

2018 Percentage of Income Subject to AMT

The enclosed supplemental tax information for percentage of income subject to the Federal Alternative Minimum Tax (AMT) may be useful in the preparation of your federal, state, and/or city tax returns.

Percentage of Income Subject to AMT

Depending on your individual tax situation, you may be required to file IRS Form 6251, Alternative Minimum Tax—Individuals. Please refer to box 11 on your Form 1099-DIV from Charles Schwab & Co., Inc. for the amount of tax-exempt interest dividends you earned that should be included on IRS Form 6251, if any. For more information about national and state-specific money funds and bond funds, please visit schwabfunds.com.

For advice on your particular tax situation, or for more information on the taxes covered in this supplement, please consult a tax advisor, the Internal Revenue Service or your state tax authority.

Fund Name	2018 AMT (%)
Schwab Municipal Money Fund™ ¹	38.35%
Schwab NY Municipal Money Fund™ ¹	30.17%
Schwab CA Municipal Money Fund™ ¹	23.21%
Schwab AMT Tax-Free Money Fund™ ¹	0.00%
Schwab California Tax-Free Bond Fund	0.00%
Schwab Tax-Free Bond Fund™	0.00%

¹ Percentages apply to all share classes.

Charles Schwab Investment Management

With a straightforward lineup of core products and solutions for building the foundation of a portfolio, Charles Schwab Investment Management advocates for investors of all sizes with a steadfast focus on lowering costs and reducing unnecessary complexity.

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

You could lose money by investing in the Schwab Money Funds. All Schwab Money Funds with the exception of Schwab Variable Share Price Money Fund seek to preserve the value of your investment at \$1.00 per share, but cannot guarantee they will do so. Because the share price of the Schwab Variable Share Price Money Fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. All Schwab Money Funds with the exception of Schwab Government Money Fund, Schwab U.S. Treasury Money Fund, Schwab Treasury Obligations Money Fund, Schwab Government Money Market Portfolio, and Schwab Retirement Government Money Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Schwab Money Funds is not insured or guaranteed by the FDIC or any other government agency. The Schwab Money Funds' sponsor has no legal obligation to provide financial support to the Funds, and you should not expect that the sponsor will provide financial support to the Funds at any time.

Not FDIC insured No bank guarantee May lose value

In addition to the federal Alternative Minimum tax, state and local taxes may, in certain situations, apply to income received from municipal money market funds. Capital gains (if any) are not exempt from federal taxes.

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