

GIVING™

PUBLISHED BY THE SCHWAB FUND FOR CHARITABLE GIVING

WINTER 2000



FROM THE PRESIDENT

I would like to take this opportunity to welcome the more than 1,200 donors who opened Charitable Gift Accounts in the last quarter of 2000, and express our appreciation to all the donors to the Fund this past year for choosing us to help you manage your charitable giving accounts.

Donor-advised funds are the fastest growing philanthropic vehicles in the United States today. In fact, a recent Stanford University publication highlights donor-advised funds as one of three noteworthy innovations in charitable giving of the past decade, along with the emergence of online giving and venture philanthropy, which is modeled after the venture capital business model.¹

As of the end of 2000, donors to the Schwab Fund for Charitable Giving™ had made donations totaling \$145 million to their Charitable Gift Accounts and distributed 6,500 grants totaling \$32 million to charities nationwide. In December alone, we assisted our donors with more than \$7 million in charitable grants.

During 2000 we also made significant improvements to provide you with a better and more convenient account. We streamlined our grant procedures, so charities receive grants more quickly while donors still have our assurance of a comprehensive due diligence process. We redesigned our Web site so that you can request grants and rebalance account assets online. And we simplified the forms you need to complete to make contributions and request grants.

In 2001, we hope to make it even more convenient for you to use our Web site to make contributions to your account and monitor the status of your grant requests. We've also lined up interviews with noted authorities on philanthropy for our newsletter and plan to report on federal legislative changes that may affect you as a charitable donor.

As we continue to implement improvements, we want to make sure we are providing you with the most beneficial account features and services. In order to do that, we want to know what aspects of the account you like and what you would like to see developed. In the next few months, we will be conducting research on this topic. You may receive a phone call, a written survey, or be invited to participate in a small group discussion. We hope you will share your views with us, but if you do not want to participate, simply contact our Donor Services team, at (800) 746 6216.

Enclosed is the fourth quarter investment pool performance report. We also post this report on our Web site as soon as we receive the information.

From the staff at the Fund, and all the charities that have benefited from your generosity, we thank you for your contribution to philanthropy. We are glad to be able to support you as you make a difference.



Kimberly Wright-Violich
President
Schwab Fund for Charitable Giving


SCHWAB FUND for
CHARITABLE GIVING™

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San Francisco, CA 94104

www.schwabcharitable.org
800.746.6216

¹ Source: Stanford University Graduate School of Business, Note on Innovations in Philanthropy, October 2000.

4TH QUARTER 2000 PERFORMANCE REPORT *For period ending December 31, 2000*

IMPORTANT NOTICE

Please note the following change for accounts opened prior to December 1, 2000.

Previously you were notified that all future contributions made to your Charitable Gift Account after December 1, 2000, would be allocated amongst the three investment pools based on the allocation of the assets in the account on November 30, 2000.

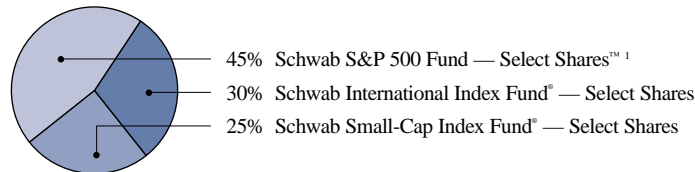
This policy has changed, and effective immediately, all future contributions will now be allocated amongst the three investment pools based on the allocation you requested for the last contribution made to the account prior to November 30, 2000.

If you would like to change how your future contributions will be divided amongst the three investment pools, please use the enclosed Update a Charitable Gift Account form. Of course, you can rebalance the assets in your account at any time, without impacting the method of allocating future contributions, by completing this form or online at www.schwabcharitable.org.

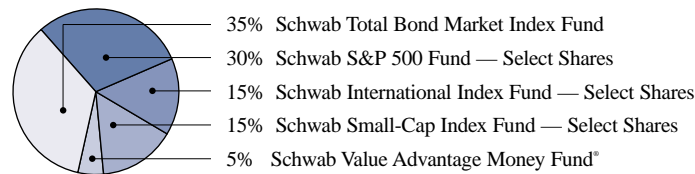
To contact us, write to the Schwab Fund for Charitable Giving, 101 Montgomery Street, San Francisco, California 94104. Or send e-mail to giving@schwabcharitable.org.

Contributions to the Schwab Fund for Charitable Giving are invested among three professionally managed investment pools composed of SchwabFunds® mutual funds.

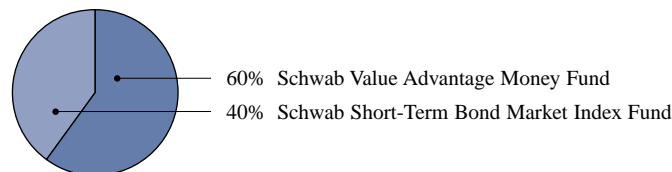
	RETURNS		
	4th Quarter 2000	Year-to- Date	One Year
Growth Index Pool. This pool seeks high capital growth over the long term and has a target allocation of 100% stocks.	-5.95%	-8.99%	-8.99%



Balanced Index Pool. This pool seeks moderate total return through both capital growth and income and has a target allocation of 60% stocks, 35% bonds and 5% cash.	-2.13%	-1.21%	-1.21%
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Gift Preservation Pool.™ This pool seeks current income and relative stability of principal and has a target allocation of 40% bonds and 60% cash.	1.98%	6.54%	6.54%
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Other Representative Market Indices

S&P 500 Index Includes the common stocks of 500 leading U.S. companies from a broad range of industries.	-7.82%	-9.10%	-9.10%
Lehman Brothers Aggregate Bond Index Includes U.S. government and other investment-grade debt securities, such as corporate and international (dollar-denominated) bonds, asset-backed securities and mortgage-backed securities.	4.21%	11.63%	11.63%
3-month Treasury Bill Index	1.60%	6.31%	6.31%
Schwab International Index Includes the 350 largest securities (per market capitalization) traded outside of the U.S. in developed markets.	-5.53%	-16.88%	-16.88%

¹ Select Shares are a special class of SchwabFunds with lower operating expenses that are only available to individuals with initial minimum investments of \$50,000. Select Shares are available to the Schwab Fund for Charitable Giving because the Fund purchases SchwabFunds Select Shares in aggregate amounts for each pool.

Prospectuses for the registered mutual funds underlying the investment pools are available from the Fund upon request. Please read them carefully before selecting an investment pool to recommend. The highlighted performance for the pools and the underlying funds represent a relatively short time period. Past performance is no guarantee of future results.

The pool returns are based on the total returns of the underlying mutual funds in each pool, minus operating expenses of the Schwab Fund for Charitable Giving. Principal value and investment return will fluctuate with changes in market conditions, and an account in the Fund may be worth more or less than the original amount contributed to the Fund. Indices are unmanaged and do not reflect advisory fees and other expenses associated with an investment in funds. Investors cannot invest in an index directly. During the period, the pools' holdings may have deviated from their target allocations, because of changing market conditions. The portfolio managers rebalanced the pools' holdings as needed to limit significant variances.

The Schwab Fund for Charitable Giving has entered into service agreements with certain affiliates of The Charles Schwab Corporation (Charles Schwab & Co., Inc. and Charles Schwab Investment Management, Inc.) to perform administrative, record keeping, and investment management services. Charles Schwab & Co., Inc. is a member SIPC/NYSE.