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CORPORATE SERVICES

News Release

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NEW RETIREMENT INCOME FUND ADDED TO SCHWAB TARGET RETIREMENT FUND FAMILY

New Schwab fund designed for 401(k) participants in or near retirement

SAN FRANCISCO – March 9, 2005 – Schwab Corporate Services, a leading provider of workplace financial benefit plan services, has announced a new collective trust fund that provides an in-retirement investment choice for 401(k) participants. The new Schwab Managed Retirement Trust Fund-Income is the fifth actively managed fund in Schwab's target retirement fund family, which is available exclusively to retirement plan participants.

The new fund is designed to offer stability and income, along with a growth component to help provide for today's longer retirements. The fund invests 75 percent of its portfolio in bonds, stable value investments and cash and 25 percent in stocks. Assets are diversified among a combination of underlying Schwab Institutional Trust Funds® and/or mutual funds, including nonproprietary mutual funds. Plan participants can also draw monthly payments from the fund for day-to-day living.[1]

"With so many 401(k) plan participants nearing retirement, demand is growing for an in-retirement investment solution that helps them manage the assets they have worked so hard to create," said Trish Cox, vice president, Schwab Corporate Services. "Now, participants at retirement can make a simple choice that offers all the benefits of the Schwab Managed Retirement Trust Funds along with continued access to the many services they have enjoyed as plan participants during their working years."

The Schwab Managed Retirement Trust Fund-Income complements Schwab's four target retirement funds, which employ investment mixes and asset allocations that are gradually adjusted with the goal of balancing risk and return, growing more conservative over time. During their working years, plan participants can invest in a target fund based on their target retirement year (2010, 2020, 2030 or 2040) and then move assets into the new income fund at or near retirement.

The Schwab Managed Retirement Trust Funds™ are collective trust funds managed by independent sub-advisors, including Dodge & Cox, Goldman Sachs, INVESCO, Pictet, PIMCO, and Turner Investment Management. By using this multi-manager approach, Schwab is able to offer industry-leading money managers in *each* asset class, unlike most other target retirement funds that are confined to a single manager for an entire portfolio. These funds also provide lower operating expenses than similar actively managed mutual funds—a key feature for investors who are seeking to maximize their retirement portfolios.

A popular family

"We attribute the popularity of the Schwab Managed Retirement Trust Funds to both the appeal of target retirement funds in general and to the unique model upon which we built these funds," said John Sturiale, director, Schwab Retirement Investment Services. "We know that many participants are interested in reaching their retirement goals with a minimum of effort, investment know-how and expense. Our funds allow participants to invest in well-diversified portfolios in one easy step, and to benefit from the expertise of the funds' independent money managers who have achieved strong investment performance in their respective asset classes."

(more)

All four target retirement funds surpassed industry benchmarks last year and since inception in 2002. Assets in the Schwab Managed Retirement Trust Funds exceed $500 million.

Target Retirement Fund Performance Data as of 12/31/04

Schwab Managed Retirement Trust Funds[2]	**One-year Return**	Industry Benchmark Comparison[3]	**Average Return Since Inception (10/02/02)**	Industry Benchmark Comparison[3]
Schwab 2010	**9.46%**	8.38%	**11.61%**	11.19%
Schwab 2020	**12.30%**	10.54%	**14.91%**	14.29%
Schwab 2030	**13.97%**	11.88%	**17.08%**	16.22%
Schwab 2040	**15.12%**	12.71%	**17.92%**	17.41%

Performance quoted is past performance, is no guarantee of future results, and assumes that dividends and distributions are reinvested. Current performance may be lower or higher. Funds are actively managed at a fund level by independent professionals.

About Schwab Corporate Services

Schwab Corporate Services (SCS) provides services to retirement plans, retirement plan sponsors and participants through Schwab Retirement Plan Services, Inc. (SRPS), The Charles Schwab Trust Company (CSTC), Schwab Retirement Technologies®, and Charles Schwab & Co., Inc. SCS also provides equity compensation plan services and other financial and retirement services to corporations and executives. SRPS provides recordkeeping and related services with respect to retirement plans. CSTC, a California state-chartered trust company, provides trust and custody services with respect to benefit plans. Schwab Retirement Technologies is engaged in developing and licensing proprietary retirement plan recordkeeping systems to independent third party administrators. Charles Schwab & Co., Inc. (Member SIPC) is a registered broker/dealer, offering the Schwab Personal Choice Retirement Account® (PCRA), as well as other brokerage and custody services to its customers. These entities are affiliates of each other and are wholly owned subsidiaries of The Charles Schwab Corporation. Total client assets in employer-sponsored retirement plans at Schwab equaled $131 billion at the end of December 2004. The Charles Schwab Corporation (NYSE / Nasdaq: SCH), through Charles Schwab & Co., Inc. (member SIPC), U.S. Trust Corporation (member FDIC), CyberTrader®, Inc. (member SIPC) and its other operating subsidiaries, is one of the nation's largest financial services firms. (0305-3749)

[1] Subject to the terms of the retirement plan, as applicable.

[2] The Schwab Managed Retirement Trust Funds are collective trust funds that are maintained by The Charles Schwab Trust Company. They are not mutual funds and their units are not registered with the SEC or regulatory authorities in any state or other jurisdiction. The funds are not guaranteed by The Charles Schwab Trust Company, any of its affiliates, the FDIC or any other government agency. The unit value of the funds will fluctuate and investors may lose money.

[3] The benchmark is the performance of a composite with asset allocations identically weighted to those of the Fund and is comprised of the following unmanaged indices: Russell 3000 Index, MSCI EAFE Ndtr_D Index, Lehman Bros. Aggregate Bond Index and Salomon Bros. 3-Month T-Bills. The benchmark model assumes monthly rebalancing and includes the reinvestment of income. Indices do not incur management fees, costs and expenses, and cannot be invested in directly.

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