

# Schwab Institutional Diversified International Trust Fund

Institutional Unit Class

As of June 30, 2019

## Fund Facts

|                                                    |                                          |
|----------------------------------------------------|------------------------------------------|
| Trustee                                            | <b>Charles Schwab Trust Bank</b>         |
| Fund Type                                          | <b>Collective Trust Fund</b>             |
| Morningstar Category                               | <b>Foreign Large Blend</b>               |
| Benchmark                                          | <b>MSCI EAFE Index (Net)<sup>1</sup></b> |
| Unit Class Inception Date                          | <b>10/26/2010</b>                        |
| Fund Inception Date                                | <b>10/26/2010</b>                        |
| Net Asset Value (NAV) (Jun 30, 2019)               | <b>\$14.42</b>                           |
| Total Fund Assets (Jun 30, 2019)                   | <b>\$2.5B</b>                            |
| Total Underlying Stock Holdings*<br>(Mar 31, 2019) | <b>2,513</b>                             |

\*Does not include commodities.

## Annual Fund Operating Expense

|                     |               |
|---------------------|---------------|
| Expense Ratio       | <b>0.79%</b>  |
| Expense per \$1,000 | <b>\$7.90</b> |

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](http://www.dol.gov/ebsa/publications/401k_employee.html).

## Portfolio Turnover

**2%**

## Sub-Advisors

|                                       |                               |
|---------------------------------------|-------------------------------|
| <b>Dimensional Fund Advisors</b>      | <b>William Blair &amp; Co</b> |
| <b>Franklin Templeton Investments</b> | <b>American Funds</b>         |

## 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<sup>®</sup> 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 Jun 30, 2019

| Annualized                                      | YTD    | 3 Month | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|-------------------------------------------------|--------|---------|--------|--------|--------|---------|-----------------|
| International I                                 | 12.45% | 2.01%   | -3.72% | 8.07%  | 1.92%  | -       | 4.31%           |
| MSCI EAFE Index (Net)                           | 14.03% | 3.68%   | 1.08%  | 9.11%  | 2.25%  | -       | 4.83%           |
| Morningstar Category:<br>Foreign Large Blend MF | 13.58% | 2.97%   | -0.06% | 8.13%  | 2.03%  | -       | -               |

\*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)                           | -    | -    | -12.14% | 17.32% | 22.78% | -4.90% | -0.81% | 1.00% | 25.03% | -13.79% |
| Morningstar Category:<br>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.

The MSCI EAFE<sup>®</sup> 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.

## Underlying Investments as of Jun 30, 2019

| Strategy                                                     | Category                 | Allocation    |
|--------------------------------------------------------------|--------------------------|---------------|
| Templeton Intl Equity Fund                                   | Foreign Large Value      | <b>38.29%</b> |
| American Funds EuroPacific Growth Fund R6 (RERGX)            | Foreign Large Growth     | <b>41.18%</b> |
| DFA Intl Small Cap Value Portfolio Instl (DISVX)             | Foreign Small/Mid Value  | <b>10.05%</b> |
| William Blair Intl Small Cap Growth Collective Invnt Fund II | Foreign Small/Mid Growth | <b>10.48%</b> |

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As of **June 30, 2019**

## Statistical Information

as of Jun 30, 2019

|                        | 3 Year       |               | 5 Year       |               |
|------------------------|--------------|---------------|--------------|---------------|
|                        | Fund         | Benchmark     | Fund         | Benchmark     |
| Alpha (%)              | <b>-1.32</b> | <b>0.00</b>   | <b>-0.27</b> | <b>0.00</b>   |
| Beta                   | <b>1.06</b>  | <b>1.00</b>   | <b>0.97</b>  | <b>1.00</b>   |
| Information Ratio      | <b>-0.39</b> | <b>0.00</b>   | <b>-0.12</b> | <b>0.00</b>   |
| R-Squared (%)          | <b>95.43</b> | <b>100.00</b> | <b>94.89</b> | <b>100.00</b> |
| Sharpe Ratio           | <b>0.56</b>  | <b>0.70</b>   | <b>0.09</b>  | <b>0.11</b>   |
| Standard Deviation (%) | <b>12.02</b> | <b>11.08</b>  | <b>12.20</b> | <b>12.28</b>  |

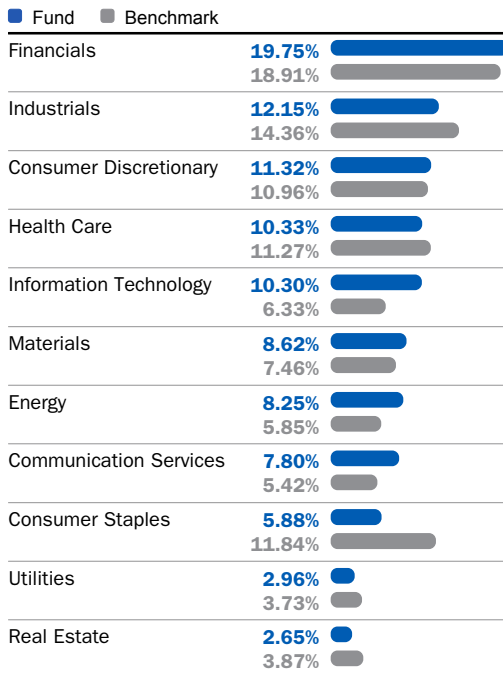
## Fund Characteristics

as of Mar 31, 2019

|                             | Fund          | Benchmark     |
|-----------------------------|---------------|---------------|
| 5-Year Earnings Growth      | <b>11.22</b>  | <b>9.10</b>   |
| Dividend Yield              | <b>2.65</b>   | <b>3.35</b>   |
| Price-to-Book               | <b>1.46</b>   | <b>1.58</b>   |
| Price-to-Cash Flow          | <b>7.39</b>   | <b>7.75</b>   |
| Price-to-Earnings           | <b>14.75</b>  | <b>14.88</b>  |
| Return on Equity            | <b>13.21</b>  | <b>15.29</b>  |
| Weighted Average Market Cap | <b>57.77B</b> | <b>62.61B</b> |

## Equity Sector Weightings

as of Mar 31, 2019



## Equity Top 10 Country Weightings

as of Mar 31, 2019

|                |               |
|----------------|---------------|
| Japan          | <b>14.93%</b> |
| United Kingdom | <b>14.11%</b> |
| France         | <b>9.68%</b>  |
| Hong Kong      | <b>9.58%</b>  |
| Germany        | <b>6.54%</b>  |
| Switzerland    | <b>4.34%</b>  |
| India          | <b>4.30%</b>  |
| Canada         | <b>4.27%</b>  |
| South Korea    | <b>3.78%</b>  |
| Netherlands    | <b>3.44%</b>  |

## Top 10 Underlying Holdings

as of Mar 31, 2019

|                             |              |
|-----------------------------|--------------|
| SAMSUNG ELECTRONICS CO      | <b>1.79%</b> |
| Cash/Cash Equivalents       | <b>1.32%</b> |
| AIA GROUP                   | <b>1.28%</b> |
| AIRBUS                      | <b>1.21%</b> |
| BP PLC                      | <b>1.18%</b> |
| NOVARTIS AG                 | <b>1.17%</b> |
| ROYAL DUTCH SHELL           | <b>1.14%</b> |
| RELIANCE INDUSTRIES LIMITED | <b>1.10%</b> |
| ALIBABA                     | <b>1.10%</b> |
| TAIWAN SEMICONDUCTOR        | <b>1.08%</b> |

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As of **June 30, 2019**

## Disclosures

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Important information on risks and investment term definitions can be found at [Schwab Institutional Trust Funds Risk 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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As of **June 30, 2019**

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

| Annualized            | 1 Year  | 3 Year | 5 Year | 10 Year | Since Inception |
|-----------------------|---------|--------|--------|---------|-----------------|
| International I       | -16.85% | 2.35%  | 0.32%  | -       | 3.09%           |
| MSCI EAFE Index (Net) | -13.79% | 2.87%  | 0.53%  | -       | 3.46%           |

**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.

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 \*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.