

Charles Schwab Investment Management, Inc. (“CSIM”) is an investment adviser registered with the Securities and Exchange Commission that does business as Schwab Asset Management. This summary provides disclosure for separately managed account strategies available to certain retail investors. For more information about financial professionals and investing, including free and simple tools to research our firm and its representatives, visit [Investor.gov/CRS](https://investor.gov/CRS).

## What investment services and advice can you provide me?

We provide discretionary investment management services through separately managed account programs, which are offered to clients with whom CSIM has a direct client relationship through our investment advisory agreement (“Direct Clients”), through programs with asset-based wrap fees (“Wrap Fee Programs”) and similar programs offered through broker-dealers (“Broker/Custodian-Related Programs”), and through a relationship with clients’ wealth manager (“Primary Advisor”) where CSIM acts as an adviser or a sub-adviser. Depending on the strategy, these separately managed accounts invest in individual securities (such as stocks and bonds), mutual funds (“MFs”) and/or exchange-traded funds (“ETFs”). The MFs and ETFs in which client assets may be invested include MFs and ETFs that are advised by CSIM and/or its affiliates. Wrap Fee Programs include those sponsored by our affiliate, Charles Schwab & Co., Inc. (“Schwab”) and some strategies are only offered through a Schwab Wrap Fee Program.

Generally, when we act as your discretionary investment manager, you give us full investment and trading discretion over your account. With this authority, we are responsible for the strategy’s security selection and weightings as well as buying and selling securities in client accounts without your prior consent. You can impose reasonable restrictions on our management of your account. There are instances where we are responsible for the strategy’s security selection and weightings, but the Wrap Fee Program sponsor, broker-dealer for Broker/Custodian-Related Programs or Primary Advisor is responsible for buying and selling securities in your account.

We actively monitor your account’s investments and perform quarterly and/or annual reviews depending on the strategy utilized by your account. In addition, account reviews may also be performed by personnel of the Wrap Fee Program sponsor, broker-dealer for Broker/Custodian-Related Programs or Primary Advisor for clients enrolled in those programs. We require a minimum account size for Direct Clients, which can vary by separately managed account program. Each Wrap Fee Program sponsor sets the criteria for its program’s eligibility, including minimum investment amounts and account size criteria that clients must meet in order to participate in the Wrap Fee Program. Similarly, broker-dealers for Broker/Custodian-Related Programs and Primary Advisors may set criteria for their clients, including minimum investment amounts and account size criteria that clients must meet.

**For detailed information about our advisory services and the types of clients we serve, review the “Advisory Business” and “Types of Clients” sections of the CSIM Disclosure Brochure for your program at [schwabassetmanagement.com/FormCRS](https://schwabassetmanagement.com/FormCRS).**

### Conversation Starters

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

## What fees will I pay?

If you open an advisory account directly with CSIM, you will pay either an annual asset-based fee or a fixed fee for our services that is charged on either a monthly or quarterly basis depending on the strategy in which you are invested.

- ✓ The more assets there are in your account, the more you will pay in fees if you pay an asset-based fee, and we may therefore have an incentive to encourage you to increase the assets in your account.
- ✓ In addition to the fees described above, you may incur additional costs, which include fees charged by your custodian for account maintenance and may include transaction fees, commissions, or brokerage fees. You will also incur the costs associated with any MFs and ETFs, including management fees, fund expenses, and any applicable transaction-related fees and charges.

If you invest through a Wrap Fee Program, you may pay an asset-based wrap fee to the Wrap Fee Program sponsor. The wrap fee could exceed the aggregate costs of the services provided if they were to be obtained separately (although, in some cases, it is possible to obtain such services only through the particular Wrap Fee Program). The Wrap Fee Program sponsor will provide you information about the wrap fee and how frequently it is assessed.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

**To get more information about fees you will pay, review the “Fees and Compensation” section of the CSIM Disclosure Brochure for your program at [schwabassetmanagement.com/FormCRS](https://schwabassetmanagement.com/FormCRS).**

### Conversation Starters

- Help me understand how these fees and costs might affect my investments.
- If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

### What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

**When we act as your investment adviser**, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations we provide you. Here are some examples to help you understand what this means. We and/or our affiliates earn money from:

- ✓ Strategies offered through an affiliated Wrap Fee Program sponsor.
- ✓ Management fees and/or shareholder servicing fees paid by proprietary MFs and ETFs held in your account.
- ✓ Shareholder servicing fees paid by third-party MFs held in your account or by the managers or sponsors of those MFs (revenue sharing).
- ✓ Other fees paid by third-party MF and ETF sponsors or their affiliates for opportunities such as sponsoring education and events and receiving reporting and for the marketing and promotion of certain MFs and ETFs from certain third-party MF and ETF sponsors.
- ✓ The “spread” on cash in your accounts – i.e., the difference between what we earn and what we pay you in interest – if your accounts are custodied with our affiliate.
- ✓ Remuneration such as liquidity or order flow rebates from a market or firm to which some orders are routed by our affiliate.

Accordingly, we may be incentivized to recommend certain products that may earn CSIM or its affiliates more revenue than if we invested your money in other products.

**For more information about how we make money and our related conflicts of interest for this program, review the CSIM Disclosure Brochure for your program at [schwabassetmanagement.com/FormCRS](https://schwabassetmanagement.com/FormCRS).**

### Conversation Starter

- How might your conflicts of interest affect me, and how will you address them?

### How do your financial professionals make money?

Portfolio managers receive a fixed base salary, are eligible to earn a discretionary bonus, and have the potential to participate in discretionary equity awards.

The discretionary bonus for portfolio managers may differ. One group of portfolio managers is eligible to earn a discretionary bonus that is funded based on the financial performance of The Charles Schwab Corporation (“CSC”) during the annual performance period (the “Corporate Bonus Plan”). Another group of portfolio managers is eligible to earn a discretionary bonus that is funded based on two independent components—the financial performance of CSC during the annual period and on portfolio manager research and performance results for the particular strategy (the “Portfolio Manager Incentive Plan”). Other portfolio managers are eligible to be on either the Corporate Bonus Plan or the Portfolio Manager Incentive Plan, and also receive a discretionary bonus based on the asset growth of certain strategies they manage.

While this compensation is discretionary, it may incentivize our portfolio managers to increase the performance or assets in certain accounts, including through riskier investments. To help mitigate such potential conflicts of interest, we maintain policies and procedures that stress that investment decisions are to be made in accordance with the fiduciary duties owed to our clients and without consideration of a portfolio manager’s pecuniary, investment, or other financial interests.

### Do you or your financial professionals have legal or disciplinary history?

- ✓ Yes, we have legal or disciplinary history.
- ✓ For free and simple tools to research our firm and representatives, please visit [Investor.gov/CRS](https://Investor.gov/CRS).

### Conversation Starters

- As a financial professional, do you have any disciplinary history?
- For what type of conduct?

### Where can I find additional information?

For additional information about our investment advisory services, including the CSIM Disclosure Brochure, or to request a copy of this relationship summary, please go to [schwabassetmanagement.com/FormCRS](https://schwabassetmanagement.com/FormCRS) or call the following number 800-650-9744.

### Conversation Starters

- Who is my primary contact person?
- Is he or she a representative of an investment adviser or a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?