

Schwab 529 College Savings Plan

A 529 College Savings Plan

In this newsletter you'll find important information about changes coming soon to your account.

Effective **July 14, 2017**, the Schwab 529 College Savings Plan will implement some exciting changes. These changes include an extended glide path and new names for the age-based portfolio options.

These changes will be automatic; you do not need to take any action and it will not count against the twice-per-calendar-year investment exchanges allowed by the Internal Revenue Service.

More detailed information on the investment options; including updated allocations, fees and performance charts will be updated in The Guide and Participation Agreement available on July 14, 2017. To request an updated Guide, call us at 1-888-903-3863 or visit schwab.com/529.

If you are currently invested within a static portfolio your account will not be affected by the enhancements to the age-based portfolios outlined within this newsletter.

Summary of Changes

You'll see two main changes coming soon to the Age-Based Tracks:

An Expanded Glide Path

Our age-based tracks gradually move your investments from equity-focused holdings to more bond-focused holdings. Traditionally, equity holdings offer the potential for greater returns, but also greater risk potential. Alternatively, bonds traditionally offer lower return potential, but also lower risk. To make your progression along the age-based track more gradual, we are adding more portfolios within the tracks. We are also expanding the glide path from four to seven steps as the beneficiary approaches college age.

These changes apply to both active and index age-based tracks.

New Names to Reflect Stock Investments

We've simplified the names of the age-based portfolios to reflect their equity allocations.

Expanded Glide Path

The following table shows the risk tracks and the progression, including the new steps, of the portfolios within each of the age brackets.

Age-Based Tracks				
Age of Child	Aggressive Track	Moderately Aggressive Track	Moderate Track	Moderately Conservative Track
4 years old or younger	95% Equity Portfolio ↓	80% Equity Portfolio ↓	60% Equity Portfolio ↓	40% Equity Portfolio ↓
5-7 years	80% Equity Portfolio ↓	70% Equity Portfolio ↓	60% Equity Portfolio ↓	40% Equity Portfolio ↓
8-10 years	70% Equity Portfolio ↓	60% Equity Portfolio ↓	50% Equity Portfolio ↓	40% Equity Portfolio ↓
11-13 years	60% Equity Portfolio ↓	50% Equity Portfolio ↓	40% Equity Portfolio ↓	30% Equity Portfolio ↓
14-15 years	50% Equity Portfolio ↓	40% Equity Portfolio ↓	30% Equity Portfolio ↓	20% Equity Portfolio ↓
16-17 years	40% Equity Portfolio ↓	30% Equity Portfolio ↓	20% Equity Portfolio ↓	10% Equity Portfolio ↓
18-19 years	30% Equity Portfolio ↓	20% Equity Portfolio ↓	10% Equity Portfolio ↓	Short-Term Portfolio ↓
20+ years	20% Equity Portfolio	10% Equity Portfolio	Short-Term Portfolio	Short-Term Portfolio

What These Changes Mean to You

For age-based tracks, to determine your new portfolio, see the chart below. Specifically, if you are currently invested in any age-based track, your investments will transition to a new portfolio, depending on your current risk track and the beneficiary's age as of June 30, 2017. This transition may result in a change to your equity, bond and cash allocations.

Schwab 529 and Schwab 529 Index

Age-Based Risk Track	Current Portfolio	Age of Beneficiary	New Portfolio	Active Portfolio's Expense Ratio %*
Moderately Conservative	Moderately Conservative	0-10	40% Equity	0.77%
		11-13	30% Equity	0.71%
		14	20% Equity	0.64%
	Conservative	15	20% Equity	0.64%
		16-17	10% Equity	0.57%
	Short-Term**	18-19	Short-Term	0.49%
		20+		
Moderate	Moderate	0-4	60% Equity	0.87%
		5-7		
	Moderately Conservative	8	50% Equity	0.82%
		9-10	40% Equity	0.77%
		11-13	30% Equity	0.71%
	14			
	Conservative	15	20% Equity	0.64%
		16-17	10% Equity	0.57%
	Short-Term**	18-19	Short-Term	0.49%
20+				
Moderately Aggressive	Moderately Aggressive	0-4	80% Equity	0.95%
		5-7	70% Equity	0.91%
		8-10	60% Equity	0.87%
	Moderate	11	50% Equity	0.82%
		12-13	40% Equity	0.77%
	14			
	Conservative	15	30% Equity	0.71%
		16-17	20% Equity	0.64%
	Short-Term**	18-19	10% Equity	0.57%
		20+		
Aggressive	Aggressive	0-4	95% Equity	1.01%
		5-7	80% Equity	0.95%
		8	70% Equity	0.91%
	Moderately Aggressive	9-10	60% Equity	0.87%
		11	50% Equity	0.82%
	12-13			
	Moderate	14	40% Equity	0.77%
		15	30% Equity	0.71%
	Moderately Conservative	16-17	20% Equity	0.64%
		18-19	20% Equity	0.64%
20+				

*Index expense ratios will remain at 0.30%.

**Please see updated Guide for additional details.

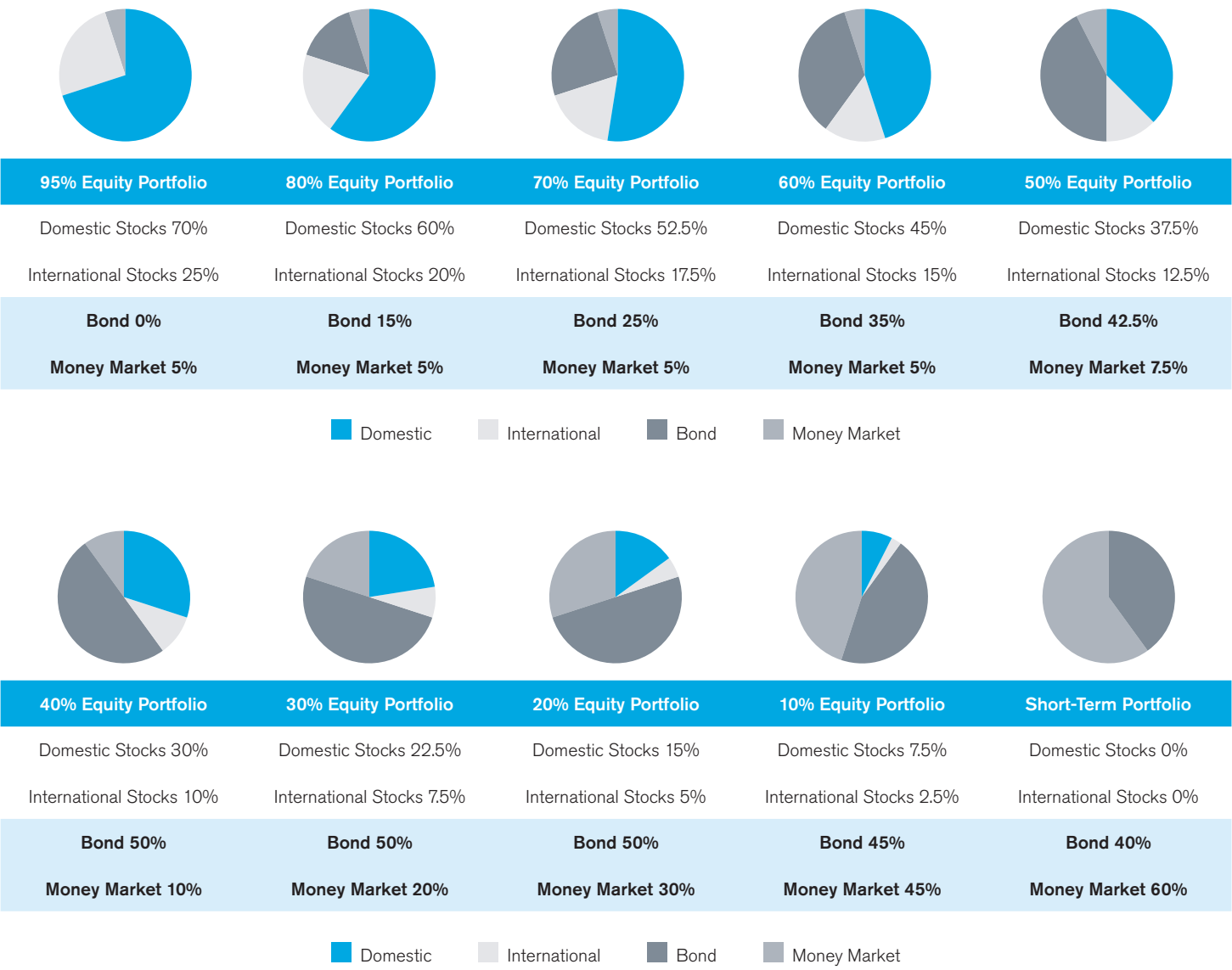
This change does not affect Static Portfolios.

****Important Note:** All age-based accounts with beneficiaries who have turned 18 by June 30, 2017 will be grandfathered from these changes. On July 14, 2017, these accounts will be moved to the Static Short-Term Portfolio where they will remain unless the account owner changes the investment direction. Fees of existing portfolios have not changed. However, if your account is moving to a portfolio with greater or lesser equity exposure, the total expense ratio could be higher or lower. (Does not apply to index portfolios)

New Portfolio Names to Reflect Stock Investments

To simplify the naming structure, we've updated the names of the portfolios used in the age-based tracks to reflect their equity allocations. You will not see changes if you are invested in the static portfolios.

The pie charts below illustrate the allocations for each portfolio used in the age-based tracks.



Important Dates and Reminders

If applicable, after the close of business on July 13, 2017, your balances will automatically transition to the new investment option(s) as described, and as highlighted in the previous tables. Additionally, your contribution allocations will be updated and future contributions will be invested according to the new allocations. You are able to change the allocation instructions for new contributions at any time with no annual restrictions.

While we implement these changes, you will not be able to initiate or request any transactions, including withdrawals or investment option changes, nor will you be able to initiate or request other changes to your account between 4:00 pm, Eastern Time Thursday July 13, 2017 and 8:00 am, Eastern Time Monday July 17, 2017 online. However, you will be able to transact by phone up to 4:00 pm, Eastern Time Friday July 14, 2017. These transactions will be processed on Monday July 17 with net asset value of Friday July 14, 2017. Should you wish to adjust your account before or after this period, you may do so as part of your two annual changes allowed by the IRS.

Key Dates	Action
July 13, 2017	Transaction and other account-change requests are processed as usual until 4:00 pm, Eastern Time. Requests received between 4:00 pm, Eastern Time on July 13, 2017 and 4:00 pm, Eastern Time on July 14, 2017 will be processed on July 17, 2017, using portfolio net asset values as of July 14, 2017.
July 14, 2017	Account assets are transferred from existing portfolios to new portfolios, as outlined in the Glide Path table above.
July 14, 2017	Recurring contributions (automatic investments) scheduled for July 14, 2017 and transactions or other account change requests received by mail after 4:00 pm, Eastern Time on July 13, 2017 will be processed on July 17, 2017 with a net asset value as of July 14, 2017.
July 17, 2017	Schwab.com/529 will be updated to reflect the changes. A new Guide and Participation Agreement will be available by visiting schwab.com/529 or by calling Schwab at 1-888-903-3863.
July 17, 2017	All transactions will be reflected on the quarterly statement, but confirmations will only be sent to shareholders who had changes to their portfolio allocations. If you only experienced a name change to your portfolio, you will not receive a confirmation. You may log into your account at schwab.com/529 or by calling 1-888-903-3863 on or after July 17, 2017 to review in detail.

We're Here to Help

Please review your account and ensure it aligns with your college savings goals and risk tolerance. If you have questions on these changes or would like to discuss options, please call Schwab at 1-888-903-3863.

Underlying Portfolio Holdings

Underlying Holdings of the Actively Managed Age-Based Portfolios

As of July 14, 2017.

	95% Equity	80% Equity	70% Equity	60% Equity	50% Equity	40% Equity	30% Equity	20% Equity	10% Equity	Short- Term
American Century Growth Fund	17.00%	15.00%	13.25%	11.75%	10.00%	8.50%	6.75%	5.00%	2.50%	0.00%
American Century Equity Growth Fund	8.00%	7.50%	6.75%	6.00%	5.00%	4.00%	3.25%	2.50%	1.25%	0.00%
JPMorgan Disciplined Equity Fund	8.00%	7.50%	6.50%	5.75%	5.00%	4.00%	3.25%	2.50%	1.25%	0.00%
American Beacon Large Cap Value Fund	5.50%	5.00%	4.50%	4.00%	3.25%	3.00%	2.50%	2.00%	1.00%	0.00%
American Century Value Fund	11.50%	10.00%	9.00%	7.75%	6.75%	5.50%	4.25%	3.00%	1.50%	0.00%
American Century Small Company Fund	20.00%	15.00%	12.50%	9.75%	7.50%	5.00%	2.50%	0.00%	0.00%	0.00%
Domestic Stock Total	70.00%	60.00%	52.50%	45.00%	37.50%	30.00%	22.50%	15.00%	7.50%	0.00%
American Century International Growth Fund	8.50%	7.00%	6.00%	5.00%	4.25%	3.50%	2.75%	2.00%	1.00%	0.00%
Laudus International MarketMasters Fund™	8.00%	6.50%	5.75%	5.00%	4.00%	3.00%	2.25%	1.50%	0.75%	0.00%
Schwab Fundamental International Large Company Index Fund	8.50%	6.50%	5.75%	5.00%	4.25%	3.50%	2.50%	1.50%	0.75%	0.00%
International Stock Total	25.00%	20.00%	17.50%	15.00%	12.50%	10.00%	7.50%	5.00%	2.50%	0.00%
Baird Core Plus Bond Fund	0.00%	6.50%	9.75%	13.00%	16.25%	19.50%	19.50%	19.50%	17.75%	16.00%
Metropolitan West Total Return Bond Fund	0.00%	6.50%	9.75%	13.00%	16.25%	19.50%	19.50%	19.50%	17.75%	16.00%
American Century Short Duration Inflation Protection Bond Fund	0.00%	0.00%	2.50%	5.00%	5.00%	5.00%	5.00%	5.00%	4.00%	3.00%
American Century International Bond Fund	0.00%	2.00%	3.00%	4.00%	5.00%	6.00%	6.00%	6.00%	5.50%	5.00%
Bond Total	0.00%	15.00%	25.00%	35.00%	42.50%	50.00%	50.00%	50.00%	45.00%	40.00%
Schwab Retirement Government Money Fund™	5.00%	5.00%	5.00%	5.00%	7.50%	10.00%	20.00%	30.00%	45.00%	60.00%
Money Market Total	5.00%	5.00%	5.00%	5.00%	7.50%	10.00%	20.00%	30.00%	45.00%	60.00%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Underlying Holdings of the Index Age-Based Portfolios²

As of July 14, 2017.

	95% Equity	80% Equity	70% Equity	60% Equity	50% Equity	40% Equity	30% Equity	20% Equity	10% Equity	Short- Term
Schwab S&P 500 Index Fund	50.00%	45.00%	40.00%	35.00%	30.00%	25.00%	20.00%	15.00%	7.50%	0.00%
Schwab Small Cap Index Fund®	20.00%	15.00%	12.50%	10.00%	7.50%	5.00%	2.50%	0.00%	0.00%	0.00%
Domestic Stock Total	70.00%	60.00%	52.50%	45.00%	37.50%	30.00%	22.50%	15.00%	7.50%	0.00%
Schwab International Index Fund®	25.00%	20.00%	17.50%	15.00%	12.50%	10.00%	7.50%	5.00%	2.50%	0.00%
International Stock Total	25.00%	20.00%	17.50%	15.00%	12.50%	10.00%	7.50%	5.00%	2.50%	0.00%
Vanguard Total Bond Market Index Fund	0.00%	15.00%	22.00%	29.00%	36.50%	44.00%	44.00%	44.00%	40.00%	36.00%
Schwab® Treasury Inflation Protected Securities Index Fund	0.00%	0.00%	3.00%	6.00%	6.00%	6.00%	6.00%	6.00%	5.00%	4.00%
Bond¹ Total	0.00%	15.00%	25.00%	35.00%	42.50%	50.00%	50.00%	50.00%	45.00%	40.00%
Schwab Retirement Government Money Fund™	5.00%	5.00%	5.00%	5.00%	7.50%	10.00%	20.00%	30.00%	45.00%	60.00%
Money Market Total	5.00%	5.00%	5.00%	5.00%	7.50%	10.00%	20.00%	30.00%	45.00%	60.00%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

¹ The value of portfolios that utilize bonds will be susceptible to loss of principal with increases in interest rates.

² As index funds, the funds seek to track the performance of their comparative index but may at times diverge from index returns.

Mutual funds are sold through prospectus only. No offer is being made of any of the funds discussed in this Guide or pursuant to this Plan.

American Beacon Funds are distributed by Foreside Fund Services, LLC. American Century funds are distributed by American Century Investment Services, Inc. Baird Funds are distributed by Robert W. Baird & Co., Inc. Metropolitan West Funds are distributed by Foreside Distributors, Inc. Schwab Funds® and the Laudus MarketMasters Funds® are distributed by Charles Schwab & Co., Inc. Vanguard funds are distributed by Vanguard Marketing Corporation. J.P. Morgan Funds are distributed by JPMorgan Distribution Services, Inc.

An investment in a money market portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Yields will fluctuate, and although the portfolio seeks to preserve the value of your investment at \$1 per unit, it is possible to lose money by investing in the portfolio.

Generally, as interest rates rise, the value of the securities held in the fund will decline. The opposite is true when interest rates decline. There is no guarantee that the investment portfolios will achieve their investment objectives. The value of your Schwab 529 account will vary, and a gain or loss may occur when you withdraw money from your account.

Before investing, carefully consider the plan's investment objectives, risks, charges and expenses. This information and more about the plan can be found in the Guide and Participation Agreement, available from Charles Schwab & Co., Inc., at schwab.com/529 or by calling 1-888-903-3863, and should be read carefully before investing. If you are not a Kansas taxpayer, consider before investing whether you or the beneficiary's home state offers a 529 Plan that provides its taxpayers with state tax and other benefits not available through this plan.

As with any investment, it is possible to lose money by investing in this plan. The value of your Schwab 529 account may fluctuate, and it is possible for the value of your account to be less than the amount you invested.

Schwab 529 accounts are serviced by Charles Schwab & Co., Inc. The Schwab 529 College Savings Program is managed by American Century Investment Management, Inc.

Notice: Accounts established under the Schwab 529 Plan and their earnings are neither insured nor guaranteed by the state of Kansas, the Kansas State Treasurer, American Century Investments or Charles Schwab & Co., Inc. Accounts established under Schwab 529 Plan are domiciled at American Century Investments and not Schwab.

This information is for educational purposes only and is not intended as investment or tax advice.



Administered by Kansas State Treasurer Jake LaTurner
Managed by American Century Investment Management, Inc.

American Century Investment Services, Inc., Distributor
© 2017 Charles Schwab & Co., Inc. All rights reserved. Member SIPC.
CC0122349 (07/15-4063) REG25668-15 (07/15)
00145419
LQ-FLY-92350 1704