

Contact:

Mike Peterson
Charles Schwab & Co. Inc.
Phone: 330-908-4334
mike.peterson@schwab.com

POPULAR SCHWAB MANAGED RETIREMENT TRUST FUNDS™ NOW AVAILABLE TO BROADER RETIREMENT PLAN MARKET

Age-based funds use independent sub-advisors, offer clear alternative to proprietary funds

SAN FRANCISCO – December 1, 2005 – Schwab Corporate Services is expanding availability of the Schwab Managed Retirement Trust Funds™ through the National Securities Clearing Corporation (NSCC). The five collective trust funds, which are managed by The Charles Schwab Trust Company (CSTC), are age-based retirement funds designed exclusively for qualified retirement plans.

Now, all retirement plan providers who trade through NSCC can offer the funds to their eligible clients. In the past, only those using Schwab's own CSTC trading platform had access to the funds.

"While target-date retirement funds are surging in popularity, the vast majority fail to meet two key demands of retirement plan sponsors: open investment architecture and true fee transparency," said Jim McCool, president, Schwab Corporate Services. "Our funds are built on a unique, independent sub-advisor structure that offers plan sponsors and their investment consultants a clear alternative to traditional proprietary fund houses."

CSTC has engaged prominent institutional investment firms as sub-advisors to assist CSTC in its daily management of the underlying funds in each of the portfolios. Each sub-advisor was selected based on its investment strategy and proven success. Sub-advisors include Dodge & Cox, Goldman Sachs, INVESCO, Pictet, PIMCO, Turner Investment Partners and Vanguard (to be added in January 2006). By using this approach, CSTC is able to manage the funds with input from industry-leading money managers in *each* asset class, unlike most other target retirement funds that are confined to single, proprietary managers for entire portfolios. These funds also provide lower operating expenses than similar actively managed mutual funds, a key benefit for investors.

Four of the Schwab Managed Retirement Trust Funds are target-date funds designed for retirement plan participants who want to retire in 2010, 2020, 2030 or 2040. Their investment mixes become more conservative over time, with the goal of balancing risk and return. The Schwab Managed Retirement Trust Fund-Income is designed to provide income for participants nearing or in retirement and has a fixed allocation of 75% bonds, stable value and cash, and 25% stocks.

A popular family

"Most employers want the best possible funds for their employees without being tied to a proprietary money manager or mutual fund family," said John Sturiale, portfolio manager for the funds. "Schwab's own retirement plan clients are clearly responding to this model, with more than 70% of new clients choosing to offer the Schwab Managed Retirement Trust Funds in their plans. We also know that many plan participants don't have the time or the desire to become investment experts. They want a smart, simple, one-step solution. Our funds allow them to invest in professionally managed, well-diversified portfolios in a single step, and to benefit from the expertise of CSTC and the independent sub-advisors."

All four target-date retirement funds surpassed industry benchmarks for the one- and three-year periods, and have earned overall Morningstar Ratings of four or five stars for the three-year period. As of October 31, 2005, assets in the Schwab Managed Retirement Trust Funds exceeded \$750 million. For more information about the funds, go to corporateservices.schwab.com/cstcfunds/index.html.

Performance as of 10/31/05**Actual Return: YTD; Average Annual Return: 1 year, 3 year, Since inception**

| Schwab Managed Retirement Trust Funds¹ | YTD | 1 year | 3 year | Since Inception | Overall Morningstar Rating^{TM 3} |
|--|---------------|---------------|---------------|--------------------------|--|
| Schwab 2010 | 2.08% | 6.73% | 9.89% | 10.06% (10/01/02) | ***** |
| Benchmark Return ² | 1.99% | 6.19% | 9.42% | n/a | n/a |
| Conservative Allocation Category Average | 0.81% | 3.78% | 6.79% | n/a | n/a |
| Schwab 2020 | 2.36 % | 9.17% | 12.47% | 12.52% (10/01/02) | **** |
| Benchmark Return ² | 2.45% | 8.81% | 12.16% | n/a | n/a |
| Moderate Allocation Category Average | 1.86% | 7.62% | 10.42% | n/a | n/a |
| Schwab 2030 | 2.53% | 10.68% | 14.40% | 14.59% (10/01/02) | **** |
| Benchmark Return ² | 2.71% | 10.43% | 13.85% | n/a | n/a |
| Large Blend Category Average | 1.57% | 9.53% | 12.34% | n/a | n/a |
| Schwab 2040 | 2.63% | 11.61% | 15.00% | 15.22% (10/18/02) | **** |
| Benchmark Return ² | 2.87% | 11.44% | 14.90% | n/a | n/a |
| Large Blend Category Average | 1.57% | 9.53% | 12.34% | n/a | n/a |
| Income | 1.84% | n/a | n/a | n/a (12/18/04) | n/a |
| Benchmark Return ² | 1.57% | n/a | n/a | n/a | n/a |
| Conservative Allocation Category Average | 0.81% | n/a | n/a | n/a | n/a |

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.

¹ The Schwab Managed Retirement Trust Funds are collective trust funds that are maintained and distributed by CSTC. CSTC acts as trustee and manager. Interests in the Funds are sold through CSTC, Charles Schwab & Co., Inc., a registered broker-dealer, and the National Securities Clearing Corporation. The Funds are not mutual funds and their units are not registered under the Securities Act of 1933, as amended, or applicable securities laws of any state or other jurisdiction. The Funds are not registered under the Investment Company Act of 1940, as amended, or other applicable law, and unit holders are not entitled to the protections of the 1940 Act. The Funds are not insured by CSTC, any of its affiliates, the FDIC or any other person. As defined in the Funds' Declaration of Trust and Participation Agreement documents, the Funds are available for investment by eligible qualified retirement plan trusts only. The unit value of the Funds will fluctuate and investors may lose money. Various asset classes of the underlying funds, such as small-cap and international, may carry additional risks. CSTC provides trust and custody services to customers, and offers the Schwab Managed Retirement Trust Funds and other collective trust funds.

² The benchmark is the performance of identically weighted composites to those of the Funds and is comprised of the following unmanaged indices: Russell 3000 Index, MSCI EAFE Ndr_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.

³ Morningstar proprietary ratings reflect historical risk-adjusted performance as of 10/31/2005. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a

Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The top 10% of the funds in an investment category receive 5 stars, 22.5% receive 4 stars, 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating is a weighted average of the funds' three-, five-, and 10-year (if applicable) Morningstar rating metrics. The total number of Large Blend, Moderate Allocation, and Conservative Allocation funds for the three-year time period were 1237, 704, and 257, respectively.

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. (CS&Co.) 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, non-depository trust company, provides trust and custody services with respect to retirement and other benefit plans. Schwab Retirement Technologies is engaged in developing and licensing proprietary retirement plan recordkeeping systems to independent third party administrators. CS&Co. (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 \$143 billion at the end of October 2005. 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. (1105-9864)

###