

Schwab Institutional Diversified International Trust Fund

Institutional Unit Class

As of December 31, 2018

Fund Facts

Trustee	Charles Schwab Trust Bank
Fund Type	Collective Trust Fund
Morningstar Category	Foreign Large Blend
Benchmark	MSCI EAFE Index (Net)¹
Unit Class Inception Date	10/26/2010
Fund Inception Date	10/26/2010
Net Asset Value (NAV) (Dec 31, 2018)	\$12.83
Total Fund Assets (Dec 31, 2018)	\$2.3B
Total Underlying Stock Holdings* (Sep 30, 2018)	2,586

*Does not include commodities.

Annual Fund Operating Expense

Expense Ratio	0.79%
Expense per \$1,000	\$7.90

Schwab Trust Bank charges an annual trustee fee equal to the "expense ratio" on all assets within the Fund, which includes fees charged on the underlying investments. Fees and expenses are only one of several factors participants and beneficiaries should consider when making investment decisions. The cumulative effect of fees and expenses can substantially reduce the growth of an investment. Please visit the Department of Labor's web site for an example showing the long-term effect of fees and expenses at http://www.dol.gov/ebsa/publications/401k_employee.html.

Portfolio Turnover²

2%

Sub-Advisors

Dimensional Fund Advisors	William Blair & Co
Franklin Templeton Investments	American Funds

About the Sub-Advisors

Charles Schwab Trust Bank uses an open-architecture sub-advised approach to investing. Fund investments are selected based on advice received from or products offered by industry recognized investment management firms ("sub-advisors"). The Fund may invest in other Schwab Trust Bank Collective Trust Funds to gain exposure to the underlying sub-advised strategies. See the "Disclosures" at the end of this document.

Objective

The Fund seeks long-term capital appreciation.

Fund Strategy

To pursue its investment objective, invests primarily in one or more sub-advised strategies composed of equity securities of companies located or operating primarily outside of the United States, including those in developed and emerging markets. The Fund uses strategy(ies) that look for value and/or growth companies across market capitalizations and asset classes. The MSCI EAFE[®] Index (Europe, Australasia, Far East) (Net) is the index against which the Fund will be compared; however the Fund will not attempt to replicate the index. Charles Schwab Trust Bank may use another index as the basis for making investments or for performance measurement or analyses. Underlying sub-advisors may use other global indices as the basis for making investment selections or recommendations.

Performance* as of Dec 31, 2018

Annualized	YTD	3 Month	1 Year	3 Year	5 Year	10 Year	Since Inception
International I	-16.85%	-13.93%	-16.85%	2.35%	0.32%	-	3.09%
MSCI EAFE Index (Net) ¹	-13.79%	-12.54%	-13.79%	2.87%	0.53%	-	3.46%
Morningstar Category: Foreign Large Blend MF	-14.59%	-12.68%	-14.59%	2.63%	0.10%	-	-

"YTD" and "3 Month" performance are cumulative. "Since Inception" is cumulative if less than one year.

Annual	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
International I	-	-	-14.49%	19.00%	20.21%	-4.87%	-0.38%	1.23%	27.39%	-16.85%
MSCI EAFE Index (Net) ¹	-	-	-12.14%	17.32%	22.78%	-4.90%	-0.81%	1.00%	25.03%	-13.79%
Morningstar Category: Foreign Large Blend MF	-	-	-13.97%	18.29%	19.44%	-4.98%	-1.59%	0.79%	25.12%	-14.59%

Past performance is no guarantee of future results. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than original cost.

Fund performance includes the reinvestment of all income and is presented net of all fees. Extended performance is based on the "Fund Inception Date" and returns are adjusted for the difference in unit class expense. "Since Inception" performance of the Fund and indices is based on the "Unit Class Inception Date." "Since Inception" is cumulative if less than one year.

*See the "Disclosures" for additional information.

Underlying Investments³ as of Dec 31, 2018

Strategy	Category	Allocation
Templeton Intl Equity Fund	Foreign Large Value	39.66%
American Funds EuroPacific Growth Fund R6 (RERGX)	Foreign Large Growth	40.32%
DFA Intl Small Cap Value Portfolio Instl (DISVX)	Foreign Small/Mid Value	10.23%
William Blair Intl Small Cap Growth Collective Invt Fund II	Foreign Small/Mid Growth	9.80%

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Statistical Information^{3, 4}

as of Dec 31, 2018

	3 Year		5 Year		10 Year	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Alpha (%)	-0.49	0.00	-0.21	0.00	-	-
Beta	1.02	1.00	0.94	1.00	-	-
Information Ratio	-0.20	0.00	-0.08	0.00	-	-
R-Squared (%)	95.17	100.00	94.61	100.00	-	-
Sharpe Ratio	0.11	0.17	-0.02	-0.01	-	-
Standard Deviation (%)	11.90	11.40	11.39	11.78	-	-

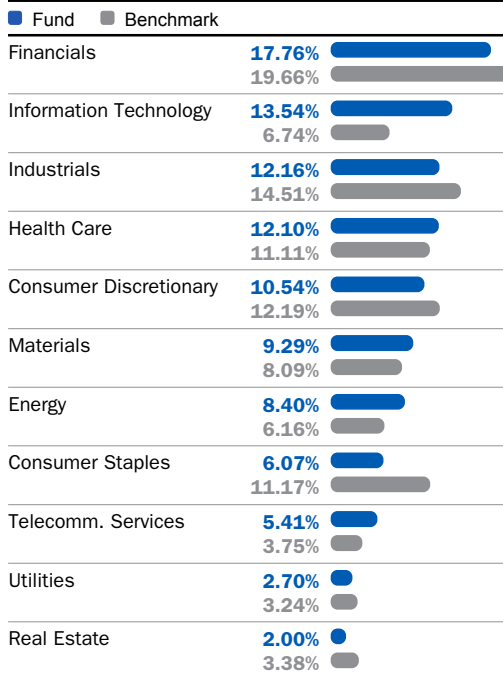
Fund Characteristics^{3, 4}

as of Sep 30, 2018

	Fund	Benchmark
5-Year Earnings Growth	9.37	8.18
Dividend Yield	2.45	3.17
Price-to-Book	1.62	1.68
Price-to-Cash Flow	8.31	8.56
Price-to-Earnings	14.35	14.27
Return on Equity	13.02	14.95
Weighted Average Market Cap	57.12B	62.03B

Equity Sector Weightings³

as of Sep 30, 2018



Equity Top 10 Country Weightings³

as of Sep 30, 2018

United Kingdom	17.36%
Japan	16.55%
France	8.15%
Hong Kong	6.94%
Germany	6.74%
South Korea	4.08%
Switzerland	3.98%
India	3.83%
Canada	3.65%
Netherlands	3.16%

Top 10 Underlying Holdings³

as of Sep 30, 2018

Cash/Cash Equivalents	4.21%
SAMSUNG ELECTRONICS CO	1.95%
TAIWAN SEMICONDUCTOR	1.16%
SOFTBANK GROUP CORP	1.13%
BNP PARIBAS	1.12%
ROYAL DUTCH SHELL	1.11%
AIA GROUP	1.07%
BP PLC	1.05%
TEVA PHARMACEUTICAL INDUSTRIES	1.05%
AIRBUS	0.99%

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¹The MSCI EAFE® Index (Europe, Australasia, Far East) (Net) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. This series approximates the minimum possible dividend reinvestment.

²**Portfolio Turnover:** The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs. These costs, which are not reflected in annual fund operating expenses, affect the Fund’s performance. The portfolio turnover rate shown is for the most recent fiscal year. If the Fund was not in operation for the full prior fiscal year, the turnover rate is shown for (i) the most recent 1-year trailing period, if available or (ii) from the “Fund Inception Date” to the most recent quarter-end if the Fund has been in operation for less than one year.

³**Portfolio holdings are subject to change.**

⁴**Definitions**

5-Year Earnings Growth: A firm’s average annualized earnings per share growth over the last five years ending in the most recently reported fiscal year.

Alpha (%): A measure of a portfolio’s performance on a risk-adjusted basis relative to the return of the benchmark index. A positive alpha means the portfolio outperformed its benchmark, and a negative alpha indicates underperformance versus the benchmark.

Beta: A measure of the volatility of a portfolio relative to its comparative index. A beta of less than one typically indicates lower historical volatility than the index; a beta of more than one typically indicates higher historical volatility than the index.

Dividend Yield (%): A stock’s indicated annual dividend divided by current price. At the portfolio level, it is the value-weighted average of the dividend yield of the securities in the portfolio.

Information Ratio: A measure of the consistency of a portfolio manager’s performance. It is calculated by taking the average excess return over the benchmark and dividing by the standard deviation of the excess returns.

Price-to-Book (P/B): The price of a stock divided by its most recently reported book value per share. For the Fund, the P/B Ratio above is a weighted average of all of the available P/B ratios for the stocks in the Fund calculated by FactSet in accordance with industry standards.

Price-to-Cash Flow (P/CF): The price per share divided by its historical cash flow per share. For the Fund, the P/CF Ratio above is a weighted average of all of the available P/CF ratios for the stocks in the Fund calculated by FactSet in accordance with industry standards.

Price-to-Earnings (P/E): The price of a stock divided by its historical earnings per share. For the Fund, the P/E Ratio above is a weighted average of all of the available P/E ratios for the stocks in the Fund calculated by FactSet in accordance with industry standards.

R-Squared (%): Indicates on a scale of 0 to 100, the percentage of a fund’s performance that is explained by movements in its benchmark index.

Return on Equity: A firm’s net income divided by common stockholder’s equity. A measure of a firm’s ability to generate profits using funds provided by stockholders.

Sharpe Ratio: Developed by Professor William F. Sharpe, a measure of reward per unit of risk - the higher the Sharpe Ratio, the higher return per unit of risk. It is a portfolio’s excess return over the risk-free rate divided by the portfolio’s standard deviation. The portfolio’s excess return is its geometric mean return minus the geometric mean return of the risk-free instrument (by default, t-bills).

Standard Deviation (%): A widely recognized measure of volatility of an investment portfolio, or how widely monthly returns vary from a portfolio’s long-term average annual total return.

Weighted Average Market Cap: A firm’s current market price multiplied by current common shares outstanding (adjusted to price date), calculated at the portfolio level as the weighted average of all stocks’ capitalization in a portfolio.

Performance as of Prior Calendar Year* as of Dec 31, 2018

Annualized	1 Year	3 Year	5 Year	10 Year	Since Inception
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Fund performance includes the reinvestment of all income and is presented net of all fees. Extended performance is based on the “Fund Inception Date” and returns are adjusted for the difference in unit class expense. “Since Inception” performance of the Fund and index is based on the “Unit Class Inception Date.” “Since Inception” is cumulative if less than one year.

*See the “Disclosures” for additional information.

Information in this fact sheet is provided by Charles Schwab Trust Bank (“Schwab Trust Bank”) in order to fulfill its disclosure obligations to covered plan administrators relating to operating expenses, performance data, and benchmark information under Department of Labor (“DOL”) Regulation 404a-5 under ERISA (“Rule 404a-5”). Rule 404a-5 requires Schwab Trust Bank to provide a broad-based securities market benchmark as a tool for participants to use in assessing the various investment options available to them. Schwab Trust Bank has included the index shown but neither endorses nor recommends the index and does not manage the Fund to this index. Please note that there may be additional information required to be disclosed by covered plan administrators that is not contained in this Fund Fact Sheet because the information is not available to Schwab Trust Bank. Schwab Trust Bank will provide information or data that is within its control, or reasonably available to it, that is required for a covered plan administrator to comply with participant disclosure obligations related to an investment in the Fund.

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Significant Risks of the Fund

There is no assurance that the strategy risk and return objectives stated herein can be achieved. Strategy objectives should not be construed as providing assurance or guarantee as to the performance that may be realized in the future from investments described herein. Actual returns may be lower than the target or negative and actual risk levels could be higher than the target.

The Fund is subject to risks, any of which could cause a participating investor to lose money. The Fund's principal risks include:

Asset Allocation Risk. The Fund is subject to asset allocation risk, which is the risk that the selection of the underlying strategies and the allocation of the portfolio's assets among the various strategies, asset classes, and market segments may cause the Fund to underperform other funds with a similar investment objective.

Direct Investment Risk. The Fund may invest directly in individual securities to maintain its allocations. The Fund's direct investment in these securities is subject to the same or similar risks as an underlying strategy's investment in the same security.

Investment Risk. An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund may experience losses with respect to its investment in underlying strategies. Further, there is no guarantee that the Fund will be able to achieve its objective.

Underlying Strategy Investment Risk. The value of a participating investor's investment in the Fund is based primarily on the prices of the underlying strategies that the Fund purchases. In turn, the price of each underlying strategy is based on the value of its securities. Before investing in the Fund, participating investors should assess the risks associated with the underlying strategies in which the Fund may invest and the types of investments made by those underlying strategies. These risks include any combination of the risks described below, although the Fund's exposure to a particular risk will be proportionate to the Fund's overall asset allocation and underlying strategy allocation.

- **Concentration Risk.** To the extent that an underlying strategy is concentrated in the securities of issuers in a particular market, industry, group of industries, sector or asset class, the strategy may be adversely affected by the performance of those securities, may be subject to increased price volatility and may be more susceptible to adverse economic, market, political or regulatory occurrences affecting that market, industry, group of industries, sector or asset class.
- **Currency Risk.** An underlying strategy's investment in securities denominated in, and/or receiving revenues in, foreign currencies may involve risks that those currencies will decline in value relative to the U.S. dollar.
- **Emerging Markets Risk.** Emerging market countries may be more likely to experience political turmoil or rapid changes in market or economic conditions than more developed countries. Such countries often have less uniformity in accounting and reporting requirements and greater risk associated with the custody of securities. In addition, the financial stability of issuers (including governments) in emerging market countries may be more precarious than in other countries. As a result, there will tend to be an increased risk of price volatility associated with the fund's investments in emerging market countries and, at times, it may be difficult to value such investments.
- **Equity Risk.** The prices of equity securities rise and fall daily. These price movements may result from factors affecting individual companies, industries or the securities market as a whole. In addition, the equity market tends to move in cycles, which may cause stock prices to fall over short or extended periods of time.
- **Exchange Traded Funds (ETFs) Risk.** When an underlying strategy invests in an ETF, it will bear a proportionate share of the ETF's expenses. In addition, lack of liquidity in an ETF can result in its value being more volatile than the underlying portfolio of securities.
- **Foreign Investment and Emerging Markets Risks.** An underlying strategy's investment in securities of foreign issuers involves certain risks that are greater than those associated with investments in securities of U.S. issuers. These include risks of adverse changes in foreign economic, political, regulatory and other conditions, or changes in currency exchange rates or exchange control regulations (including limitations on currency movements and exchanges); the imposition of economic sanctions or other government restrictions; differing accounting, auditing, financial reporting and legal standards and practices; differing securities market structures; and higher transaction costs. These risks may negatively impact the value or liquidity of the underlying fund's investments, and could impair the underlying fund's ability to meet its investment objective or invest in accordance with its investment strategy.
- **Geographic Risk.** To the extent an underlying strategy invests in a single country or a limited number of countries represents a higher percentage of the strategy's assets, the strategy assumes the risk that economic, political and social conditions in those countries may have a significant impact on its investment performance and it may be subject to increased price volatility.
- **Growth Investing Risk.** An underlying strategy's investments in growth stocks can be volatile. Growth companies usually invest a high portion of earnings in their businesses and may lack the dividends of value stocks that may cushion declining stock prices in a falling market. The prices of growth stocks are based largely on projections of the issuer's future earnings and revenues. If a company's earnings or revenues fall short of expectations, its stock price may fall dramatically. Growth stocks may also be more expensive relative to their earnings or assets compared to value or other stocks.
- **Large-, Mid- and Small-Cap Risk.** Stocks of different market capitalizations tend to go in and out of favor based on market and economic conditions. Historically, small- and mid-cap stocks tend to be more volatile than large-cap stocks, and small-cap stocks have been riskier than large- and mid-cap stocks. During a period when stocks of a particular market capitalization fall behind other types of investments-bonds or stocks of another capitalization range, for instance-an underlying strategy's large-, mid- or small-cap holdings could reduce performance.

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Significant Risks of the Fund (continued)

- **Liquidity Risk.** A particular investment may be difficult to purchase or sell. An underlying strategy may be unable to sell illiquid securities at an advantageous time or price.
- **Management Risk.** An underlying strategy's investment adviser may make poor security selections. There can be no guarantee that the underlying strategy will produce the desired results.
- **Market Risk.** Stock markets rise and fall daily. As with any investment whose performance is tied to these markets, the value of the underlying strategies will fluctuate, which means the participating investor could lose money.
- **Multi-Manager Risk.** Although Schwab Trust Bank monitors and seeks to coordinate the overall management of the fund, it is possible that the investment styles of the investment managers of underlying investment strategies may not complement one another. As a result, the fund's exposure to a given stock, industry or investment style could unintentionally be smaller or larger than if the fund had a single manager.
- **Portfolio Turnover Risk.** An underlying strategy may buy and sell portfolio securities actively. If they do, the portfolio turnover rate and transaction costs will rise, which may lower the underlying strategy's performance.
- **Securities Lending Risk.** Securities lending within an underlying strategy involves the risk of loss of rights in the collateral or delay in recovery of the collateral if the borrower fails to return the security loaned or becomes insolvent.
- **Tracking Error Risk.** An underlying strategy may be an index strategy that seeks to track the performance of its benchmark index, although it may not be successful in doing so. The divergence between the performance of an underlying strategy and its benchmark index, positive or negative, is called "tracking error." Tracking error can be caused by many factors and it may be significant.
- **Value Investing Risk.** An underlying strategy may pursue a "value style" of investing. Value investing focuses on companies whose stocks appear undervalued in light of factors such as the company's earnings, book value, revenues or cash flow. If the assessment of a company's value or prospects for exceeding earnings expectations or market conditions is wrong, the underlying strategy could suffer losses or produce poor performance relative to other strategies. In addition, "value stocks" can continue to be undervalued by the market for long periods of time.

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Disclosures

The Schwab Managed Retirement Trust Funds™, Schwab Indexed Retirement Trust Funds® and Schwab Institutional Trust Funds® (each a “Fund”, collectively the “Funds” or “Collective Trusts Funds” (CTFs)) are collective trust funds maintained by Charles Schwab Trust Bank (CSTB), as trustee. They are available for investment only by eligible retirement plans and entities. Charles Schwab Trust Bank’s Collective Trust Funds are not insured by FDIC or any other type of deposit insurance; are not deposits or other obligations of, and are not guaranteed by CSTB or any of its affiliates; and involve investment risks, including possible loss of principal invested. The Trusts are not mutual funds and are exempt from registration and regulation under the Investment Company Act of 1940 (the “1940 Act”), and their units are not registered under the Securities Act of 1933, or applicable securities laws of any state or other jurisdiction. Unit holders of the Trusts are not entitled to the protections of the 1940 Act. The decision to invest in the Trusts should be carefully considered. The Trusts’ unit values will fluctuate and may be worth more or less when redeemed, so unit holders may lose money. The Trusts are not sold by prospectus and are not available for investment by the public. The Trusts’ prices are not quoted in newspapers.

Effective January 1, 2019, Charles Schwab Bank transferred trusteeship of its collective trust funds to its affiliate Charles Schwab Trust Bank, as successor trustee of the Funds. This transfer resulted in no material change to the investment management, operations or structure of the Funds.

The Charles Schwab Corporation provides services to retirement and other employee benefit plans and participants through its separate but affiliated companies and subsidiaries: Charles Schwab Bank (CSB); Charles Schwab Trust Bank (CSTB); Charles Schwab & Co., Inc.; Charles Schwab Investment Management, Inc. (CSIM); and Schwab Retirement Plan Services, Inc. Trust, custody and deposit products and service are available through CSB and CSTB, Members of FDIC. Brokerage products and services are offered by Charles Schwab & Co., Inc. (Member SIPC). Schwab Retirement Plan Services, Inc. provides recordkeeping and related services to retirement plans. CSIM provides investment research, advisory and fund administration services to CSTB and the Trusts. CSIM is an investment advisers registered with the Securities and Exchange Commission.

The Schwab Trust Bank Collective Trust Funds select investments based on advice received from, or products offered by industry-recognized investment management firms (“sub-advisors”). The Funds access investment strategies through various investment vehicles including, but not limited to, collective trust funds, mutual funds, and/or exchange-traded funds and may also access strategies through sub-advisors engaged by Charles Schwab Trust Bank to advise one or more separate accounts of a Fund. Exposure to some strategies may be indirect through investment in other Schwab Trust Bank Collective Trust Funds. The SMRT Funds invest in the Schwab Institutional Large Cap Value Trust Fund, Schwab Institutional Large Cap Growth Trust Fund, Schwab Institutional Small Cap Fund, Schwab Institutional International Diversified Trust Fund, and Schwab Institutional Core Plus Fixed Income Trust Fund.

The Funds’ Declaration of Trust authorizes securities lending and the Funds may invest in underlying strategies that participate in securities lending. There are various risks associated with securities lending including but not limited to the risks that a borrower fails to return some or all of the securities in a timely manner and investments acquired with cash collateral decline in value. Schwab Trust Bank, in coordination with the underlying strategies’ investment managers, actively monitors any securities lending activity to minimize any potential impact to the Funds.

Charles Schwab Trust Bank (“Schwab Trust Bank”) is responsible for voting proxies for securities held in the Funds. Glass Lewis has been retained to provide in-depth research, global issuer analysis, and voting recommendations as well as vote execution, reporting and record keeping services on behalf of the Funds. Schwab Trust Bank may solicit recommendations from advisors or sub-advisors which it retains with respect to the Funds. Schwab Trust Bank retains oversight for proxy voting and reviews its proxy voting guidelines at least annually.

Policy allocations are subject to change. Investors should consider their risk tolerance, personal circumstances and complete financial situation prior to investing in the Funds.

The material in this fact sheet is based on information from a variety of sources we consider reliable, but we do not represent that the information is accurate or complete. Errors and omissions can occur. None of the information constitutes a recommendation or a solicitation of an offer to buy or sell any security by Schwab Trust Bank or its affiliates.

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