

Schwab International Core Equity Fund

Investment objective

The Fund seeks long-term capital growth.

Fund highlights

- An actively managed fund that seeks to assemble a portfolio with long-term performance that will exceed that of the MSCI EAFE® Index
- A convenient way to gain broad exposure to the international equities market
- Seeks to deliver consistent, risk-adjusted excess return through a disciplined investment process that uses Schwab Equity Ratings International® as one of several inputs*
- An experienced portfolio management team evaluates securities based on three components: fundamentals, valuation, and sentiment

Fund details

Total net assets	\$533,472,663
Number of fund holdings	142
Distribution frequency	Annual
Inception date	05/30/08
Loads/12b-1 fees	None
Total annual fund operating expenses ¹	0.86%
Minimum initial investment	None
Minimum balance	None

Portfolio managers

Iain Clayton, CFA, Senior Portfolio Manager

Wei Li, Ph.D., CFA, Senior Portfolio Manager

Morningstar Rating™ and Style Box²

Fund Category:

Foreign Large Blend

Rating

Overall ★★★

Three-Year ★★

Five-Year ★★

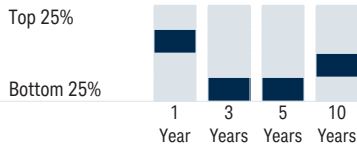
Ten-Year ★★★



Source: Morningstar, Inc. As of 12/31/22, the Morningstar Rating for the total number of Foreign Large Blend funds for the three-, five- and ten-year periods were 555/704, 553/611, and 214/422 respectively. The ratings reflect historical risk-adjusted performance and the Overall Rating is derived from a weighted average of the Fund's three-, five- and ten-year Morningstar Rating metrics.

Quartile rankings within Morningstar category³

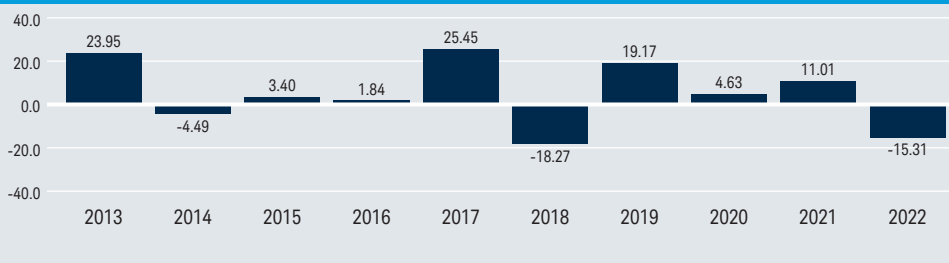
■ Fund



Rank within category is independently calculated and compares this Fund's total annual return to that of other funds in the same category and its figures are not adjusted for any fees and expenses, loads, sales charges, or taxes. As of 12/31/22, the quartile ranking of Foreign Large Blend funds for the one-, three-, five- and ten-year periods were 320/744, 555/704, 553/611, and 214/422, respectively.

Performance (%) as of 12/31/22	Cumulative		Annualized				
	3 Months	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund⁴	17.18	-15.31	-15.31	-0.55	-0.85	4.13	2.20
MSCI EAFE® Index (Net) ³	17.34	-14.45	-14.45	0.87	1.54	4.67	2.11
MSCI EAFE Fair Value Index (Net) ^{3,5}	18.20	-14.07	-14.07	0.96	1.63	4.58	2.11
Category Average ³	15.95	-15.84	-15.84	0.55	1.15	4.26	-

Annual total returns⁴ (%) as of 12/31



Performance data quoted represents past performance and is no guarantee of future results. Returns are based on total return, which assumes reinvestment of dividends and distributions. Investment returns and principal value will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than performance data quoted. To obtain performance information current to the most recent month end, please visit www.schwabassetmanagement.com.

Index performance returns do not reflect any management fees, transaction costs or expenses, which would lower performance. They assume dividends and distributions were reinvested. Indices are unmanaged and cannot be invested in directly.

The first index listed for the fund is the fund's primary benchmark, as shown in the prospectus. Additional indices shown are provided for comparative purposes.

Top holdings^{6,7} (% of portfolio) as of 12/31/22

Novo Nordisk A/S Class B	3.41
LVMH Moet Hennessy Louis Vuitton SE	3.23
Roche Holding Ltd Dividend Right Cert.	2.60
Nestle S.A.	2.58
Novartis AG	2.13
ASML Holding NV	2.10
BHP Group Ltd	2.03
TotalEnergies SE	2.01
Deutsche Telekom AG	1.93
AstraZeneca PLC	1.68
TOTAL	23.70

Important investment concerns

International investments involve additional risks, which include differences in financial accounting standards, currency fluctuations, geopolitical risk, foreign taxes and regulations, and the potential for illiquid markets. Diversification strategies do not ensure a profit and do not protect against losses in declining markets.

Characteristics as of 12/31/22

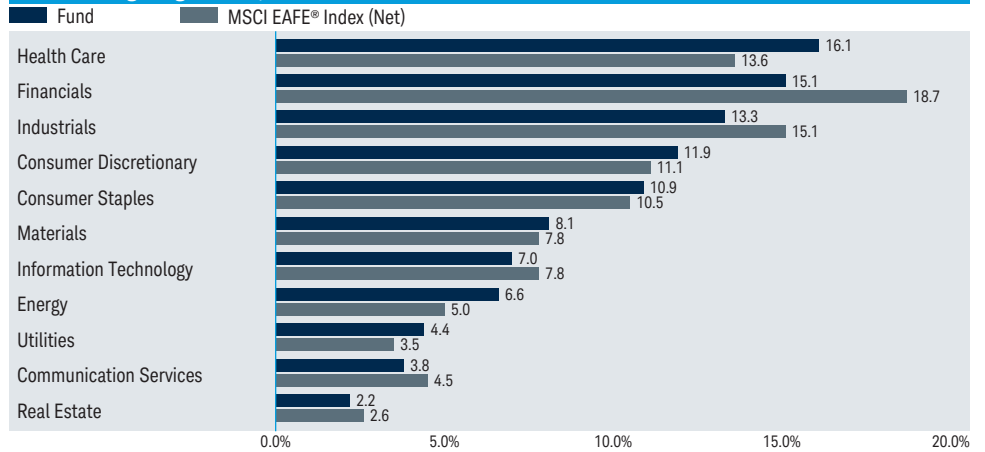
	Fund	MSCI EAFE® Index (Net)
Number of securities	142	796
Wtd. avg. market capitalization (in millions)	\$93,707	\$76,691
Portfolio turnover rate (1-year trailing)⁸	87.38%	—
Price-to-earnings ratio	9.77	12.15
Price-to-book ratio	1.61	1.56
Price-to-cash-flow ratio	6.15	7.80
Return on equity	22.28%	18.24%
5-year earnings growth	10.94%	8.92%

Data provided by FactSet as of 12/31/22, unless otherwise noted.

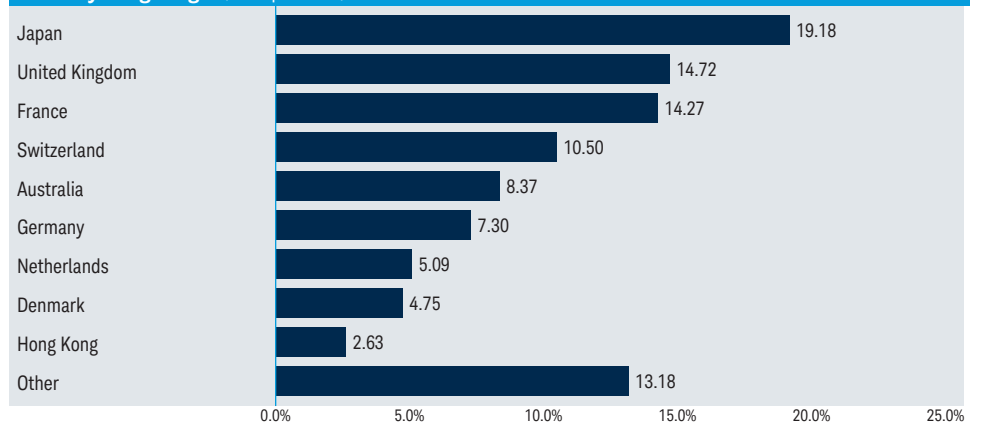
Statistical information (3 Yr.) as of 12/31/22

	Fund	MSCI EAFE® Index (Net)
Sharpe ratio	-0.06	0.01
Information ratio	-0.35	0.00
Standard deviation	20.28%	20.25%
R-squared	95.97%	100.00%
Beta vs. Benchmark	0.98	1.00

Data provided by Zephyr StyleADVISOR as of 12/31/22.

Sector weightings⁷ (% of portfolio) as of 12/31/22


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

Country weightings⁷ (% of portfolio) as of 12/31/22

Find out more today

For more information, please visit www.schwabassetmanagement.com.

For additional information about the indices and terms shown, please visit www.schwabassetmanagement.com/resources/glossary.

Investors should consider carefully information contained in the prospectus, or if available, the summary prospectus, including investment objectives, risks, charges and expenses. You can view and download a prospectus by visiting www.schwabassetmanagement.com/prospectus. Please read the prospectus carefully before investing.

*To aid its stock selection, the fund uses Schwab Equity Ratings International®, proprietary stock research produced by the Schwab Center for Financial Research (SCFR). SCFR is a division of Charles Schwab & Co., Inc. (Schwab).

¹ As stated in the prospectus. These figures may differ from those presented in the fund's shareholder report. **Gross Expense:** Does not reflect the effect of contractual fee waivers. **Net Expense:** The investment adviser and its affiliates have agreed to limit the total annual fund operating expenses (excluding interest, taxes and certain non-routine expenses) of the Fund to 0.86% for so long as the investment adviser serves as the adviser to the Fund. This agreement may only be amended or terminated with the approval of the Fund's Board of Trustees.

² Morningstar proprietary ratings reflect historical risk-adjusted performance. For each fund with at least a 3-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 1 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.

³ Source: Morningstar, Inc. as of 12/31/22.

⁴ Fund expenses may have been partially absorbed by Schwab Asset Management. Without these reductions, the fund's returns would have been lower.

⁵ A fair value index measures returns adjusted to reflect price and foreign exchange rate changes for index securities in markets that have closed prior to the close of the New York Stock Exchange. Fair value index returns are calculated using fair value adjustment factors as of the close of the New York Stock Exchange provided by Interactive Data's (IDCo) Fair Value Information Service.

⁶ Portfolio holdings are as of the date shown and may not represent current or future holdings and are not a recommendation of individual securities by the investment adviser.

⁷ Data provided by FactSet as of 12/31/22.

⁸ Data provided by State Street Corporation as of 12/31/22.

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