

Charles Schwab Investment Management, Inc. (“CSIM”) is an investment adviser registered with the Securities and Exchange Commission. This summary highlights certain aspects of the nature of our investment advisory relationship with you. It is important to understand that brokerage and advisory services and fees differ. 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 portfolio management services through the separately managed account programs described below, which are offered to clients with whom CSIM has a direct client relationship (“Direct Clients”) and through wrap fee programs offered through broker-dealers (“Wrap Fee Programs”):

- ✓ Schwab Managed Portfolios™, which is only offered through a Wrap Fee Program sponsored by our affiliate, Charles Schwab & Co., Inc. (“Schwab”). Client assets are invested in mutual funds (“MFs”) and exchange-traded funds (“ETFs”). The minimum investment to open an account is \$25,000.
- ✓ Windhaven® Strategies, which is offered to Direct Clients and through Wrap Fee Programs sponsored by Schwab and other non-affiliated broker-dealers. Client assets are primarily invested in ETFs. The minimum investment to open an account is \$100,000, except for ERISA-Type Accounts, for which it is \$25,000.
- ✓ ThomasPartners® Strategies, which is offered to Direct Clients and through Wrap Fee Programs sponsored by Schwab and other non-affiliated broker-dealers. Client assets are invested in equity securities, fixed-income securities, MFs, and ETFs. The minimum investment to open an account is \$100,000 for Wrap Fee Program clients and \$500,000 for Direct Clients.
- ✓ USAA Managed Portfolios—UMP®, which is only offered through a Wrap Fee Program sponsored by Schwab. Client assets are invested in equity securities, fixed-income securities, MFs, and ETFs. The minimum investment to open an account is \$25,000 for UMP Wrap strategies and \$500,000 for UMP Custom strategies. Certain types of securities and asset allocation strategies within UMP Custom have higher minimums.

We actively monitor your account and perform quarterly and/or annual reviews depending on your account. In addition, account reviews may also be performed by personnel of the Wrap Fee Program sponsor.

The MFs and ETFs in which client assets may be invested include MFs and ETFs that are advised by CSIM and/or its affiliates. However, investment options are not limited to proprietary products.

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 schwabfunds.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 in Windhaven Strategies or ThomasPartners Strategies, you will pay an annual asset-based fee for our services that is charged on a quarterly basis.

- ✓ The more assets there are in your account, the more you will pay in fees, 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 sponsored by Schwab or another broker-dealer, you may pay an asset-based wrap fee to the Wrap Fee Program sponsor.

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 schwabfunds.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:

- ✓ 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
- ✓ 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.

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 schwabfunds.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. The majority of portfolio managers are 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.

Some portfolio managers for Windhaven Strategies and ThomasPartners Strategies are eligible to earn a discretionary bonus that is funded based on two independent components—50% of the funding is based on the financial performance of CSC during the annual period, and 50% of the funding is based on portfolio manager research and performance results for Windhaven Strategies or ThomasPartners Strategies, as applicable.

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.

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 for your program, or to request a copy of this relationship summary, please go to schwabfunds.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?