

News Release

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Schwab Launches 2050 Target-Date Fund for Retirement Plans

Firm also adds lower-cost unit class and two new independent sub-advisors for Schwab Managed Retirement Trust Funds™

SAN FRANCISCO, March 19, 2007 — Charles Schwab has added a 2050 fund to its suite of target-date retirement funds. The Schwab Managed Retirement Trust Funds™ are collective trust funds designed specifically for retirement plan participants and managed by The Charles Schwab Trust Company (CSTC). The funds are tied to target retirement dates 2010, 2020, 2030, 2040, and now, 2050. A sixth fund, the Schwab Managed Retirement Trust Fund - Income, is designed to provide income during retirement.

"Target-date retirement funds fulfill a key role in helping individuals get to and through a comfortable retirement because they are easy to use, diversified and provide ready-made asset allocation," said Jim McCool, executive vice president of Schwab Corporate & Retirement Services. "More than 60 percent of our retirement plan clients offer target-date funds to their employees, and that number continues to grow. Now that the Pension Protection Act has become law, employers are rapidly embracing automatic retirement plan features, including using target-date funds as default investments for their employees."

Open-Architecture Investment Philosophy

Each Schwab Managed Retirement Trust Fund is a comprehensive portfolio diversified across asset classes and supported by relationships with eleven independent sub-advisory firms. This open-architecture approach enables CSTC to manage the funds using investment advice from industry-leading sub-advisors in *each* asset class, unlike other target-date retirement funds that are restricted to a single investment firm for the entire portfolio.

"Today, employers overwhelmingly demand open investment architecture when they choose investments for employee retirement plans. Applying this same philosophy to the investments inside a target-date retirement fund just makes sense, especially given the rapid adoption of these types of funds as default investments for many plans," said John Sturiale, CSTC investment officer.

The investment allocations in the five target-date funds become more conservative over time, with the goal of balancing risk and return. The income fund has a fixed allocation of 75 percent bonds, stable value and cash, and 25 percent stocks. The funds' collective trust structure helps keep costs low, which is a key benefit for investors.

"It is never too early to start saving for retirement, and target-date funds are an ideal tool for people seeking a simple, one-step solution," Sturiale said. "Individuals with a target retirement date of 2050 are just entering the workforce and are probably new to investing. These individuals can get a great start toward their retirement savings goals with a target-date fund that is easy to choose and easy to understand."

(more)

New, Low-cost 54 Basis Point Unit Class, Elimination of Minimums Add Flexibility

In addition to launching the 2050 target-date retirement fund, Schwab has also added a third separate unit class at 54 basis points (0.54%) and eliminated minimum balance requirements for all unit classes. The funds are offered with all-in operating expense ratios of 89, 69 or 54 basis points.

"The Schwab Managed Retirement Trust Funds are competitively priced, especially considering they are actively managed and employ an open-architecture philosophy. By offering three unit classes with no wrap fees or additional expenses, we provide extraordinary flexibility and value to retirement plans, helping plan sponsors as they structure investment menus for the benefit of their employees," Sturiale said.

New Sub-advisors Added

CSTC works with independent investment firms as sub-advisors to assist CSTC in its daily management of the underlying funds in each of the portfolios. Each sub-advisor is selected based on its investment strategy and performance. Schwab recently added American Century Investments and State Street Global Advisors as domestic small cap sub-advisors.

"As we approach the five-year anniversary for the funds, we are pleased to announce new relationships with these two distinguished investment firms. We believe they will help CSTC to further diversify and improve the performance of the small-cap asset class and the funds overall," Sturiale said.

Sub-advisors for the Schwab Managed Retirement Trust Funds include:

- American Century Investments
- American Funds
- The Boston Company Asset Management
- Dodge & Cox
- Goldman Sachs Asset Management
- INVESCO
- Pictet Asset Management
- PIMCO
- State Street Global Advisors
- Turner Investment Partners
- The Vanguard Group

Assets in the Schwab Managed Retirement Trust Funds exceeded \$1.74 billion as of February 28, 2007. For more information about the funds, visit www.cstcfunds.com.

The Schwab Managed Retirement Trust Funds are collective trust funds maintained and distributed by The Charles Schwab Trust Company (CSTC), a California state-chartered, non-depository trust company. CSTC acts as trustee and manager. Interests in the funds are sold through CSTC and Charles Schwab & Co., Inc., a registered broker-dealer, and are also made available through the NSCC. 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, the funds are available for investment through CSTC by eligible qualified retirement plans 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.

About Charles Schwab

The Charles Schwab Corporation (Nasdaq: SCHW) is a leading provider of financial services, with more than 300 offices and 6.8 million client brokerage accounts, 584,000 corporate retirement plan participants, 150,000 banking accounts, and \$1.3 trillion in client assets. Through its operating subsidiaries, the company provides a full range of securities brokerage, banking, money management and financial advisory services to individual investors and independent investment advisors. Its broker-dealer subsidiary, Charles Schwab & Co., Inc. (member SIPC, <http://www.sipc.org>), and affiliates offer a complete range of investment services and products including an extensive selection of mutual funds; financial planning and investment advice; retirement plan and equity compensation plan services; referrals to independent fee-based investment advisors; and custodial, operational and trading support for independent, fee-based investment advisors through its Schwab Institutional division. The Charles Schwab Bank, N.A. (member FDIC) provides banking and mortgage services and products. CyberTrader®, Inc. (member SIPC,

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