

2nd Quarter 2010 Performance Report

For period ending June 30, 2010

Pool performance results are net of all fees, including an assumed 0.60% annualized administrative fee for charitable services, and do not reflect the reduced administrative fee schedule for accounts with balances over \$500,000. Benchmarks are not adjusted for fees.

Individual Investment Pools	Inception Date ¹	2nd Quarter	Year-to-Date	1 Year	3 Year (annualized)	Since Inception (annualized)
Money Market Pool Underlying Fund: SNAXX	2/18/2006 10/2/2006	-0.13% 0.03%	-0.25% 0.06%	-0.69% 0.14%	1.31% 1.96%	2.26%
Income Pool* Underlying Fund: PTTDX	10/1/2002 4/8/1998	2.53% 2.68%	5.34% 5.65%	11.54% 12.98%	3.19% 10.78%	2.93%
Treasury Inflation Protected Securities (TIPS) Pool Underlying Fund: ACITX	8/4/2009 2/10/1997	3.63% 3.81%	3.64% 3.99%	— 9.49%	— 7.58%	—
Large Cap Equity Index Pool Underlying Fund: SWPPX ²	2/18/2006 5/20/1997 ³	-11.58% -11.43%	-6.93% -6.63%	13.58% 14.35%	-10.35% -9.72%	-3.48%
Large Cap Equity Managed Pool Underlying Fund: SWDSX	10/1/2002 9/2/2003	-11.52% -11.37%	-7.49% -7.19%	11.95% 12.67%	-9.96% -9.40%	6.69%
Socially Responsible Pool Underlying Fund: PRBLX	8/4/2009 9/1/1992	-11.27% -11.04%	-8.04% -7.61%	— 13.51%	— -1.89%	—
Small Cap Equity Pool Underlying Fund: SWSSX ³	8/4/2009 5/20/1997 ⁴	-10.25% -10.10%	-1.65% -1.31%	— 25.57%	— -6.97%	—
International Equity Index Pool Underlying Fund: SFNXX	2/18/2006 4/2/2007	-15.85% -15.70%	-15.22% -14.94%	3.79% 4.51%	-12.70% -12.16%	-2.06%
International Equity Managed Pool Underlying Fund: EXWAX	8/4/2009 9/6/1996	-13.75% -13.58%	-11.79% -11.45%	— 11.10%	— -8.82%	—
Asset Allocation Pools						
Conservative Pool Underlying Fund: EXDAX	8/4/2009 11/1/1995	-0.78% -0.61%	1.24% 1.57%	— 9.16%	— 3.25%	—
Balanced Pool* Underlying Fund: JABAX	8/10/1999 9/1/1992	-6.89% -6.74%	-3.86% -3.56%	8.95% 11.01%	-2.95% 1.81%	2.09%
Growth Pool Underlying Fund: SWPGX	8/10/1999 4/6/2006	-9.38% -9.23%	-5.45% -5.16%	12.30% 13.01%	-7.72% -7.15%	0.65%

Benchmarks	2nd Quarter	Year-to-Date	1 Year	3 Year (annualized)
Fixed Income—Bar Cap US Agg Bond Index ⁴	3.49%	5.33%	9.50%	7.55%
TIPS—Bar Cap TIPS ⁵	3.82%	4.41%	9.52%	7.62%
Large Cap—S&P 500 ⁶	-11.43%	-6.65%	14.43%	-9.81%
Small Cap—Russell 2000 ⁷	-9.92%	-1.95%	21.48%	-8.60%
International—MSCI EAFE ⁸	-13.75%	-12.93%	6.38%	-12.94%

If you would like help recommending an appropriate investment allocation for your Account, go to www.schwabcharitable.org/advicetool to complete our quick donor profile questionnaire or view a list of suggested investment allocation strategies.

* These pools changed underlying funds on 8/4/09. Quarterly and annual performance figures include performance of previous underlying funds prior to 8/4/09. For more historical underlying fund performance, go to www.schwabcharitable.org.

¹ The inception date for the pools refers to the date when the pool was made available as an investment choice in Schwab Charitable Fund Charitable Gift Accounts.

² Formerly ISLCX, which was merged into SWPPX in September 2009.

³ Formerly SWSMX, which was merged into SWSSX in August 2009.

⁴ The Barclays Capital U.S. Aggregate Bond Index represents securities that are SEC registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

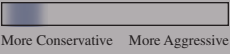
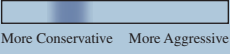
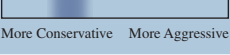
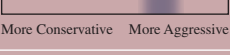
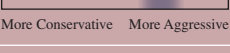
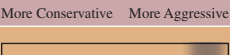
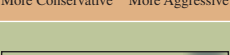
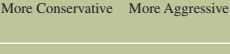
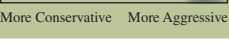
⁵ The Barclays Capital U.S. TIPS (Treasury Inflation Protected Securities) Index measures the performance of fixed income securities with fixed-rate coupon payments that adjust for inflation, as measured by the Consumer Price Index for All Urban Consumers.

⁶ The S&P 500 Index includes the stocks of 500 leading U.S. publicly-traded companies from a broad range of industries.




⁷ The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index.

⁸ The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

Individual Investment Pools (for donors who want to recommend a customized investment strategy by combining pools with specific objectives)

INVESTMENT POOL	CATEGORY	RISK	UNDERLYING FUND	MORNINGSTAR RATING	ANNUAL OPERATING EXPENSE ⁹
Money Market Pool	Cash Investments		Schwab Value Advantage Money Fund Institutional Prime Shares (SNAXX)	Not Available for Money Market Funds	0.21%
Income Pool	Fixed Income		PIMCO Total Return Bond Fund (PTTDX)	★★★★★	0.75%
Treasury Inflation Protected Securities (TIPS) Pool	Fixed Income		American Century Inflation Adjusted Bond Fund (ACITX)	★★★★	0.49%
Large Cap Equity Index Pool	Large Cap Equity		Schwab Institutional Select S&P 500 Fund (SWPPX) ¹⁰	★★★ ¹¹	0.09%
Large Cap Equity Managed Pool	Large Cap Equity		Schwab Dividend Equity Fund Select Shares (SWDSX) ¹⁰	★★★★	0.89%
Socially Responsible Pool	Large Cap Equity		Parnassus Equity Income (PRBLX)	★★★★★	0.99%
Small Cap Equity Pool	Small Cap Equity		Schwab Small Cap Index Fund Select Shares (SWSSX) ¹⁰	★★★ ¹¹	0.19%
International Equity Index Pool	International Equity		Schwab Fundamental International Large Company Index Institutional Fund (SFNXX)	★★★ ¹¹	0.35%
International Equity Managed Pool	International Equity		Manning & Napier World Opportunities A (EXWAX)	★★★★★	1.18%

Asset Allocation Pools (for donors who want to recommend a diversified investment strategy with one investment choice)

INVESTMENT POOL	ALLOCATION	RISK	UNDERLYING FUND	MORNINGSTAR RATING	ANNUAL OPERATING EXPENSE ⁹
Conservative Pool	~ 80% Cash & Fixed Income ~ 20% Equity		Manning & Napier Pro-Blend Conservative Term S (EXDAX)	★★★★★	0.90%
Balanced Pool	~ 50% Cash & Fixed Income ~ 50% Equity		Janus Balanced (JABAX)	★★★★★	0.85%
Growth Pool	~ 20% Cash & Fixed Income ~ 80% Equity		Schwab MarketTrack Growth Portfolio Preferred Shares (SWPGX)	★★★★	0.55%

Charitable Asset Management™ (\$250,000 account minimum)

With this innovative feature, rather than recommending an allocation of assets among select investment pools, you may nominate an independent investment advisor to actively manage the assets in your Charitable Gift Account. For more details, call (800) 746-6216.

To view Morningstar Ratings and more detailed information about underlying fund performance, please visit our website at www.schwabcharitable.org.

Donors should carefully consider information contained in the prospectus for the registered underlying mutual funds, including investment objectives, risks, charges and expenses. You can request a prospectus by calling the Fund at (800) 746-6216. Please read the prospectus carefully before making contributions or recommending investment of funds.

⁹ This is a total of the underlying fund's annual operating expenses, expressed as a percentage of its average net assets and does not include our administrative fee.
¹⁰ Select Shares® are a special class of Schwab Funds® with lower operating expenses that are only available for individuals with initial minimum investments of \$50,000. Select Shares are available to Schwab Charitable Fund because the Fund purchases Schwab Funds Select Shares in aggregate amounts for each fund.
¹¹ Nature of index funds (to track relevant market indices) do not typically lend themselves to more than 3 star Morningstar ratings.

Market fluctuations may cause the value of investment funds shares held in a Charitable Gift Account to be worth more or less than the value of the original contribution to the funds. Funds may focus on certain sectors that may involve a greater degree of risk than other funds, which provide broader diversification. Funds that invest in international stocks may be exposed to additional risks, including currency fluctuations, political volatility, foreign taxes and foreign regulators and the potential for illiquid markets. Historically, small-cap stocks have been more volatile than stocks of larger, more established companies.

Morningstar proprietary ratings reflect historical risk-adjusted performance as of 6/30/2009. For each fund with at least a three-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 one 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. The Overall Morningstar Rating is a weighted average of the funds' three-, five-, and 10-year (if applicable) Morningstar rating metrics.

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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 the operating expenses of Schwab Charitable Fund. Principal value and investment return will fluctuate with changes in market conditions, and an account in the pool may be worth more or less than the original amount contributed to the account. During the period, the pools' holdings may have deviated from their target allocations, because of changing market conditions. The portfolio managers rebalance the pools' holdings as needed to limit significant variances.

Schwab Charitable Fund is an independent nonprofit organization. Schwab Charitable Fund 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.