding the authority of the Trustee, the validity or propriety of any transaction, or the application of any payment made to the Trustee.

6.05 Reliance on Experts and Others. The Trustee shall, in the performance of its duties, be fully protected by relying in good faith upon the books of account or other records of the Trust, or upon reports made to the Trustee by (a) any of the officers or employees of the Trust, (b) the custodians, depositories, any valuation committee or agents, pricing agents, or transfer agents of the Trust, or (c) any accountants, attorneys, or appraisers or other agents, experts or consultants selected with reasonable care by the Trustee. The Trustee, officers, employees, and agents of the Trust may take advice of counsel with respect to the meaning and operation of this Declaration of Trust or any Investment Characteristics or the Description of Classes applicable to a Fund, and shall be under no liability for any act or omission in accordance with such advice or for failing to follow such advice. The exercise by the Trustee of its powers and discretion hereunder and the construction in good faith by the Trustee of the meaning or effect of any provisions of this Declaration of Trust or a Plan applicable to a Fund shall be binding upon everyone interested.

6.06 Reliance on Communications. The Trustee shall be fully protected in acting upon any instrument, certificate, or document believed by it to be genuine and to be signed or presented by the proper person or persons. The Trustee shall have no duty to make an investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

6.07 Action by Trustee. The Trustee may exercise its rights and powers and perform its duties hereunder through such of its officers and employees as shall be authorized to perform such functions by the Trustee's Board of Directors through general or specific resolutions. However, the Trustee solely shall be responsible for the performance of all rights and responsibilities conferred on it as Trustee hereunder, and no such officer or employee individually shall be deemed to have any fiduciary authority or responsibility with respect to the Fund.

6.08 Discretion of the Trustee. The discretion of the Trustee, when exercised in good faith and with reasonable care under the circumstances then prevailing, shall be final and conclusive and binding upon each Participating Trust and all persons interested therein.

## ARTICLE 7 - AMENDMENT AND TERMINATION

7.01 Amendment. The Trustee may amend this Declaration of Trust at any time. Any such amendment shall take effect as of the date specified by the Trustee. However, any amendment materially changing the Investment Characteristics of a Fund or the Description of Classes with respect to an existing Class of a Fund shall be effective no earlier than the Valuation Date that is at least 30 days after the Trustee gives notice of such amendment in accordance with Section 7.03. Any amendment adopted by the Trustee shall be binding upon each Participating Trust and all persons interested therein.

7.02 Termination. The Trustee may terminate the Fund at any time. In such event, the assets of the Fund shall be administered and distributed as if it were a Liquidating Account. Notwithstanding the foregoing, pursuant to the terms of the Investment Characteristics/Fund Declaration of the Funds as set forth in Appendix A hereto, certain of the Funds may establish a specific target date at which time the Fund will be terminated, and all assets of the Fund will be transferred automatically to another specifically designated Fund.

7.03 Notices. The Trustee shall give written notice of any material amendment, or of the termination of the Fund, to each person to whom a regular periodic accounting would ordinarily be rendered with respect to each affected Participating Trust. Any such notice or other notice or communication required or permitted hereunder shall be deemed to have been given at the time the Trustee delivers the notice personally or mails the notice First class, postage prepaid, registered, or certified to the address of the appropriate recipient as shown on the Trustee's records.

## ARTICLE 8 - LIQUIDATING ACCOUNTS AND DEDICATED ACCOUNTS

### 8.01 Establishment.

(a) The Trustee may in its sole discretion, from time to time, transfer any illiquid, impaired, or defaulted investment of any Fund to a Liquidating Account. The primary purpose of each Liquidating Account shall be to facilitate the liquidation and pricing of the assets contained therein for the benefit of the Participating Trusts holding a beneficial interest therein. The period during which the Trustee may continue to hold any such assets shall rest in its sole discretion.

(b) The Trustee may in its sole discretion, from time to time, establish one or more Dedicated Accounts related to a Fund to hold cash, securities, or other assets received from, and other investments made for the benefit of, one or more specific Participating Trusts, pending the investment of such deposits in securities or other investments which the Trustee considers suitable for such Fund, or in connection with the distribution or withdrawal of cash, securities, or other investments held for the benefit of the Participating Trusts holding a beneficial interest in such Dedicated Account, or for such other purposes as the Trustee shall deem appropriate.

(c) Each Liquidating Account or Dedicated Account shall be maintained and administered solely for the ratable benefit of the Participating Trusts whose cash, securities, or other assets has been transferred thereto or deposited therein and each Participating Trust whose cash, securities, or other assets have been transferred thereto or deposited therein shall have a beneficial interest therein equal to the portion of such account represented by such transfer or deposit.

8.02 Additional Powers and Duties of Trustee. The Trustee shall have, in addition to all of the powers granted to it by law and by the terms of this Declaration of Trust, each and every discretionary power of management of the assets contained in a Liquidating Account or a Dedicated Account (and of all proceeds of such assets) which the Trustee shall deem necessary or convenient to accomplish the purposes of such Liquidating Account or Dedicated Account. At the time of the establishment of a Liquidating Account or a Dedicated Account, and upon each deposit of additional money to such Dedicated Account, the Trustee shall prepare a schedule showing the interest of each Participating Trust therein. When the assets of such Liquidating Account or Dedicated Account shall have been completely distributed, such schedule shall be thereafter held as part of the permanent records of the Fund to which the Liquidating Account or Dedicated Account relates. The Trustee shall include in any report of audit for a Fund a report for each related Liquidating Account and Dedicated Account established hereunder. For purposes hereof, the

value of assets transferred to or held in a Liquidating Account or Dedicated Account (and the beneficial interest of any Participating Trust therein) may be based upon value as provided in Section 5.02, or amortized cost, or book value, as determined by the Trustee in its sole discretion.

8.03 **Limitation on Contributions to Liquidating Account.** No further contributions shall be made to any Liquidating Account after its establishment, except that the Trustee shall have the power and authority, if in the Trustee's reasonable opinion such action is advisable for the protection of any asset held therein, to borrow from others (to be secured by the assets held in such Liquidating Account) and to make and renew such note or notes therefore as the Trustee may determine.

8.04 **Distributions.** The Trustee may make distributions from a Dedicated Account or Liquidating Account in cash or in kind or partly in cash and partly in kind, and, except as otherwise provided in the Investment Characteristics with respect to any Fund for the Fund to which such Dedicated Account or Liquidating Account relates, the time and manner of making all such distributions shall rest in the sole discretion of the Trustee; provided that all such distributions as of any one time shall be made ratably and on the same basis among the Participating Trusts which hold a beneficial interest in such Dedicated Account or Liquidating Account. Income, gains, and losses attributable to a Dedicated Account or Liquidating Account shall be allocated among the Participating Trusts which hold a beneficial interest in such Dedicated Account or Liquidating Account, in proportion to such respective beneficial interests. Notwithstanding anything to the contrary elsewhere herein, with respect to a Dedicated Account established to pay the Participating Trusts for the withdrawal of Units from the Fund pursuant to Section 3.04 hereof, the Trustee shall have satisfied its obligation to the Participating Trusts to pay the amount due upon redemption as long as (i) the Trustee has transferred to the Dedicated Account, as soon as reasonably practicable after the applicable Valuation Date which has established the value of the Units of the Fund so redeemed, securities and other assets with a fair value as of the applicable Valuation Date before consideration of applicable transaction expenses (as described in Section 3.06) equal to the value of the Units so redeemed, and (ii) the Trustee pays out to the Participating Trusts, the net proceeds realized upon the sale, disposition, or liquidation of the securities and assets in such Dedicated Account as provided in this Section within a reasonable time after the transfer of such securities and other assets to such Dedicated Account.

8.05 **Effect of Establishing Liquidating Accounts and Dedicated Accounts.** After an asset of a Fund has been set apart in a Liquidating Account or when assets of one or more Participating Trusts are held in a Dedicated Account, such assets shall be subject to the provisions of this Article, but such assets shall also be subject to all other provisions of this Declaration of Trust insofar as the same shall be applicable thereto and not inconsistent with the provisions of this Article. For the purpose of deposits/additions to and withdrawals from a Fund, and for purposes of determining the value of the Units of a Fund and the income, gains, or losses of a Fund that are allocated among Participating Trusts pursuant to the other provisions of this Declaration of Trust, the value, income, gains, or losses of any assets held in any Liquidating Account or Dedicated Account shall be excluded. As of any subsequent Valuation Date selected by the Trustee in its sole discretion, any assets held in a Dedicated Account may be valued in accordance with Section 5.02 and transferred by the Trustee to the appropriate Fund, in which event the Participating Trusts which hold a beneficial interest in such Dedicated Account shall be allocated in proportion to their respective beneficial interests such number of Units of such Fund as would be issued if assets of the Dedicated Account were treated as a deposit to the Fund pursuant to Section 3.03.

8.06 **Fees and Expenses.** Each Liquidating Account and Dedicated Account shall be charged with the expenses attributable to the administration and management of such account (including, but not limited to, brokerage fees, settlement charges, stamp taxes, duty, stock listing and related expenses, attorneys' fees and auditing fees). Such Liquidating Accounts and Dedicated Accounts shall remain as part of the assets

of the applicable Fund for purposes of determining the fee payable to the Trustee in accordance with such fee schedule as may apply from time to time.

#### ARTICLE 9 - GENERAL PROVISIONS

9.01 Diversion, Assignment Prohibited. The following provisions shall apply, notwithstanding any provision of this Declaration of Trust or any amendment hereto to the contrary.

(a) No part of the corpus or income of any Fund which equitably belongs to a Participating Trust, shall be used or diverted to any purposes other than for the exclusive benefit of the employees or their beneficiaries who are entitled to benefits under such Participating Trust.

(b) No Participating Trust may assign all or any portion of its equity or interest in the Fund.

(c) No part of the Fund which equitably belongs to a Participating Trust shall be subject to any legal process, levy of execution, or attachment or garnishment proceedings for payment of any claim against any such Participating Trust or any employee or beneficiary thereof.

9.02 Governing Law. This Declaration of Trust shall be construed, and the Fund shall be administered, in accordance with ERISA and other applicable federal law and, to the extent not preempted by the foregoing, the laws of the State of California.

9.03 Sites of Fund. The Fund is created and shall be held, managed, administered, and maintained at all times as a domestic trust in the U.S.

9.04 Inspection. A copy of this Declaration of Trust shall be kept on file at the principal office of the Trustee, available for inspection during normal business hours. A copy of this Declaration of Trust shall be sent upon request to each person to whom a regular periodic accounting would be rendered with respect to each Participating Trust, and shall be furnished to any other person upon request for a reasonable charge.

9.05 Titles. The titles and headings in this Declaration of Trust are for convenience and reference only, and shall not limit or affect in any manner any provision contained therein.

9.06 Invalid Provisions. If any paragraph, Section, sentence, clause or phrase contained in this Declaration of Trust is illegal, null, or void, or against public policy, the remaining provisions thereof shall not be affected.

9.07 Status of Instrument. This instrument contains the provisions of this Declaration of Trust as of [New Date].

CHARLES SCHWAB BANK,  
A Division of Charles Schwab Bank

By: \_\_\_\_\_  
Name: Mark Coffrini  
Title: Senior Vice President

Schwab Managed Retirement Trust Funds  
Investment Characteristics / Fund Declaration  
Amended and Restated as of [May 15, 2012]

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**APPENDIX A**

Pursuant to Section 2.01 and 4.01 of the Declaration of Trust, as amended and restated, which authorizes the Trustee to establish investment funds and establish and amend investment characteristics for such funds, the Trustee hereby acknowledges the establishment of the following Schwab Managed Retirement Trust Funds under the Collective Trust:

Actively Managed Series

- Schwab Managed Retirement Trust Fund 2010
- Schwab Managed Retirement Trust Fund 2015
- Schwab Managed Retirement Trust Fund 2020
- Schwab Managed Retirement Trust Fund 2025
- Schwab Managed Retirement Trust Fund 2030
- Schwab Managed Retirement Trust Fund 2035
- Schwab Managed Retirement Trust Fund 2040
- Schwab Managed Retirement Trust Fund 2045
- Schwab Managed Retirement Trust Fund 2050
- Schwab Managed Retirement Trust Fund 2055
- Schwab Managed Retirement Trust Fund Income

Indexed Series (also generally referred to as the "Schwab Indexed Retirement Trust Funds")

- Schwab Indexed Retirement Trust Fund 2010
- Schwab Indexed Retirement Trust Fund 2015
- Schwab Indexed Retirement Trust Fund 2020
- Schwab Indexed Retirement Trust Fund 2025
- Schwab Indexed Retirement Trust Fund 2030
- Schwab Indexed Retirement Trust Fund 2035
- Schwab Indexed Retirement Trust Fund 2040
- Schwab Indexed Retirement Trust Fund 2045
- Schwab Indexed Retirement Trust Fund 2050
- Schwab Indexed Retirement Trust Fund 2055

The provisions of the Declaration of Trust are incorporated herein by reference. In addition, the Trustee agrees and declares that it will hold, administer and deal with all money and property received or purchased by it as Trustee of the Collective Trust on behalf of the Fund subject to the additional terms and conditions set forth herein. Capitalized terms used and not otherwise defined shall have the meanings set forth in the Declaration of Trust.

1. **Investment Objective.** The Funds, with the exception of the Schwab Managed Retirement Trust Income Fund, seek to provide total return for investors retiring approximately at or near the years 2010, 2015, 2020, 2025, 2030, 2035, 2040, 2045, 2050, and 2055 respectively (each such year referred to as the "Target Year" for the Fund). The Schwab Managed Retirement Trust Income Fund seeks to provide total return for investors near or in retirement who may want to receive income on a regular basis (e.g., monthly or quarterly).

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Each Fund is designed as a single investment portfolio that adjusts over time to meet the changing risk and return objectives of investors over their expected investment horizon. As the Target Year approaches, each Fund's portfolio becomes more conservative.

Each Fund may diversify holdings by investing in assets across a variety of pre-defined asset classes, including, but not limited to, large cap equities, mid cap equities, small cap equities, international equities, fixed income, stable value, money market, alternative investments (including, but not limited to REITS, commodities, currencies, etc.), and other asset classes containing hedging or portable alpha type strategies.

Specific allocations of investments to an asset class with respect to any Fund will be determined by the Charles Schwab Bank Collective Trust Fund Investment Committee in accordance with Section 2 of this Appendix. A report of the asset classes and allocation percentages with respect to the Funds shall be furnished to a Participating Trust upon request.

Each fund will invest in assets that are selected to meet the criteria of the applicable asset class, and such asset will include, but are not limited, to holdings in collective investment trusts, including, but not limited to, other collective investment funds managed and distributed by the Trustee or an Affiliate of the Trustee; pooled accounts, separately managed accounts, non-correlated securities offered by other financial institutions; and/or mutual funds, including, but not limited to, mutual funds of the Trustee or an Affiliate of the Trustee.

2. Management Process. Each Fund follows an asset allocation strategy that systematically changes over a sixty-five (65) year time-frame ending 20 years after the Target Date defined for the Fund, becoming more conservative as the Target Date approaches and thereafter.

The asset allocation models for each Fund in both the Actively Managed Series and Indexed Series, with the exception of the Schwab Managed Retirement Trust Income Fund, (i) will maintain a cash exposure of no greater than 3%, (ii) reduce an initial 95% equity exposure at the beginning of the 65 year period to 40% at the designated Target Date and 25% at twenty years after the Target Date, and (iii) increase an initial 5% fixed income exposure to 60% at the designated Target Year, and 75% at twenty years after the designated Target Date. The model for the Schwab Managed Retirement Trust Fund Income has a target cash exposure of no greater than 3%, a target 25% equity exposure, and a target 75% fixed income exposure throughout the entire life of the Fund.

The Actively Managed Series will utilize a predominantly actively managed investment process for selecting Fund investments that meet the criteria of each asset class defined in the asset allocation strategy.

The Indexed Series will utilize a predominantly passively managed investment process for selecting Fund investments that (i) meet the criteria of each asset class defined in the asset allocation strategy, and (ii) are intended to closely replicate broad market indices including, but not limited to, the Russell 1000 Index, the Russell 2000 Index, the MSCI EAFE Index, and the Lehman Brothers Aggregate Index. Notwithstanding the foregoing, with respect to any specific asset class in the Indexed Series, Charles Schwab Bank may determine at its own discretion to utilize an actively managed investment process for selecting Fund Investments that meet the criteria of the asset class.

Within the asset allocation model for each Fund, the target equity asset allocation and the target fixed income allocation are referred to as the "target policy asset allocations." Notwithstanding the foregoing, the Trustee's ability to meet the target policy asset allocations is subject to the terms and conditions of the governing documents applicable to the underlying securities in the Fund; and the Trustee, at its own

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- IN WITNESS WHEREOF, Charles Schwab Bank, as Trustee of the Schwab Managed Retirement Trust Funds, has caused this Investment Characteristics/Fund Declaration for the Schwab Managed Retirement Trust Funds, as amended and restated, to be executed by its proper officer as of May 15, 2012.

By: /s/  
Name: Mark Coffrini  
Title: Senior Vice President

Schwab Managed Retirement Trust Funds  
Investment Characteristics / Fund Declaration  
Amended and Restated as of May 15, 2012

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**SCHEDULE A**

For services rendered with respect to the Funds in the Actively Managed Series of the Schwab Managed Retirement Trust Funds, the Trustee shall be entitled to receive, with respect to the assets of each Fund, a bundled fee charged at the following annual rates, such fee to accrue on a daily basis and be paid monthly out of the assets of the respective Unit Class.

<i>Class</i>	<i>Fee Rate</i>
Unit Class I	0.89%
Unit Class II	0.69%
Unit Class III	0.54%
Unit Class IV	0.45%

For services rendered with respect to the Funds in the Indexed Series of the Schwab Managed Retirement Trust Funds, the Trustee shall be entitled to receive, with respect to the assets of each Fund in any Unit Class then offered, a bundled fee charged at an annual rate of 0.18%, such fee to accrue on a daily basis and be paid monthly out of the assets of the respective Unit Class.

The fees set forth above shall be offset in full by the amount of any fees and expenses that are included in the total expense ratio of an underlying fund on account of the investment of any assets of the Fund in any collective investment trusts that are maintained by the Trustee or any sub-advisor (including any Affiliate of the Trustee or a sub-advisor), and any investment companies registered under the 1940 Act that are managed, advised, distributed or otherwise serviced by the Trustee or any sub-advisor (including any Affiliate of the Trustee or a sub-advisor). In no case will the offset required under this paragraph with respect to any portion of the Fund exceed the amount set forth above with respect to such portion of the Fund.

In addition, the fees with respect to each Fund shall be offset in full by the amount of any other fees or expenses (which for these purposes shall not exceed the amount set forth above), including any such fees and expenses that are included in the total expense ratio of the underlying fund, received by the Trustee or any of its Affiliates on account of the investment of any assets of such Fund in any collective investment trusts or money market mutual funds that are maintained by the Trustee or any of its Affiliates.

The Trustee may pay a portion of its bundled fees to a service provider to the Participating Trust for services rendered pursuant to a servicing agreement with the service provider to the Participating Trust. The Trustee supports a variety of pricing alternatives which generally are based on the level of plan assets and whether the Trustee acts as trustee or custodian of the Participating Trust or as managing agent of the Participating Trust.

Under this structure, the Trustee generally retains a portion of the bundled fees, typically ranging on average from 0 to 50 basis points, for services rendered with respect to each Fund. The Trustee generally forwards the remaining portion of fees collected from each Fund to the Participating Trust's service provider for additional services it provides to Participating Trust participants, as follows:

1. Where the Trustee of the Fund acts as trustee or custodian of the Participating Trust, the service provider may elect to participate in the Trustee's recordkeeper servicing arrangements and are eligible to receive a range of compensation delineated above.
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Schwab Managed Retirement Trust Funds  
Investment Characteristics / Fund Declaration  
Amended and Restated as of May 15, 2012

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2. Where the Trustee of the Fund acts not as trustee or custodian but as managing agent of the Participating Trust, the service provider to the Participating Trust will receive a fee from 0 to 35 basis points, depending on the unit class of the Fund in which the Participating Trust is invested.
  3. Certain service providers may not be eligible to participate in the Trustee's servicing arrangements based on the level of Participating Trust assets, and in such case, the Trustee will not forward a portion of its fee to the Participating Trust's service provider. Plan Fiduciaries may contact the Participating Trust's service provider to determine if such service provider receives such payments and if so, the amount of such payment relative to their Plan.
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Schwab Managed Retirement Trust Funds  
Investment Characteristics / Fund Declaration  
Amended and Restated as of May 15, 2012

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**APPENDIX B**

Pursuant to Section 2.02 of the Declaration of Trust, as amended and restated, (the “Declaration of Trust”), which authorizes Charles Schwab Bank, a division of Charles Schwab Bank, as trustee (the “Trustee”) of the Schwab Managed Retirement Trust Funds (the “Collective Trust”) to divide investment funds established thereunder (each, a “Fund” and collectively, the “Funds”) into one or more Classes of Units representing beneficial interests in such Funds with differing fee and expense obligations, the Trustee hereby declares that if and to the extent so designated in the Investment Characteristics/Fund Declaration, each Fund shall have the authority to issue Units in the following Classes, each of which shall have the rights, privileges and obligations set forth below: Unit Class I, Unit Class II, Unit Class III, and Unit Class IV. Each Class of Units of a Fund shall bear the fees designated for such Unit Class in the Investment Characteristics/Fund Declaration. Capitalized terms used and not otherwise defined shall have the meanings set forth in the Declaration of Trust.

1. A Qualified Trust, including a collective trust fund maintained by the Trustee or an Affiliate of the Trustee, shall qualify for investment in Unit Class I, Unit Class II, or Unit Class III of the Actively Managed Series or Unit Class I of the Indexed Series of the Funds, at the sole discretion of the Trustee, and based upon such other factors as may be determined by the Trustee in accordance with its standard internal procedures.

A Qualified Trust, including a collective trust fund maintained by the Trustee or an Affiliate of the Trustee, shall qualify for investment in Unit Class IV of the Actively Managed Series of the Funds at the sole discretion of the Trustee and based upon (A) the total assets of such Qualified Trust invested in the Funds, as determined and approved by the Trustee no earlier than six months prior to the initial investment in the Unit Class, such time-frame being established to support the Plan Fiduciary’s need to plan for such investment and to notify Plan participants of the establishment of the investment option within their retirement plan, (B) the extent to which the Qualified Trust is a “Client” either because (i) the Trustee provides non-discretionary trustee or custodian services for the Qualified Trust notwithstanding any investment by the Qualified Trust in the Funds or (ii) the Trustee or one of its Affiliates provides recordkeeping services with respect to the Qualified Trust (in either case, a “Client Qualified Trust”), and (C) such other factors as may be determined by the Trustee in accordance with its standard internal procedures, including procedures to permit the aggregation of assets of certain affiliated plans.

The aggregate amount invested in the Funds necessary for a plan to qualify for investment in a particular Unit Class is as follows:

**Actively Managed Series**

Unit Class I:	No Minimum Requirement
Unit Class II:	No Minimum Requirement
Unit Class III:	No Minimum Requirement
Unit Class IV:	No Minimum Requirement for Client Qualified Trusts, \$25,000,000 Minimum Requirement or total assets greater than \$100,000,000 for all other Qualified Trusts

**Indexed Series**

Unit Class I:	No Minimum Requirement
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Schwab Managed Retirement Trust Funds  
Investment Characteristics / Fund Declaration  
Amended and Restated as of May 15, 2012

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2. Any Qualified Trust shall be permitted to remain in the Unit Class in which it is either accepted or invested, or, in its sole discretion, to convert to any other Unit Class for which it is eligible. Each Qualified Trust is responsible for its own decision as to the selection of a Unit Class, provided it satisfies the criteria and complies with any conditions for such Unit Class established by the Trustee hereunder.

3. The Trustee in its sole discretion, shall establish internal operating procedures from time to time by which the Trustee shall review and accept a Qualified Trust as a Participating Trust in a specific Unit Class and/or transfer or convert the assets of a Qualified Trust from one Unit Class to a different Unit Class. In connection with the execution of a Participation Agreement and upon reasonable request, each Plan Fiduciary will provide such information as the Trustee determines to be necessary or appropriate so that the Trustee may determine and verify the satisfaction of the criteria designated from time to time for eligibility to participate in a particular Class, including criteria set forth in this Description of Classes.

4. The rate at which Fees will be paid for the Unit Classes of each Fund shall be as set forth in the Investment Characteristics/Fund Declaration as such Fees may be changed from time to time.

IN WITNESS WHEREOF, Charles Schwab Bank, as Trustee of the Schwab Managed Retirement Trust Funds, has caused this Description of Classes for the Schwab Managed Retirement Trust Funds to be executed by its proper officer as of May 15, 2012.

CHARLES SCHWAB BANK,  
A Division of Charles Schwab Bank

By: /s/  
Name: Mark Coffrini  
Title: Senior Vice President