

International Stock Index

Retiree Health Funding Vehicle (RHFV) and
Investment Services Program (ISP)



Underlying Investment Fund

Schwab International Index Fund (SWISX)

Fund Redemption Fee Waiver

The International Stock Index redemption fee is waived.

This sheet is used to fully disclose the fees associated with this fund. The summary information on the following pages does not take into account the MERS Operating and Custody and Recordkeeping costs of 0.25%. Please find a complete breakdown and description of fees associated with the fund below.

For more information on fees, please visit the Fee Summary Sheet at www.mersofmich.com or call the MERS Service Center weekdays at 800.767.MERS (6377).

Fee and Expense Information (as of 12/31/2016)

Administrative Fees (as of October 1, 2014): Costs to run the day-to-day operations of the plan, which include legal, accounting, auditing, compliance, printing, and overhead costs, as well as costs related to bookkeeping, settling trade activity, and holding assets in custody at a bank.	0.25%
Investment Management Expense: All costs incurred in the overall management of the fund. The Investment Management Expense varies based on the level of assets. As assets increase, the Investment Management Expense is expected to decline.	0.19%
Fund Company Rebate The Fund Company Rebate is a reimbursement from the fund company for services provided by our recordkeeper.	-0.02%
Total Annual Operating Expense: The Total Annual Operating Expense reduces the rate of return of the investment option Total Annual Operating Expense of 0.42% means that for every \$1,000 invested in the International Stock Index, a participant is charged \$4.20 in fees a year.	0.42%

Performance by Year (as of December 31, 2016)

	2012	2013	2014	2015	2016
International Stock Index	18.46%	20.59%	-6.07%	-1.23%	0.72%
MSCI EAFE NR USD	17.32%	22.78%	-4.90%	-0.39%	1.00%

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM | 1134 Municipal Way | Lansing, MI 48917 | 800.767.MERS (6377) | www.mersofmich.com

The Municipal Employees' Retirement System (MERS) and TD Ameritrade are not affiliated.

This summary is designed to provide descriptive information only. Investors should research all possible investment choices. Please make independent investment decisions carefully and seek the assistance of independent experts where appropriate. We recommend investors define their goals, risk tolerance, time horizon, and investment objectives to determine whether this fund is appropriate for you. Please make independent investment decisions carefully and seek the assistance of independent experts where appropriate.

Investors should read the prospectus and carefully consider the investment objective, risks, and fees of the fund before investing. The prospectus may be found on the MERS website at www.mersofmich.com. To request a prospectus, please contact the MERS Service Center at 800.767.MERS (6377).

Performance data contained in the summary is Net of Investment Management Expenses only. Past performance is no guarantee of future results. Current performance may be higher or lower. Investment returns and values will fluctuate, and shares when redeemed, may be worth more or less than their original cost.

The expense ratio contained in the summary does not include the MERS operating costs and custody and recordkeeping costs. The Total Annual Operating Expense contained in this document takes into consideration all fund costs. Additional participant charges may apply. Please refer to the Fee Summary Sheet for a complete list of all fees and expenses.

Funds are subject to investment risks from a number of sources, including the management style of the fund and market volatility. Markets are volatile and can rise or decline significantly in response to company, political, regulatory, market or economic developments. A fund's total return, like securities prices generally, will fluctuate within a wide range. As a result, an investor could lose money over short or even long periods. Funds are also subject to investment-related risk, which is the chance that returns from companies invested in by the fund will trail returns from other asset classes or the overall market.

Disclaimers at the bottom of the summary related to Mutual Fund OneSource® and any associated fees do not apply to MERS participants.

MERS has made every effort to ensure that the information provided is accurate and up to date. For more information about this fund, please contact the MERS Service Center at 800.767.MERS (6377) or visit the MERS website at www.mersofmich.com.

Schwab International Index Fund® SWISX

NO LOAD NO FEE Schwab Mutual Fund OneSource®
(no-load, no-transaction-fee)



This graph represents the growth of a hypothetical investment of \$10,000. It assumes reinvestment of dividends and capital gains, and does not reflect sales loads, redemption fees or the effects of taxes on any capital gains and/or distributions.

CATEGORY: FOREIGN LARGE BLEND

Morningstar Category: Foreign large-blend funds invest in a variety of big international stocks. Most of these funds divide their assets among a dozen or more developed markets, including Japan, Britain, France, and Germany. They tend to invest the rest in emerging markets such as Hong Kong, Brazil, Mexico and Thailand. These funds typically will have less than 20% of assets invested in U.S. stocks.

PERFORMANCE RETURNS 1,2

This section contrasts SWISX to its benchmarks.

Monthly data as of 12/31/2016

	Cumulative Returns %					Annualized Returns %						
	YTD	3 MO	1 YR	5 YR	10 YR	SINCE INCEP.	YTD	3 MO	1 YR	5 YR	10 YR	SINCE INCEP.
● Schwab International Index Fund®	+1.08	-1.51	+1.08	+6.44	+0.90	+3.77						
● Category Average	-0.21	-3.16	-0.21	+5.56	+0.45	-						
● MSCI EAFE NR USD	+1.00	-0.71	+1.00	+6.53	+0.75	-						

RANK WITHIN CATEGORY FOR ANNUAL TOTAL RETURN % as of 12/31/2016

Rank within Category compares this fund's total annual return to that of other funds in the same category, and its figures are not adjusted for load, sales charge, or taxes.

	YTD	2015	2014	2013	2012	2011
TOP 25%						
BOTTOM 25%						
RETURN %	1.08	-0.88	-5.74	21.64	18.93	-11.71

¹ Numbers are adjusted for possible sales, charges, and assume reinvestment of dividends and capital gains over each time period.

² Index figures do not reflect deductions for fees or expenses

Data and rankings provided by Morningstar. Morningstar proprietary ratings reflect historical risk-adjusted performance as of 12/31/16. These ratings are subject to change every month. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The top 10% of the funds in an investment category receive 5 stars, 22.5% receive 4 stars, 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The overall Morningstar Rating is a weighted average of the funds' three-, five-, and 10-year (if applicable) Morningstar rating metrics. To contact Morningstar, Inc. call 1-800-735-0700.

One or more investments in your plan may be subject to a Contingent Redemption Fee. In addition, some mutual fund companies have strict policies on excessive trading and expressly prohibit transactions deemed detrimental to long-term shareholders of the fund. **Investors should consider carefully information contained in the prospectus, including investment objectives, risks, trading restrictions, charges and expenses. You can request a prospectus by calling Schwab at 1-800-435-4000. You may also request a prospectus at www.schwab.com/workplace. Please read the prospectus carefully before investing.**

Performance data quoted represents past performance and does not indicate future results. Visit [schwab.com/workplace](http://www.schwab.com/workplace) for month-end performance information. Current performance may be lower or higher. Investment value will fluctuate, and shares when redeemed, may be worth more or less than original cost. Please visit <http://www.schwab.com/workplace> for more recent performance information.

FUND PROFILE
as of 12/31/16

Available at Schwab	Yes
Inception Date	05/19/1997
Status	Open
Category	Foreign Large Blend
Index Fund	Yes
Fund Company	Schwab Funds
Portfolio Turnover	7%

MORNINGSTAR RATINGS
as of 12/31/16

Overall rating: **3 stars** (OUT OF 606 FUNDS)

3 year rating: **3 stars** (OUT OF 606 FUNDS)

5 year rating: **3 stars** (OUT OF 542 FUNDS)

10 year rating: **3 stars** (OUT OF 329 FUNDS)

Historical Return AVERAGE RETURN: Historical Risk AVERAGE RISK:

The ratings reflect historical risk-adjusted performance and the overall Morningstar Rating™ is derived from a weighted average of the performance figures associated with fund's 3, 5, and 10 year rating metrics.

QUARTERLY AVERAGE ANNUAL TOTAL RETURN
as of 12/31/2016

1 Year	1.08%	10 Years	0.90%
5 Years	6.44%	Since Incep.	3.77%

Numbers are adjusted for possible sales charges, and assume reinvestment of dividends & capital gains over each time period.

EXPENSES

Gross Expense Ratio (before waivers)	0.23%
Net Expense Ratio (after waivers)	0.19%
Category Average Expense Ratio	1.15%
12b-1 Fees	None
Max Front Load	None
Max Back Load	None
Redemption Fee	2.00%

A net expense ratio lower than the gross expense ratio may reflect a cap on or contractual waiver of fund expenses. Please read the fund prospectus for details on limits or expiration dates for any such waivers.

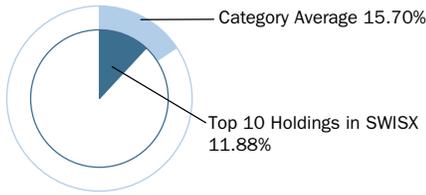
Schwab International Index Fund®

SWISX

NO LOAD NO FEE Schwab Mutual Fund OneSource®
(no-load, no-transaction-fee)

TOP TEN HOLDINGS

as of 09/30/2016



Top 10 holdings are 11.88% of the total portfolio assets. The category average percent of Portfolio in top 10 holdings is 15.70%

SYMBOL	COMPANY NAME	SECTOR	PERCENT OF ASSETS
-	Nestle SA	-	1.98%
-	Novartis AG	-	1.39%
-	Roche Holding AG Dividen..	-	1.37%
-	Mini Msci Eafe Dec16 Ifus..	-	1.28%
-	Toyota Motor Corp	-	1.22%
-	HSBC Holdings PLC	-	1.17%
-	British American Tobacco ..	-	0.94%
-	BP PLC	-	0.85%
-	Royal Dutch Shell PLC Cla..	-	0.84%
-	Total SA	-	0.84%

Fund holdings subject to change

REGIONAL EXPOSURE

as of 09/30/2016



Regional Breakdown

Europe Developed (excluding UK)	43.68%
Japan	24.02%
United Kingdom	18.39%
Australasia	7.35%
Asia Developed (excluding Japan)	4.49%
North America	1.11%
Africa/Middle East	.66%
Asia Emerging	.30%

Top 5 Countries

Japan	24.01%
United Kingdom	18.39%
France	9.35%
Switzerland	9.02%
Germany	8.97%



This Mutual Fund Report Card is informational in nature and is not a recommendation or solicitation for any person to buy, sell or hold any particular security; nor is it intended to address any individual's investment objectives, financial situation or personal circumstances. We recommend that investors define their goals, risk tolerance, time horizon and investment objectives in addition to researching possible investment choices.

Sector weightings for fund portfolios are determined using the Global Industry Classification Standard (GICS). GICS was developed by and is the exclusive property of Morgan Stanley Capital International Inc. and Standard & Poor's. GICS is a service mark of MSCI and S&P and has been licensed for use by Charles Schwab & Co., Inc.

Government bond fund shares are not guaranteed. Their price and investment return will fluctuate with market conditions and interest rates. Investment income from municipal bond funds may be subject to certain state and local taxes and the federal alternative minimum tax. Capital gains are not exempt from federal income tax.

International investing involves special risks such as currency fluctuation and political instability. Investing in emerging markets may accentuate these risks. Small cap funds are subject to greater volatility than those in other asset categories. Due to the limited focus of sector funds, they may experience greater volatility than funds with a broader investment strategy.

Except as noted below, all data provided by Morningstar, Inc. All rights reserved. The information contained herein is the proprietary information of Morningstar, Inc., and may not be copied or redistributed for any purpose and may only be used for noncommercial, personal purposes. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. Morningstar, Inc., shall not be responsible for investment decisions, damages, or other losses resulting from use of the information. Morningstar, Inc., has not granted consent for it to be considered or deemed an "expert" under the Securities Act of 1933.

Trades in no-load mutual funds available through Schwab's Mutual Fund OneSource® service (including Schwab Funds®) as well as certain other funds, are available without transaction fees when placed through Schwab.com or our automated phone channels. Schwab reserves the right to change the funds we make available without transaction fees and to reinstate fees on any funds. Funds are also subject to management fees and expenses.

For participants who utilize the Personal Choice Retirement Account (PCRA)®, the following fees and conditions may apply: Schwab's short-term redemption fee of \$49.95 will be charged on redemption of funds purchased through Schwab's Mutual Fund OneSource® service (and certain other funds with no transaction fee) and held for 90 days or less. Schwab reserves the right to exempt certain funds from this fee, including Schwab Funds®, which may charge a separate redemption fee, and funds that accommodate short-term trading.

The Laudus Group® of Funds includes the Laudus Mondrian and Laudus Growth Investors Funds, which are part of the Laudus Trust and Laudus Institutional Trust and distributed by ALPS Distributors, Inc., and the Laudus MarketMasters Funds®, which are part of the Schwab Capital Trust and distributed by Charles Schwab & Co., Inc. ALPS Distributors, Inc. and Charles Schwab & Co., Inc. are unaffiliated entities. Fund investment adviser: Charles Schwab Investment Management, Inc. (CSIM). Distributor: Charles Schwab & Co., Inc. (Schwab). CSIM and Schwab are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation. The aggregate fees Schwab or its affiliates receive from Schwab Affiliate Funds are greater than the remuneration Schwab receives from other fund companies participating in the Mutual Fund OneSource Service.

Charles Schwab & Co., Inc. Member SIPC (0108)

SECTOR WEIGHTINGS

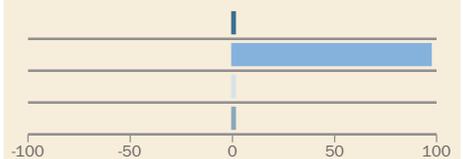
as of 09/30/2016

Financials	19.16%
Industrials	14.18%
Consumer Staples	12.80%
Consumer Discretionary	12.29%
Health Care	11.44%
Materials	7.47%
Information Technology	5.59%
Telecommunication Services	4.84%
Energy	4.82%
Utilities	3.63%



ASSET BREAKDOWN

as of 09/30/2016



	%Long	%Short	%Net
Domestic Stock	1.09	0.00	1.09
Non-US Stock	97.21	0.00	97.21
Cash	1.08	0.00	1.08
Other	0.62	0.00	0.62

Non-US assets includes assets without a specific country classification.

MARKET CAPITALIZATION

as of 09/30/2016

Giant Cap	57.52%
Large Cap	34.55%
Medium Cap	7.87%
Small Cap	0.06%

