

# 2023 Supplementary Tax Information

The enclosed information may be useful in the preparation of your federal, state, and/or city tax returns.

- U.S. Government Obligations Information
- Percentage of Income Subject to the Federal Alternative Minimum Tax (AMT)
- Percentage of Income Earned by State and U.S. Territory

## U.S. Government Obligations Information

In most states, fund dividends derived from U.S. government obligations are generally exempt from state income taxes. The percentage shown below is the portion of the dividend income paid by certain funds that qualifies for this exemption. To calculate the amount of income earned from U.S. government obligations, multiply the percentage by the ordinary dividends you received from the fund during the 2023 calendar year, reported in box 1a of Form 1099-DIV. Shareholders in CA, CT and NY should note that only the funds denoted with an asterisk (\*) meet the minimum investment requirements of these states to permit the “pass-through” of exempt income. Funds not shown had 0% dividend income derived from U.S. government obligations.

Fund Name	U.S. Government Obligation	Fund Name	U.S. Government Obligation
Schwab Treasury Inflation Protected Securities Index Fund*	99.93%	Schwab Target 2020 Index Fund	33.18%
Schwab U.S. Aggregate Bond Index Fund	38.21%	Schwab Target 2025 Index Fund	28.05%
Schwab Short-Term Bond Index Fund*	72.06%	Schwab Target 2030 Index Fund	19.50%
Schwab MarketTrack Growth Portfolio™	7.66%	Schwab Target 2035 Index Fund	13.63%
Schwab MarketTrack Balanced Portfolio™	16.53%	Schwab Target 2040 Index Fund	9.81%
Schwab MarketTrack Conservative Portfolio™	24.31%	Schwab Target 2045 Index Fund	6.77%
Schwab Balanced Fund	21.79%	Schwab Target 2050 Index Fund	4.24%
Schwab Target 2010 Fund	29.62%	Schwab Target 2055 Index Fund	3.09%
Schwab Target 2015 Fund	28.43%	Schwab Target 2060 Index Fund	2.03%
Schwab Target 2020 Fund	27.52%	Schwab Target 2065 Index Fund	1.31%
Schwab Target 2025 Fund	23.13%	Schwab Government Money Fund <sup>1</sup>	24.01%
Schwab Target 2030 Fund	15.49%	Schwab Retirement Government Money Fund	24.53%
Schwab Target 2035 Fund	10.31%	Schwab Treasury Obligations Money Fund <sup>1</sup>	11.21%
Schwab Target 2040 Fund	7.50%	Schwab U.S. Treasury Money Fund* <sup>1</sup>	99.61%
Schwab Target 2045 Fund	4.84%	Schwab California Municipal Money Fund* <sup>1,2</sup>	96.11%
Schwab Target 2050 Fund	3.20%	Schwab AMT Tax-Free Money Fund <sup>1</sup>	99.63%
Schwab Target 2055 Fund	2.29%	Schwab Municipal Money Fund <sup>1</sup>	98.42%
Schwab Target 2060 Fund	1.53%	Schwab New York Municipal Money Fund <sup>1</sup>	99.75%
Schwab Target 2065 Fund	1.01%	Schwab Value Advantage Money Fund <sup>1</sup>	0.05%
Schwab Monthly Income Fund—Target Payout (formerly known as Schwab Monthly Income Fund—Moderate Payout)	11.00%	Schwab Variable Share Price Money Fund	0.05%
Schwab Monthly Income Fund—Flexible Payout (formerly known as Schwab Monthly Income Fund—Enhanced Payout)	10.88%	Schwab 1-5 Year Corporate Bond ETF	0.01%
Schwab Monthly Income Fund—Income Payout (formerly known as Schwab Monthly Income Fund—Maximum Payout)	13.00%	Schwab 5-10 Year Corporate Bond ETF	0.01%
Schwab Target 2010 Index Fund	35.65%	Schwab U.S. Aggregate Bond ETF	38.98%
Schwab Target 2015 Index Fund	34.25%	Schwab U.S. TIPS ETF*	99.89%
		Schwab Short-Term U.S. Treasury ETF*	99.88%
		Schwab Intermediate-Term U.S. Treasury ETF*	99.83%
		Schwab Long-Term U.S. Treasury ETF*	99.78%

<sup>1</sup> Percentages apply to all share classes.

<sup>2</sup> Minimum investment requirement permitting the “pass-through” of exempt income generally only applies to California residents.

## Percentage of Income Earned by State and U.S. Territory

Most states do not impose income tax on interest income derived from their own municipal obligations or those issued by U.S. territories. The following table shows the percentage of income paid by each fund on a state-by-state basis. To calculate the amount of income attributable to a particular state or territory, you should multiply Form 1099-DIV box 12 total tax-exempt income you received in 2023 from a particular fund by the appropriate percentage below. Shareholders who are residents of CA and MN should note that investment thresholds and income limitations may prevent the “pass-through” of state-exempt income.

State	Schwab Municipal Money Fund <sup>1</sup>	Schwab AMT Tax-Free Money Fund <sup>1</sup>	Schwab Tax-Free Bond Fund	Schwab Opportunistic Municipal Bond Fund	Schwab Municipal Bond ETF
Alabama	1.07%	2.25%	2.55%	1.22%	0.54%
Alaska	0.26%	0.32%	0.00%	0.03%	0.02%
Arizona	0.74%	2.07%	1.49%	1.17%	1.08%
Arkansas	0.66%	0.00%	0.29%	0.00%	0.05%
California	6.18%	3.32%	8.25%	2.13%	18.67%
Colorado	2.48%	2.34%	1.65%	2.35%	1.30%
Connecticut	0.17%	0.41%	0.89%	0.90%	1.71%
Delaware	0.12%	0.00%	0.00%	0.00%	0.12%
District of Columbia	1.38%	0.83%	0.46%	0.20%	1.77%
Florida	3.58%	3.79%	7.09%	5.04%	2.61%
Georgia	1.62%	1.26%	2.25%	0.21%	1.73%
Guam	0.00%	0.00%	0.51%	0.80%	0.00%
Hawaii	0.00%	0.00%	0.10%	0.05%	0.55%
Idaho	0.03%	0.11%	0.31%	0.22%	0.00%
Illinois	5.37%	5.37%	7.59%	3.00%	6.55%
Indiana	1.28%	2.97%	2.26%	0.00%	0.26%
Iowa	2.01%	1.76%	0.75%	0.18%	0.21%
Kansas	0.27%	0.00%	0.97%	0.00%	0.08%
Kentucky	1.27%	1.76%	0.31%	0.21%	0.67%
Louisiana	1.71%	2.20%	0.90%	1.00%	0.54%
Maine	0.54%	0.00%	0.59%	0.03%	0.00%
Maryland	0.47%	1.90%	2.01%	1.19%	1.93%
Massachusetts	3.30%	4.77%	2.25%	1.37%	4.30%
Michigan	3.09%	1.92%	2.84%	1.20%	0.98%
Minnesota	1.25%	0.86%	0.42%	43.60%	0.33%
Mississippi	2.04%	2.54%	0.34%	0.02%	0.11%
Missouri	0.56%	0.50%	2.12%	0.29%	0.21%
Montana	0.00%	0.00%	0.48%	0.00%	0.00%
Nebraska	0.37%	0.56%	0.73%	0.00%	0.08%
Nevada	0.91%	0.07%	0.19%	0.19%	0.96%
New Hampshire	0.72%	0.00%	0.00%	0.00%	0.00%
New Jersey	0.28%	0.13%	4.08%	3.94%	5.07%
New Mexico	0.00%	0.00%	0.17%	0.00%	0.12%
New York	21.69%	20.85%	13.51%	9.83%	24.53%
North Carolina	0.44%	0.57%	2.27%	1.06%	0.99%
North Dakota	0.06%	0.00%	0.08%	0.00%	0.00%
Ohio	2.81%	2.87%	1.31%	0.02%	0.93%
Oklahoma	0.00%	0.00%	0.28%	0.88%	0.41%
Oregon	1.10%	1.39%	1.86%	0.47%	1.11%
Pennsylvania	2.59%	2.53%	3.32%	2.66%	3.39%
Puerto Rico	0.00%	0.00%	0.19%	0.10%	0.00%
Rhode Island	0.05%	0.00%	0.00%	0.00%	0.09%
South Carolina	0.32%	0.29%	0.97%	1.76%	0.57%
South Dakota	0.30%	0.00%	0.32%	0.35%	0.00%
Tennessee	1.25%	1.31%	1.19%	1.80%	0.24%
Texas	20.18%	20.93%	13.90%	6.92%	9.50%
Utah	0.76%	0.78%	0.11%	0.05%	0.35%
Vermont	0.00%	0.00%	0.66%	0.00%	0.00%
Virginia	0.40%	1.02%	0.30%	0.94%	1.21%
Washington	1.70%	1.39%	2.72%	1.16%	3.29%
West Virginia	0.33%	0.00%	0.31%	0.47%	0.19%
Wisconsin	1.38%	1.66%	1.74%	0.99%	0.46%
Wyoming	0.91%	0.40%	0.12%	0.00%	0.19%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<sup>1</sup> Percentages apply to all share classes.

## Percentage of Income Earned by State and U.S. Territory (continued)

State	Schwab California Municipal Money Fund <sup>1</sup>	Schwab New York Municipal Money Fund <sup>1</sup>	Schwab California Tax-Free Bond Fund
Alabama	0.00%	0.00%	0.00%
Alaska	0.11%	0.00%	0.00%
Arizona	0.01%	0.00%	0.00%
Arkansas	0.00%	0.00%	0.00%
California	96.44%	0.00%	97.64%
Colorado	0.11%	0.00%	0.00%
Connecticut	0.00%	0.00%	0.00%
Delaware	0.00%	0.00%	0.00%
District of Columbia	0.00%	0.00%	0.00%
Florida	0.02%	0.00%	0.00%
Georgia	0.03%	0.00%	0.00%
Guam	0.00%	0.00%	1.66%
Hawaii	0.00%	0.00%	0.00%
Idaho	0.00%	0.00%	0.00%
Illinois	0.16%	0.00%	0.00%
Indiana	0.02%	0.00%	0.00%
Iowa	0.06%	0.00%	0.00%
Kansas	0.00%	0.00%	0.00%
Kentucky	0.02%	0.00%	0.00%
Louisiana	0.08%	0.00%	0.00%
Maine	0.00%	0.00%	0.00%
Maryland	0.02%	0.00%	0.00%
Massachusetts	0.01%	0.00%	0.00%
Michigan	0.02%	0.00%	0.00%
Minnesota	0.00%	0.00%	0.00%
Mississippi	0.30%	0.00%	0.00%
Missouri	0.00%	0.00%	0.00%
Montana	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%
Nevada	0.00%	0.00%	0.00%
New Hampshire	0.00%	0.00%	0.00%
New Jersey	0.01%	0.00%	0.00%
New Mexico	0.00%	0.00%	0.00%
New York	1.79%	99.99%	0.00%
North Carolina	0.02%	0.00%	0.00%
North Dakota	0.00%	0.00%	0.00%
Ohio	0.11%	0.00%	0.00%
Oklahoma	0.00%	0.00%	0.00%
Oregon	0.00%	0.00%	0.00%
Pennsylvania	0.07%	0.00%	0.00%
Puerto Rico	0.00%	0.00%	0.70%
Rhode Island	0.00%	0.00%	0.00%
South Carolina	0.00%	0.00%	0.00%
South Dakota	0.00%	0.00%	0.00%
Tennessee	0.02%	0.00%	0.00%
Texas	0.51%	0.01%	0.00%
Utah	0.00%	0.00%	0.00%
Vermont	0.00%	0.00%	0.00%
Virginia	0.01%	0.00%	0.00%
Washington	0.01%	0.00%	0.00%
West Virginia	0.00%	0.00%	0.00%
Wisconsin	0.04%	0.00%	0.00%
Wyoming	0.00%	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<sup>1</sup> Percentages apply to all share classes.

## Percentage of Income Subject to the Federal Alternative Minimum Tax (AMT)

Depending on your individual tax situation, you may be required to file IRS Form 6251, Alternative Minimum Tax—Individuals. Please refer to box 13 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 [schwabassetmanagement.com](http://schwabassetmanagement.com).

Note: Capital gains from municipal (“tax-free”, “tax-exempt”) securities are not exempt from Federal taxation.

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

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