illiquid securities  Securities are generally considered illiquid if they cannot be disposed of promptly (typically within seven days) and in the ordinary course of business at approximately the amount at which a fund has valued the instruments.

interest  Payments to holders of debt securities as compensation for loaning a security's principal to the issuer.

liquidity-enhanced security  The security's structure includes a liquidity arrangement that requires an entity other than the issuer (such as a large financial institution) to provide funds to pay a tender under most circumstances. Liquidity enhancements are often used on variable-rate securities where the portfolio manager has an option to tender the securities for repayment within a specified time period (usually one day or one week) at any time prior to their final maturity.

maturity  The date a debt security is scheduled to be “retired” and its principal amount repaid to the bond holder. The Maturity of an investment will generally reflect the security's final maturity date unless the security's structure includes a maturity-shortening provision such as an interest-rate swap or a cap.
purchase eligible investments that fall within criteria outlined by the rating agencies and the SIV program guidelines.

Tier 1: Tier 1 is the highest category of credit quality. Both Schwab Cash and Schwab Money Fund are considered Tier 1 securities. The Schwab Money Fund yield is a taxable-equivalent yield. The yield an investor would need to earn to have the same after-tax yield as from a taxable investment, once the effect of all applicable taxes is taken into account. For example, if your tax rate were 25%, for a tax-equivalent yield of 4.5%, you would need an after-tax yield of 6.0% (4.5% / (1 - 0.25)).

Tier 2: Tier 2 is the second highest. A security’s tier can be established either by an independent rating organization or by a determination of the investment advisor. More commonly, a determination of tier is based on the credit qualities of the securities in the fund assuming all gains and distributions were reinvested.