

S&P Global ex-U.S BMI®—Fact Sheet

Schwab Center for Financial Research

All information as of **December 31, 2013**

About the Fact Sheet

The fact sheet is intended to provide investors with an international benchmark that will facilitate the allocation of international equities across region, country, market capitalization, sector, and industry group classifications. The underlying benchmark employed by the Schwab Center for Financial Research is the Standard & Poor's (S&P) Global ex-U.S. Broad Market Index (Global BMI).

About the Index

The S&P Global ex-U.S. BMI, comprised of the S&P Developed ex-U.S. Broad Market Index and the S&P Emerging Broad Market Index, is a comprehensive, rules-based index that represents the composition of global stock markets. The S&P Global ex-U.S. BMI represents the only global index suite with a transparent, modular structure that has been fully float adjusted since 1989.

The S&P Global ex-U.S. BMI covers approximately 8,000 companies in 45 countries, and is calculated daily in six standard currency offerings (US dollars US\$, Euros, British pounds, Japanese yen, Australian dollars, and Canadian dollars) plus the local currencies. The S&P Global ex-U.S. BMI benchmark series employs a transparent and consistent methodology across all countries. All listed stocks in a constituent country must have at least US\$100 million in float adjusted market capitalization ("cap"), and a value traded of at least US\$50 million for the last 12 months at the time of the annual reconstitution. Stocks are excluded if their market capitalization falls below US\$75 million, or if the value traded is less than US\$35 million at the time of reconstitution.

The S&P Global ex-U.S. BMI is referred to as an international benchmark by U.S. investors since it excludes U.S. companies. It is constructed using the same underlying methodology as the S&P Global BMI but simply excludes all U.S. domiciled stocks. Various sub-indices of the S&P Global ex-U.S. BMI are also calculated based on Region, Country, Sector, Industry and Size.

Country Classification

All 45 constituent countries are classified as either developed or emerging. The developed countries are grouped together under the S&P Developed ex-U.S. BMI subset, and the emerging countries are grouped in the S&P Emerging BMI subset. Country classification is dependant on the following factors: macroeconomic conditions; political stability; legal property rights and procedures; trading and settlement processes and conditions; and feedback from institutional investors.

The S&P Developed ex-U.S. BMI includes:

- North America: Canada
- Western Europe: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom
- Asia-Pacific: Australia, Hong Kong, Japan, New Zealand, Singapore, South Korea
- Mid-East & Africa: Israel

The combined Europe and Asia Pacific regions comprise the S&P EPAC (Europe Pacific Asia Composite) BMI.

The S&P Emerging BMI includes:

- Central and Eastern Europe: Czech Republic, Hungary, Poland, Russia, Turkey
- Asia Pacific: China, India, Indonesia, Malaysia, Philippines, Taiwan, Thailand
- Latin America: Brazil, Chile, Colombia, Mexico, Peru
- Middle East & Africa: Egypt, Morocco, South Africa

Sector Classification

The S&P Global BMI adopted the Global Industry Classification Standard (GICS®), the world's leading system for organizing companies by sector and industry. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of Morgan Stanley Capital International Inc. (MSCI) and S&P. GICS is a service mark of MSCI and S&P and has been licensed for use by Schwab. Sector indices at the sector and industry group level for the country, region, and composite level are calculated.

Size Benchmarks

For each country, Standard & Poor's calculates size benchmark indices consisting of three basic components: LargeCap, MidCap and SmallCap. S&P Indices also developed the S&P Global LargeMidCap and S&P Global MidSmallCap indices to provide additional variations of the size splits.

Each stock in the S&P Global BMI is classified at the time of the annual rebalancing into large-, mid-, and small-cap. The classifications are made on the basis of total market

capitalization including all of the company's share classes. Then, within each country, float market capitalization is accumulated to 70% for LargeCap, the next 15% for MidCap and the final 15% for SmallCap. The combination of the LargeCap and MidCap comprises the S&P Global LargeMidCap, which represents 85% of the local market's total available capital. The S&P Global MidSmallCap combines the MidCap and SmallCap companies, representing the bottom 30% of the cumulative available capital.

Changes are not made intra-year, unless the company's size halves or doubles due to corporate activity. To avoid unnecessary turnover, a 3% buffer zone is maintained between size classifications at the time of annual reconstitution.

S&P GLOBAL EX-U.S. BMI® INTERNATIONAL SECURITY & MARKET CAP DISTRIBUTION

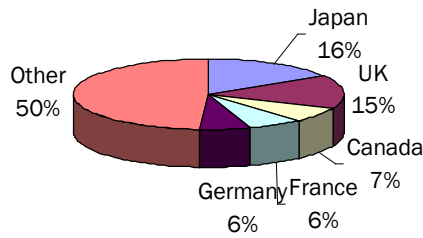
	Weight		Market Cap (USD Billions)		# of Securities		
	Developed	Emerging	Developed	Emerging	Developed	Emerging	Total
Large Cap	56.8%	12.5%	12,734	2,800	583	484	1,067
Mid Cap	12.1%	2.7%	2,709	611	630	519	1,149
Small Cap	13.0%	2.9%	2,925	648	3,623	1,735	5,358
Total	81.9%	18.1%	18,368	4,059	4,836	2,738	7,574

Index Constituent Characteristics	
	Market Cap (USD Millions)
Index	22,426,646.7
Average	2,961.0
Largest	236,779.0
Smallest	11.6
Median	660.3
Top 10 Constituents	1,820,476.3

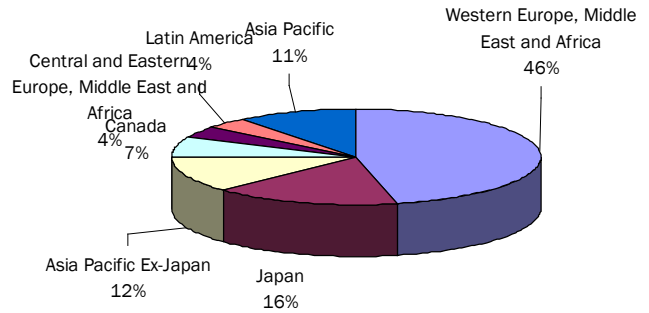
Top 10 Constituents				
Company	Country	GICS® Sector	Index Weight	Market Cap (USD Billions)
Nestle SA Reg	Switzerland	Consumer Staples	1.1%	237
Novartis AG Reg	Switzerland	Health Care	1.0%	217
HSBC Holdings Plc	UK	Financials	0.9%	204
Roche Hldgs AG Ptg Genus	Switzerland	Health Care	0.9%	197
Vodafone Group	UK	Telecommunication Services	0.9%	193
Toyota Motor Corp	Japan	Consumer Discretionary	0.8%	181
Samsung Electronics Co	Korea	Information Technology	0.7%	157
BP	UK	Energy	0.7%	151
TOTAL SA	France	Energy	0.6%	145
Royal Dutch Shell PLC	UK	Energy	0.6%	138
Total				1,820

S&P GLOBAL EX-U.S. BMI® REGION & COUNTRY WEIGHTS

Top 5 Countries



Region Weights

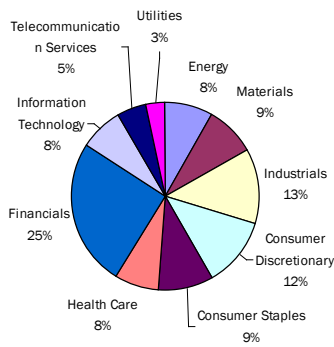


Developed Markets		
Western Europe, Middle East and Africa	Weight	# of Securities
Austria	0.2%	32
Belgium	0.8%	50
Denmark	0.9%	43
Finland	0.8%	54
France	6.5%	181
Germany	6.1%	184
Greece	0.1%	35
Ireland	0.4%	28
Italy	1.8%	112
Israel	0.5%	74
Luxembourg	0.2%	7
Netherlands	1.9%	64
Norway	0.7%	75
Portugal	0.2%	18
Spain	2.2%	67
Sweden	2.3%	132
Switzerland	5.8%	135
UK	15.0%	408
Total Region	46.4%	1,699
Japan		
Japan	16.4%	1425
Asia Pacific Ex-Japan		
Australia	5.1%	317
Hong Kong	2.2%	218
New Zealand	0.2%	44
Singapore	1.1%	156
Korea	3.5%	508
Total Region	12.1%	1,243
Canada		
Canada	7.1%	469
Total Developed Markets	81.9%	4,836

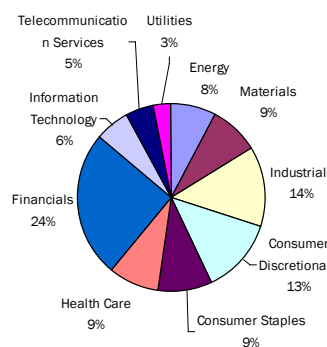
Emerging Markets		
Central and Eastern Europe, Middle East and Africa	Weight	# of Securities
Czech Republic	0.0%	8
Hungary	0.0%	4
Poland	0.4%	53
Russia	1.3%	81
Turkey	0.3%	95
Egypt	0.1%	21
Morocco	0.0%	15
South Africa	1.5%	139
Total Region	3.6%	416
Latin America		
Brazil	2.1%	185
Chile	0.4%	59
Mexico	1.1%	66
Peru	0.1%	17
Colombia	0.3%	26
Total Region	3.9%	353
Asia Pacific		
China	4.4%	619
India	1.5%	275
Indonesia	0.5%	122
Malaysia	0.7%	167
Philippines	0.3%	68
Taiwan	2.6%	575
Thailand	0.5%	143
Total Region	10.5%	1,969
Total Emerging Markets	18.1%	2,738

S&P GLOBAL EX-U.S. BMI® INTERNATIONAL SECTOR AND INDUSTRY WEIGHTS

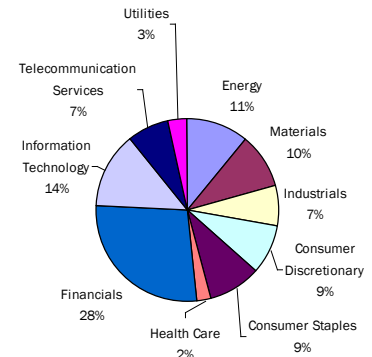
S&P Global ex-U.S. BMI



S&P Developed ex-U.S. BMI



S&P Emerging BMI



Sector	Industry	Weight
Energy		8.31%
	Energy Equipment & Services	0.65%
	Oil, Gas & Consumable Fuels	7.66%
Materials		8.77%
	Chemicals	3.25%
	Construction Materials	0.74%
	Containers & Packaging	0.27%
	Metals & Mining	4.22%
	Paper & Forest Products	0.29%
Industrials		12.64%
	Aerospace & Defense	0.84%
	Building Products	0.58%
	Construction & Engineering	1.16%
	Electrical Equipment	1.12%
	Industrial Conglomerates	1.53%
	Machinery	2.55%
	Trading Companies & Distributors	1.05%
	Commercial Services & Supplies	0.69%
	Professional Services	0.51%
	Air Freight & Logistics	0.36%
	Airlines	0.29%
	Marine	0.33%
	Road & Rail	1.09%
	Transportation Infrastructure	0.53%
Consumer Staples		9.31%
	Food & Staples Retailing	2.02%
	Beverages	1.91%
	Food Products	3.29%
	Tobacco	0.95%
	Household Products	0.95%
	Personal Products	0.51%
Health Care		7.64%
	Health Care Equipment & Supplies	0.61%
	Health Care Providers & Services	0.56%
	Health Care Technology	0.01%
	Biotechnology	0.41%
	Pharmaceuticals	5.93%
	Life Sciences Tools & Services	0.12%

Sector	Industry	Weight
Consumer Discretionary		11.96%
	Auto Components	1.25%
	Automobiles	3.08%
	Household Durables	0.83%
	Leisure Equipment & Products	0.21%
	Textiles, Apparel & Luxury Goods	1.31%
	Hotels, Restaurants & Leisure	1.43%
	Diversified Consumer Services	0.12%
	Media	1.82%
	Distributors	0.09%
	Internet & Catalog Retail	0.17%
	Multiline Retail	0.55%
	Specialty Retail	1.11%
Financials		25.50%
	Commercial Banks	13.46%
	Thrifts & Mortgage Finance	0.14%
	Diversified Financial Services	1.46%
	Consumer Finance	0.15%
	Capital Markets	1.82%
	Insurance	4.56%
	Real Estate Investment Trusts (REITs)	1.56%
	Real Estate Management & Development	2.35%
Information Technology		7.61%
	Internet Software & Services	0.96%
	IT Services	0.82%
	Software	0.91%
	Communications Equipment	0.50%
	Computers & Peripherals	0.37%
	Electronic Equipment, Instruments & Components	1.57%
	Office Electronics	0.26%
	Semiconductors & Semiconductor Equipment	2.21%
Telecommunication Services		5.06%
	Diversified Telecommunication Services	2.32%
	Wireless Telecommunication Services	2.73%
Utilities		3.20%
	Electric Utilities	1.33%
	Gas Utilities	0.46%
	Multi-Utilities	0.95%
	Water Utilities	0.15%
	Independent Power Producers & Energy Traders	0.32%

International investing involves special risks such as currency fluctuations and political instability that should be considered prior to making an investment decision. Companies whose stocks trade on foreign exchanges and markets are not subject to the same accounting, regulatory, and reporting requirements as stocks that trade on U.S. exchanges. Investing in emerging markets may accentuate these risks. Indexes are unmanaged, do not incur management fees and cannot be invested in directly. Most of the securities rated by Schwab Equity Ratings International (“SERI” or the “Ratings”) are not registered for purchase or sale in the United States. As a result, although you may use the Ratings to make your own self-directed investment decisions and place your order through Schwab, neither Schwab nor any of its representatives are able to recommend specific foreign equities for purchase other than certain American Depository Receipts listed on US exchanges, which must meet additional criteria to be recommended to you. Schwab and its representatives may recommend the sale or continued holding of any foreign equity, including US ADRs, foreign equities traded in the US Over-the-Counter market, and foreign equities traded on a foreign securities exchange.

About International Benchmark Weights

The International Benchmark Weights (the “Weights”) are intended to provide Schwab Representatives and Schwab clients with information about the relative weights, i.e. the relative market capitalizations, of various categories associated with international stocks.

The Weights are based on data used by Standard & Poor’s (S&P), a unit of the McGraw-Hill Companies, Inc., to create S&P’s Broad Market Index (the “S&P BMI Index”). Schwab removes companies identified as domiciled in the US from the S&P data before calculating Index Benchmark Weights, resulting in an “ex-US” index (the “Index”). The categories included in the Index include the following:

- **Developed and Emerging Markets:** The Index provides the weights of Developed and Emerging markets covered by the Index. Each stock within the Index is categorized as being associated with a specific country, and all countries within the Index have been classified as either Developed Markets or Emerging Markets. The Developed and Emerging Market Weights represent the percentages of the Index’s total market capitalization associated with these two classifications.
- **Regions:** The Index provides the weights of seven Regions—four within the Developed Markets category (Developed Europe, Japan, Developed Asia-Pacific excluding Japan, and Canada), and three within the Emerging Markets category (Emerging Asia-Pacific, Latin America, and Emerging Europe, Middle East, and Africa). Each stock within the Index is classified as being located in a specific Region. The Region Weights represent the percentages of the Index’s total market capitalization associated with each of those seven Regions.
- **Countries:** The Index provides the weights of 45 countries covered by the S&P BMI Index, not including the US. As noted above, each stock within the Index is classified as being associated with a specific country. The Country Weights represent the percentages of the Index’s total market capitalization associated with each of those 45 countries.
- **Market Capitalization (“cap”) Categories:** The Index provide the weights of three market cap categories: Large-cap, Medium-cap, and Small-cap. Each stock within the Index is classified as belonging to one of these three cap categories (a fourth category – Micro-cap – is also provided in the S&P BMI Index, but is not included in computing the weights because the Micro-cap category represents less than 1/100th of one percent of the Index’s total market capitalization). The Market Capitalization Category Weights represent the percentages of the Index’s total market capitalization associated with those three Market Capitalization categories.
- **Sectors:** The Index provides the weights of ten economic sectors. Each stock within the Index is classified as belonging to a particular economic sector, based on the GICS classification system. The Sector Weights represent the percentages of the Index’s total market capitalization associated with each of these 10 economic sectors. Sector Weights have also been calculated for two sub-categories: Sector Weights within Developed Markets and Sector Weights within Emerging Markets.
- **Industries:** The Index provides the weights of 68 industries. Each stock within the Index is classified as belonging to a particular

industry, based on the GICS classification system. The Industry Weights represent the percentages of the Index’s total market capitalization associated with each of these 67 industries.

Using Schwab Equity Ratings International™ with International Benchmark Weights

Schwab believes that Schwab Equity Ratings International (the “Ratings”) should be the first step in the process of selecting individual stocks for the international equity portion of an investor’s portfolio. The Ratings represent Schwab’s research opinion on the investment outlook for a stock, relative to the average performance of the equity market in which the stock trades or the company generally conducts its operations (the “Home Country”), over a 12-month period. The Schwab Equity Ratings International model generates its ratings on a country-by-country basis, without regard to the rated stocks or equity markets of other countries. This means, for example, that stocks of companies that compete within a single industry that spans national boundaries will not be rated relative to one another unless they also share a common Home Country.

Schwab believes that investors should always form diversified portfolios in order to reduce the risk of overexposure to specific asset classes. For guidance on allocating your investments across different asset classes, including international equities, see the Allocation Guidelines on Schwab.com.

Schwab believes that investors should continue to apply the principles of diversification within the International Equities portion of their portfolios. If possible, investors should diversify across Developed and Emerging markets, different Regions, countries, market capitalization categories, sectors, and industries, as well as diversifying by holding different individual stocks. Schwab’s Center for Financial Research has developed guidelines for diversifying a portfolio of individual international stocks, including target allocations and acceptable variations around those allocations. The guidelines are based on the International Benchmark Weights described in this document. For our guidelines, see Managing an International Stock Portfolio with Schwab Equity Ratings International.

Important Disclosures about Schwab Equity Ratings International

Schwab Equity Ratings International, the Percentile Ranks of the Ratings, and other material including the guidance associated with the Ratings, are for informational purposes only and are not an offer to sell or the solicitation of an offer to buy any security. Additionally, Schwab Equity Ratings International and the general guidance are not personal recommendations for any particular investor or client and do not take into account your individual circumstances, financial situation, investment or other objectives or needs.

Certain investments may not be suitable for any particular investor or client. Before buying, investors and clients should consider whether the investment is suitable. Investors and clients should consider Schwab Equity Ratings International as only a single factor in making their investment decision while taking into account the current market environment. Accordingly, Charles Schwab & Co., Inc. (“Schwab”) does not assess the suitability (or the potential value) of any particular investment. Schwab also does not provide tax advice and the views in the material do not take into account any client’s or investor’s tax situation. Clients and investors should consult their tax advisers before investing. Stocks may go down as well as up and investors (including clients) may lose money, including their original investment. Individual stocks presented may not be suitable for you. You should not buy or sell a stock without first considering whether it is appropriate for you and your portfolio. Past history is no indication of future performance and returns are not guaranteed. For individualized advice, please contact Schwab at 1 (877) 284-9817.

Investors may also wish to consider Country Risk Levels, which provide a quantitative assessment of the risks of conducting business operations in a particular country. Country Risk Levels are produced by the Economist Intelligence Unit, an Economist Group business. The Economist Intelligence Unit is an independent entity that is not affiliated with Schwab. Schwab does not publish Schwab Equity Ratings International in every country represented in the Index, nor are Economist Intelligence Unit (“EIU”) Country Risk Levels provided for every country in the Index. Schwab clients may not be able to purchase individual stocks within a specific country if trading is not allowed in that country.

The Schwab Equity Ratings International model generates its ratings without regard to the Country Risk Level of the applicable Home Country. Accordingly, a stock could be rated A or B (buy-rated) despite operating in a Home Country with a Country Risk Level indicative of relatively high risk. Country Risk Levels are intended to be most relevant to commercial bankers, institutional investors, and corporate executives who have made or are considering making direct investments in a country. Country Risk Levels are not, and should not be considered, an indication of the future performance of either individual equities within a Home Country or the future performance, relative or absolute, of a particular Home Country's overall equity market.

Important Disclosures about Standard & Poor's Data

The Weights are based on data used by Standard & Poor's (S&P), a unit of the McGraw-Hill Companies, Inc., to create S&P's Broad Market Index (the "S&P BMI Index"). Standard & Poor's is an independent research provider that is not affiliated with Schwab. While Schwab believes the data used in the Measures are reliable, we do not guarantee its accuracy, timeliness or completeness. Third-party information is subject to change without notice. Schwab removes companies identified as domiciled in the US from the S&P data before calculating Index Benchmark Weights, resulting in an "ex-US" index (the "Index").

Important Disclosures about the Global Industry Classification Standard

Some of the Weights computed in the Index utilize the Global Industry Classification Standard (GICS) to categorize stocks by economic sector and industry. The GICS was developed by and is the exclusive property of Morgan Stanley Capital International Inc. ("MSCI") and S&P. GICS is a service mark of MSCI and S&P and has been licensed for use by Schwab.

Important Disclosures about The Economist Intelligence Country Risk Level

*Copyright Notice: ©2014 The Economist Intelligence Unit Ltd. All rights reserved.

Disclaimer: While efforts have been taken to verify the accuracy of this information, neither The Economist Intelligence Unit Ltd. nor its affiliates can accept any responsibility or liability for reliance by any person on this information.

Important Disclosures

The Country Risk Rating Level and its components -- the Sovereign, Currency and Banking Risk levels (the "Risk Levels") and the Country Profile, which includes an Overview, Key Indicators and Historical Averages (the "Reports") -- are provided to you for informational purposes only and are not to be used or considered as an offer, recommendation, or the solicitation of an offer to sell, or to buy any security, or pursue any particular investment strategy. The Reports and Risk Levels are created by the Economist Intelligence Unit ("EIU"), an independent third party that is not affiliated with Schwab. Schwab does not write, control, or edit the information contained in the Reports or Risk Levels and cannot verify their accuracy, completeness or timeliness. Some covered countries and some components may be excluded from some published versions of the EIU Country Risk Ratings. Information presented in the Reports and Risk Levels can change without notice, in reaction to shifting market or political conditions. The information presented is not, and should not be relied upon as, an indicator of future results.

¹Float-adjusted refers to the use of "free float" – shares actually available for trading, as opposed to shares outstanding which might include control shares and shares held by corporate officers and directors.