

News Release

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CHARLES SCHWAB INVESTMENT MANAGEMENT RECEIVES THREE LIPPER FUND AWARDS

SAN FRANCISCO, February 28, 2018 – Charles Schwab Investment Management, Inc. (CSIM), an asset management arm of The Charles Schwab Corporation, announced that it has received three Best-In-Class Thomson Reuters Lipper Fund Awards. The annual Lipper Fund Awards recognize funds and fund management firms for their consistently strong, risk-adjusted performance relative to their peers.

For the ranking periods ending November 30, 2017, two funds from CSIM's Fundamental Index™ offering were honored:

- [Schwab Fundamental International Large Company Index Fund \(SFNNX\)](#)¹ was named best-in-class among 29 International Multi-Cap Value Funds for the 10-year period.
- [Schwab Fundamental International Small Company Index Fund \(SFILX\)](#)² was named best-in-class among 19 International Small/Mid-Cap Core Funds for the 5-year period.

CSIM is one of the few providers offering Fundamental Index funds with a track record of 10 or more years. The Schwab Fundamental International Large Company Index Fund (SFNNX) was among the first Fundamental Index funds available, launched by CSIM in 2007. The Schwab Fundamental International Small Company Index Fund (SFILX) followed months later, launching in early 2008. Today, CSIM manages approximately \$25B in assets under management across its six Fundamental Index mutual funds and six Fundamental Index ETFs.

Additionally, CSIM has taken significant steps to make its Fundamental Index funds cost-effective and accessible to all investors. In February 2017, CSIM announced that expenses on the Schwab Fundamental Index mutual funds would be reduced to align with their Schwab ETF equivalents, which also went through a round of expense reductions, effective March 1, 2017. CSIM also eliminated all investment minimums and employed a single share class for the Schwab Fundamental Index mutual funds to ensure that every investor – not just the biggest – has access to the lowest expenses for the funds.

In addition to winning awards for two Fundamental Index funds, [Laudus Mondrian International Equity Fund \(LIEIX\)](#)^{3,4} was named best-in-class among 11 International Large-Cap Value Funds for the 5-year period ending November 30, 2017.

¹ For the ranking periods ending 11/30/2017: Ranked 13th out of 35 funds for the three-year time period; ranked 6th out of 34 funds for the five-year time period.

² For the ranking periods ending 11/30/2017: Ranked 3rd out of 22 funds for the three-year time period; SFILX was not eligible for the ten-year time period because the fund did not have a ten-year history as of 11/30/17.

³ For the ranking periods ending 11/30/2017: Ranked 4th out of 11 funds for the three-year time period; the International Large-Cap Value category did not award a trophy for the ten-year time period because it did not meet the minimum requirement of 10 eligible funds. LIEIX did not have a ten-year history as of 11/30/17.

⁴ The Laudus Mondrian International Equity Fund is sub-advised by Mondrian Investment Partners Limited.

“We’re honored to receive this recognition from Lipper for the consistent performance in each of these categories,” said Marie Chandoha, president and chief executive officer of Charles Schwab Investment Management. “These awards are a testament to our client centric strategy that empowers us to build foundational, quality products at a great price with the potential for strong results over the long-term.”

The three funds were honored on the basis of risk-adjusted returns for the three-, five-, or ten-year periods ending November 30, 2017. The awards were announced last night at the Lipper Fund Awards ceremony in New York.

About The Lipper Fund Awards

For more than three decades and in over 20 countries worldwide, the Thomson Reuters Lipper Fund Awards have honored funds and fund management firms that have excelled in providing consistently strong, risk-adjusted performance relative to their peers.

Renowned fund data and proprietary methodology is the foundation of the award qualification. Individual classifications of three-, five-, and ten-year periods, as well as fund families with high average scores for the three-year period are recognized.

The highly respected Lipper Fund Awards are part of the Thomson Reuters Awards for Excellence. For more information, please markets.awards@thomsonreuters.com or visit <http://www.lipperfundawards.com>.

About Charles Schwab Investment Management

Founded in 1989, Charles Schwab Investment Management, Inc., a subsidiary of The Charles Schwab Corporation, is one of the nation’s largest asset management companies, with more than \$360B in assets under management as of 12/31/17. It is among the country’s largest money market fund managers based on assets under management according to iMoneyNet as of 12/31/17. It is also the third-largest provider of index mutual funds and the fifth largest provider of ETFs.*

More information is available at schwabfunds.com.

*Source: Strategic Insight, as of 12/31/17; based on assets under management

About Schwab

At Schwab we believe in the power of investing to help individuals create a better tomorrow. We have a history of challenging the status quo in our industry, innovating in ways that benefit investors and the advisors and employers who serve them, and championing our clients’ goals with passion and integrity.

More information is available at www.aboutschwab.com. Follow us on [Twitter](#), [Facebook](#), [YouTube](#) and [LinkedIn](#).

DISCLOSURES:

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 schwabfunds.com/prospectus. Please read the prospectus carefully before investing.

Past performance cannot guarantee future results.

Investment value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Unlike mutual funds, shares of ETFs are not individually redeemable directly with the ETF.

Lipper Leaders fund ratings do not constitute and are not intended to constitute investment advice or an offer to sell or the solicitation of an offer to buy any security of any entity in any jurisdiction. As a result, you should

not make an investment decision on the basis of this information. Rather, you should use the Lipper ratings for informational purposes only. Certain information provided by Lipper may relate to securities that may not be offered, sold or delivered within the United States (or any State thereof) or to, or for the account or benefit of, United States persons. Lipper is not responsible for the accuracy, reliability or completeness of the information that you obtain from Lipper. In addition, Lipper will not be liable for any loss or damage resulting from information obtained from Lipper or any of its affiliates.

Distinction does not imply a guarantee of future results. Distinction does not necessarily imply that the fund had the best performance within its category. There are numerous Lipper Leaders in every category.

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. Investing in emerging markets may accentuate these risks.

Fundamental Index is a registered trademark of Research Affiliates LLC.

Charles Schwab Investment Management, Inc. (CSIM) is the investment advisor for Schwab Funds, Laudus Funds and Schwab ETFs. Schwab Funds are distributed by Charles Schwab & Co., Inc. (Schwab), Member SIPC. The Laudus Group® of Funds includes the Laudus Mondrian Funds and Laudus U.S. Large Cap Growth Fund, which are part of the Laudus Trust and distributed by ALPS Distributors, Inc. (ALPS); and the Laudus MarketMasters Funds®, which are part of the Schwab Capital Trust and distributed by Schwab. Schwab ETFs are distributed by SEI Investments Distribution Co. (SIDCO). CSIM and Schwab, are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation, and are not affiliated with ALPS, SIDCO, or Thomson Reuters Lipper.

Thomson Reuters Lipper is a nationally recognized organization that ranks the performance of mutual funds within a universe of funds that have similar investment objectives. The fund award rankings are historical and are based on risk-adjusted total return with capital gains and dividends reinvested.

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