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SCHWAB CHARITABLE FUND™

July 24, 2009

Mr. and Mrs. John Smith  
123 Main Street  
Any Town, USA

**Announcing Expanded Investment Options for your Charitable Gift Account**

Dear Mr. and Mrs. John Smith,

We have exciting news! In response to donor and investment advisor feedback, Schwab Charitable Fund is introducing an expanded selection of investment pools for Charitable Gift Accounts.

New Investment Options

Effective later this summer, we will offer a total of twelve investment pools, including three asset allocation investment pools (enabling a diversified investment strategy within one investment choice) and nine individual investment pools (for those who prefer a customized investment strategy that combines pools with differing objectives).

The underlying investments for these pools include index and actively managed funds as well as a socially responsible fund. They represent a broad range of highly regarded mutual fund families, including American Century, Janus, Manning & Napier, Parnassus, PIMCO and Schwab. Schwab Charitable Fund selected these pools using research provided by the Schwab Center for Financial Research.

More Information

Please use the guide on the back of this page to determine if any of your Charitable Gift Account's investment pools will be affected. Charitable Gift Accounts currently invested in pools with new underlying funds (money market, income and balanced pools) will automatically be moved to those funds. ***There is no need for you to take any action unless you would like to recommend changes to your investment allocation after the new pools are introduced. We will notify you by email at that time.***

Given the recent volatility in the markets, this may be a good time for you to ensure that your Charitable Gift Account is appropriately invested to meet your goals. Enclosed is a list of our new investment pools as well as some sample investment allocation strategies.

We will notify you by email once the new pools are introduced. At that time, you may want to access our easy-to-use tool that can help you recommend an appropriate investment allocation strategy. To locate the tool, as well as detailed mutual fund report cards for all underlying funds in our investment pools, log on to your Account and click on "Reallocate Investments" under the "Account Summary" tab. If you work with an investment advisor, you may also wish to contact him or her to discuss any recommendations that may be appropriate for your Account.

Thank you for trusting Schwab Charitable Fund to be a partner in your philanthropy. Please feel free to contact us with any questions at 1-800-746-6216 or [ask@schwabcharitable.org](mailto:ask@schwabcharitable.org).

Sincerely,

Kim Wright-Violich  
President

# CHANGES TO POOL UNDERLYING INVESTMENTS

Please check this list to determine if there will be any changes to the underlying investments in your Charitable Gift Account.

Charitable Gift Accounts currently invested in the following pools **will experience no change in the underlying fund:**

INVESTMENT POOL	UNDERLYING FUND
<b>Equity Index Pool</b> (New name: <i>Large Cap Equity Index Pool</i> )	Schwab Institutional Select S&P 500 Fund
<b>Equity Value Pool</b> (New name: <i>Large Cap Equity Managed Pool</i> )	Schwab Dividend Equity Fund Select Shares
<b>International Pool</b> (New name: <i>International Equity Index Pool</i> )	Schwab Fundamental International Large Company Index Fund Institutional Shares
<b>Equity Income Pool</b> (New name: <i>Growth Pool</i> )	Schwab MarketTrack Growth Portfolio Preferred Shares

Accounts currently invested in the following pools **will automatically be invested in new underlying funds:**

INVESTMENT POOL	OLD UNDERLYING FUND	NEW UNDERLYING FUND
<b>Money Market Pool</b>	Schwab Value Advantage Money Fund Institutional Shares	Schwab Value Advantage Money Fund Institutional Prime Shares
<b>Intermediate Income Pool</b> (New name: <i>Income Pool</i> )	Schwab Total Bond Market Fund	PIMCO Total Return Bond Fund
<b>Balanced Pool</b>	Schwab Market Track Conservative Portfolio	Janus Balanced Fund

The following **new** investment pools **will be available later this summer**. If you would like to recommend a reallocation of your Charitable Gift Account's portfolio to include these pools, please do so after they become available.

NEW INVESTMENT POOL	UNDERLYING FUND
<b>Conservative Pool</b>	Manning & Napier Pro-Blend Conservative Term S Fund
<b>Treasury Inflation Protected Securities Pool</b>	American Century Inflation Adjusted Bond Fund
<b>Small Cap Equity Pool</b>	Schwab Small Cap Index Fund Select Shares
<b>International Equity Managed Pool</b>	Manning & Napier World Opportunities A Fund
<b>Socially Responsible Equity Pool</b>	Parnassus Equity Income Fund



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