

SECURITIES AND EXCHANGE COMMISSION

FORM N-Q

Quarterly schedule of portfolio holdings of registered management investment company filed on Form N-Q

Filing Date: **2013-01-28** | Period of Report: **2012-11-30**  
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**Schwab Investments**

CIK: [869365](#) | IRS No.: **000000000** | State of Incorp.: **MA** | Fiscal Year End: **0831**  
Type: **N-Q** | Act: **40** | File No.: [811-06200](#) | Film No.: **13552565**

Mailing Address

*211 MAIN STREET  
SAN FRANCISCO CA 94105*

Business Address

*211 MAIN STREET  
SAN FRANCISCO CA 94105  
1-800-648-5300*

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS  
OF  
REGISTERED MANAGEMENT INVESTMENT COMPANIES**

**Investment Company Act file number: 811-6200**

**Schwab Investments**

(Exact name of registrant as specified in charter)

211 Main Street, San Francisco, California 94105  
(Address of principal executive offices) (Zip code)

Marie Chandoha  
Schwab Investments  
211 Main Street, San Francisco, California 94105  
(Name and address of agent for service)

Registrant's telephone number, including area code: (415) 636-7000

Date of fiscal year end: August 31

Date of reporting period: September 1, 2012 – November 30, 2012

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**Item 1. Schedule of Investments.**

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# Schwab Investments

## Schwab Short-Term Bond Market Fund™

### Portfolio Holdings as of November 30, 2012 (Unaudited)

The following are the portfolio holdings as of the report date. For more information, please refer to the fund's semiannual or annual shareholder reports.

For fixed rate obligations, the rate shown is the interest rate (the rate established when the obligation was issued). For variable-rate obligations, the rate shown is the rate as of the report date. The maturity date shown for all the securities is the final legal maturity.

Holdings by Category	Cost (\$)	Value (\$)
72 .2% U.S. Government and Government Agencies	316,658,350	320,162,234
6 .8% Foreign Securities	29,552,920	30,231,261
20 .2% Corporate Bonds	87,481,694	89,717,262
0 .2% Municipal Bonds	701,897	713,789
0 .1% Other Investment Company	490,383	490,383
<b>99 .5% Total Investments</b>	<b>434,885,244</b>	<b>441,314,929</b>
0 .0% Collateral Invested for Securities on Loan	163,300	163,300
0 .5% Other Assets and Liabilities, Net		2,253,135
<b>100.0% Net Assets</b>		<b>443,731,364</b>

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
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#### U.S. Government and Government Agencies 72.2% of net assets

##### U.S. Government Agency Securities 10.1%

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>Fannie Mae</b>		
0.75%, 12/18/13	1,000,000	1,006,035
2.75%, 02/05/14	1,250,000	1,288,149
0.75%, 12/19/14	1,750,000	1,766,394
0.63%, 01/30/15 (b)	2,000,000	2,001,604
0.38%, 03/16/15	4,500,000	4,507,285
0.50%, 09/28/15	500,000	501,947
2.38%, 04/11/16	2,000,000	2,131,320
1.25%, 09/28/16	1,000,000	1,029,590
1.30%, 05/10/17 (b)	1,000,000	1,005,238
1.20%, 07/17/17 (b)	1,500,000	1,507,967
0.88%, 08/28/17	1,000,000	1,011,835
0.88%, 10/26/17	1,000,000	1,009,443
<b>Federal Farm Credit Bank</b>		
0.37%, 06/11/14 (b)	750,000	750,685
0.55%, 08/17/15	1,000,000	1,002,862
4.88%, 12/16/15	150,000	171,048
<b>Federal Home Loan Bank</b>		
0.38%, 01/29/14	2,250,000	2,254,162
5.50%, 08/13/14	2,000,000	2,179,390
0.33%, 08/15/14 (b)	1,500,000	1,500,875
4.88%, 05/17/17	1,500,000	1,780,546
1.00%, 06/21/17	1,000,000	1,016,593
<b>Freddie Mac</b>		
0.40%, 02/27/14 (b)	1,000,000	1,000,630
0.65%, 06/27/14 (b)	1,500,000	1,500,402
3.00%, 07/28/14	1,500,000	1,566,526
1.00%, 07/30/14	1,000,000	1,012,604
0.63%, 12/29/14	2,500,000	2,517,145
0.50%, 04/17/15	1,000,000	1,004,661
1.75%, 09/10/15	500,000	519,316
2.50%, 05/27/16	2,000,000	2,144,198
2.00%, 08/25/16	2,000,000	2,111,224
1.00%, 03/08/17	1,000,000	1,016,786
1.00%, 06/29/17	1,000,000	1,017,412
		<b>44,833,872</b>

##### U.S. Treasury Obligations 62.1%

<b>U.S. Treasury Bond</b>		
10.63%, 08/15/15	2,000,000	2,554,062
<b>U.S. Treasury Notes</b>		
0.13%, 12/31/13	7,750,000	7,744,249

1.50%, 12/31/13	6,500,000	6,590,902
0.25%, 01/31/14	1,500,000	1,500,762
4.00%, 02/15/14	1,000,000	1,045,352
0.25%, 02/28/14	3,000,000	3,001,407
1.25%, 03/15/14	5,750,000	5,825,469
0.25%, 03/31/14	6,500,000	6,502,795
1.25%, 04/15/14	2,000,000	2,027,892
0.25%, 04/30/14	4,500,000	4,501,935
1.88%, 04/30/14	1,000,000	1,023,203
1.00%, 05/15/14	700,000	707,820
2.25%, 05/31/14	5,000,000	5,150,390
0.25%, 06/30/14	2,500,000	2,500,685
2.63%, 06/30/14	1,250,000	1,296,826
0.63%, 07/15/14	1,000,000	1,006,289
0.13%, 07/31/14	10,000,000	9,981,250
2.63%, 07/31/14	1,000,000	1,039,531
0.25%, 08/31/14	1,750,000	1,750,343
2.38%, 08/31/14	2,475,000	2,566,555
0.25%, 09/15/14	14,000,000	14,001,092
0.25%, 09/30/14	3,000,000	3,000,468
2.38%, 09/30/14	1,600,000	1,662,062
2.38%, 10/31/14	1,000,000	1,040,313
4.25%, 11/15/14	3,000,000	3,232,851
0.25%, 11/30/14	5,000,000	5,000,780
2.13%, 11/30/14	2,000,000	2,074,062
0.25%, 12/15/14	3,000,000	2,999,532
2.63%, 12/31/14	2,500,000	2,622,853
2.25%, 01/31/15	5,000,000	5,213,280
0.25%, 02/15/15	3,000,000	2,998,593
2.38%, 02/28/15	3,000,000	3,140,391
0.38%, 03/15/15	3,400,000	3,407,970
0.38%, 04/15/15	4,600,000	4,610,065
2.50%, 04/30/15	2,500,000	2,633,008
0.25%, 05/15/15	6,000,000	5,995,314
2.13%, 05/31/15	2,500,000	2,613,673
0.38%, 06/15/15	1,250,000	1,252,638
1.88%, 06/30/15	2,350,000	2,445,285
0.25%, 07/15/15	10,000,000	9,988,280
1.75%, 07/31/15	750,000	778,652
0.25%, 08/15/15	2,000,000	1,997,188
1.25%, 08/31/15	4,000,000	4,102,812
0.25%, 09/15/15	4,500,000	4,492,620

**Schwab Short-Term Bond Market Fund****Portfolio Holdings (Unaudited) continued**

<b>Security</b>	<b>Face Amount (\$)</b>	<b>Value (\$)</b>
Rate, Maturity Date		
1.25%, 09/30/15	1,000,000	1,026,328
0.25%, 10/15/15	4,750,000	4,741,464
1.25%, 10/31/15	7,000,000	7,187,579
0.38%, 11/15/15	7,000,000	7,011,487
1.38%, 11/30/15	1,000,000	1,030,781
2.13%, 12/31/15	750,000	790,723
2.00%, 01/31/16	335,000	352,326
2.13%, 02/29/16	1,000,000	1,057,031
2.63%, 02/29/16	750,000	804,785
2.25%, 03/31/16	1,000,000	1,062,266
2.38%, 03/31/16	1,500,000	1,599,141
2.00%, 04/30/16	2,000,000	2,110,156
1.75%, 05/31/16	4,000,000	4,188,440
3.25%, 05/31/16	1,000,000	1,098,828
1.50%, 06/30/16	3,500,000	3,636,171
1.50%, 07/31/16	1,100,000	1,143,484
1.00%, 08/31/16	4,500,000	4,595,976
3.00%, 08/31/16	1,000,000	1,095,391
1.00%, 09/30/16	2,000,000	2,042,970
3.13%, 10/31/16	4,500,000	4,966,173
4.63%, 11/15/16	3,500,000	4,070,391
2.75%, 11/30/16	2,500,000	2,726,173
3.25%, 12/31/16	7,500,000	8,340,825
1.00%, 03/31/17	5,000,000	5,104,300
0.88%, 04/30/17	4,500,000	4,569,259
3.13%, 04/30/17	600,000	667,922
0.63%, 05/31/17	9,000,000	9,038,673
0.75%, 06/30/17	2,500,000	2,523,048
0.50%, 07/31/17	5,000,000	4,985,550
2.38%, 07/31/17	1,000,000	1,083,047
0.63%, 08/31/17	7,000,000	7,018,046
0.63%, 09/30/17	3,500,000	3,506,017
0.75%, 10/31/17	4,000,000	4,029,064
0.63%, 11/30/17	6,500,000	6,503,048
		<u>275,328,362</u>
<b>Total U.S. Government and Government Agencies</b>		
<b>(Cost \$316,658,350)</b>		<u><b>320,162,234</b></u>

**Foreign Securities 6.8% of net assets****Foreign Agencies 2.2%****Austria 0.1%****Oesterreichische Kontrollbank AG**

1.13%, 07/06/15	200,000	203,120
1.75%, 10/05/15	300,000	309,754
		<u>512,874</u>

**Canada 0.0%****Export Development Canada**

3.13%, 04/24/14	200,000	207,891
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**Cayman Islands 0.1%****Petrobros International Finance Co.**

7.75%, 09/15/14	100,000	110,625
2.88%, 02/06/15	300,000	309,506
3.88%, 01/27/16	200,000	212,916
		<u>633,047</u>

**Germany 1.2%****Kreditanstalt Fuer Wiederaufbau**

1.38%, 01/13/14 (d)	750,000	758,946
3.50%, 03/10/14 (d)	250,000	260,008
2.63%, 03/03/15 (d)	1,000,000	1,049,675

2.63%, 02/16/16 (d)	725,000	772,358
2.00%, 06/01/16 (d)	950,000	995,111
4.88%, 01/17/17 (d)	1,200,000	1,403,171
		<b>5,239,269</b>
<b>Japan 0.3%</b>		
<b>Japan Finance Corp.</b>		
2.88%, 02/02/15	600,000	631,704
2.25%, 07/13/16	400,000	423,359
<b>Japan Finance Organization for Municipalities</b>		
5.00%, 05/16/17	200,000	235,399
		<b>1,290,462</b>
<b>Mexico 0.1%</b>		
<b>Petroleos Mexicanos</b>		
4.88%, 03/15/15	250,000	270,000
<b>Norway 0.0%</b>		
<b>Statoilhydro A.S.A.</b>		
3.88%, 04/15/14	150,000	156,592
<b>Republic of Korea 0.3%</b>		
<b>Export-Import Bank of Korea</b>		
8.13%, 01/21/14	200,000	216,082
5.88%, 01/14/15	250,000	274,535
4.00%, 01/11/17	600,000	656,104
		<b>1,146,721</b>
<b>Sweden 0.1%</b>		
<b>Svensk Exportkredit AB</b>		
3.25%, 09/16/14	200,000	209,711
1.75%, 05/30/17	150,000	154,652
		<b>364,363</b>
		<b>9,821,219</b>
<b>Foreign Local Government 0.7%</b>		
<hr/>		
<b>Canada 0.7%</b>		
<b>Hydro Quebec</b>		
2.00%, 06/30/16	500,000	522,501
<b>Province of British Columbia</b>		
2.85%, 06/15/15	300,000	318,285
<b>Province of Manitoba</b>		
1.38%, 04/28/14	150,000	152,198
<b>Province of Nova Scotia</b>		
5.13%, 01/26/17	300,000	352,565
<b>Province of Ontario</b>		
1.38%, 01/27/14	450,000	455,470
4.10%, 06/16/14	600,000	634,172
1.88%, 09/15/15	550,000	570,887
2.30%, 05/10/16	300,000	316,642
		<b>3,322,720</b>
<b>Sovereign 0.8%</b>		
<hr/>		
<b>Brazil 0.1%</b>		
<b>Federative Republic of Brazil</b>		
7.88%, 03/07/15	300,000	347,700
<b>Canada 0.1%</b>		
<b>Canada Government International Bond</b>		
0.88%, 02/14/17	300,000	303,462
<b>Colombia 0.1%</b>		
<b>Republic of Colombia</b>		
7.38%, 01/27/17	300,000	373,500

## Portfolio Holdings (Unaudited) continued

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>Italy 0.1%</b>		
<b>Republic of Italy</b>		
3.13%, 01/26/15	800,000	812,899
4.75%, 01/25/16	100,000	104,586
		<u>917,485</u>
<b>Mexico 0.1%</b>		
<b>United Mexican States</b>		
5.88%, 01/15/14	125,000	131,563
6.63%, 03/03/15	125,000	140,687
5.63%, 01/15/17	300,000	351,000
		<u>623,250</u>
<b>Panama 0.1%</b>		
<b>Republic of Panama</b>		
7.25%, 03/15/15	250,000	283,125
<b>Poland 0.1%</b>		
<b>Republic of Poland</b>		
5.25%, 01/15/14	350,000	368,480
<b>Republic of Korea 0.1%</b>		
<b>Republic of Korea</b>		
5.13%, 12/07/16	250,000	291,610
		<u>3,508,612</u>
<b>Supranational 3.1%</b>		
<b>African Development Bank</b>		
6.88%, 10/15/15	250,000	287,665
<b>Asian Development Bank</b>		
2.75%, 05/21/14	750,000	776,732
2.63%, 02/09/15	500,000	524,729
<b>Corp. Andina de Fomento S.A.</b>		
5.75%, 01/12/17	100,000	114,425
<b>Council of Europe Development Bank</b>		
1.50%, 02/22/17	400,000	410,659
<b>European Bank for Reconstruction &amp; Development</b>		
5.00%, 05/19/14	300,000	319,930
1.63%, 09/03/15	200,000	206,172
1.00%, 02/16/17	250,000	254,317
<b>European Investment Bank</b>		
3.13%, 06/04/14	1,400,000	1,456,606
1.63%, 09/01/15	300,000	308,877
4.88%, 02/16/16	600,000	680,491
2.25%, 03/15/16	500,000	525,867
2.50%, 05/16/16	350,000	371,842
5.13%, 09/13/16	350,000	406,950
4.88%, 01/17/17	700,000	816,975
1.75%, 03/15/17	1,500,000	1,562,144
<b>Inter-American Development Bank</b>		
3.00%, 04/22/14	1,200,000	1,245,770
<b>International Bank for Reconstruction &amp; Development</b>		
0.50%, 03/26/14 (b)	250,000	250,875
2.13%, 03/15/16	500,000	527,414
0.88%, 04/17/17	1,200,000	1,221,571
<b>International Finance Corp.</b>		
3.00%, 04/22/14	650,000	674,434
2.25%, 04/11/16	200,000	212,157
<b>Nordic Investment Bank</b>		
2.50%, 07/15/15	400,000	422,108
		<u>13,578,710</u>
<b>Total Foreign Securities</b>		
<b>(Cost \$29,552,920)</b>		<u>30,231,261</u>

## Finance 8.9%

## Banking 6.5%

<b>American Express Co.</b>		
6.80%, 09/01/66 (a)(b)	200,000	215,750
<b>American Express Credit Corp.</b>		
5.13%, 08/25/14	500,000	537,760
2.38%, 03/24/17	500,000	526,112
<b>Bank of America Corp.</b>		
7.38%, 05/15/14	500,000	543,131
1.50%, 10/09/15	1,000,000	1,004,250
6.50%, 08/01/16	125,000	145,315
3.88%, 03/22/17	500,000	544,265
6.00%, 09/01/17	250,000	291,198
<b>Bank of Montreal</b>		
1.75%, 04/29/14	200,000	203,525
<b>Bank of Nova Scotia</b>		
3.40%, 01/22/15	275,000	291,004
2.05%, 10/07/15	300,000	311,561
<b>Bank One Corp.</b>		
4.90%, 04/30/15	300,000	323,263
<b>Barclays Bank PLC</b>		
5.20%, 07/10/14	700,000	745,943
<b>BB&amp;T Corp.</b>		
5.20%, 12/23/15	175,000	195,081
4.90%, 06/30/17	250,000	284,695
<b>BNP Paribas</b>		
3.60%, 02/23/16	500,000	531,093
<b>Canadian Imperial Bank of Commerce</b>		
2.35%, 12/11/15	200,000	208,508
<b>Capital One Financial Corp.</b>		
2.15%, 03/23/15	350,000	358,104
6.75%, 09/15/17	200,000	246,898
<b>Citigroup, Inc.</b>		
5.13%, 05/05/14	439,000	463,415
6.38%, 08/12/14	350,000	379,367
5.00%, 09/15/14	650,000	684,749
4.45%, 01/10/17	1,100,000	1,221,616
<b>Credit Suisse USA, Inc.</b>		
5.50%, 05/01/14	200,000	213,213
5.13%, 08/15/15	500,000	555,438
<b>Deutsche Bank AG</b>		
3.45%, 03/30/15	250,000	264,735
3.25%, 01/11/16	300,000	318,689
<b>Fifth Third Bancorp</b>		
3.63%, 01/25/16	300,000	321,785
<b>HSBC Bank USA</b>		
4.63%, 04/01/14	450,000	471,215
<b>JPMorgan Chase &amp; Co.</b>		
4.88%, 03/15/14	650,000	678,705
3.45%, 03/01/16	100,000	106,704
3.15%, 07/05/16	750,000	795,763
2.00%, 08/15/17	750,000	764,944
<b>KeyCorp</b>		
3.75%, 08/13/15	250,000	268,559
<b>Merrill Lynch &amp; Co., Inc.</b>		
5.45%, 07/15/14	400,000	426,874
6.05%, 05/16/16	350,000	387,190
<b>Morgan Stanley</b>		
4.75%, 04/01/14	150,000	155,302
2.88%, 07/28/14	250,000	255,961
5.38%, 10/15/15	750,000	812,899



## Portfolio Holdings (Unaudited) continued

Security	Face Amount (\$)	Value (\$)
Rate, Maturity Date		
3.80%, 04/29/16	700,000	729,751
6.25%, 08/28/17	400,000	450,956
<b>National Australia Bank Ltd.</b>		
1.60%, 08/07/15	250,000	254,629
<b>PNC Funding Corp.</b>		
4.25%, 09/21/15	500,000	547,614
<b>Rabobank Nederland</b>		
1.85%, 01/10/14	275,000	278,890
3.38%, 01/19/17	150,000	161,462
<b>Royal Bank of Canada</b>		
1.15%, 03/13/15	250,000	253,354
2.63%, 12/15/15	300,000	316,650
<b>Royal Bank of Scotland Group PLC</b>		
2.55%, 09/18/15	700,000	716,750
<b>State Street Corp.</b>		
2.88%, 03/07/16	200,000	213,229
<b>The Bank of New York Mellon Corp.</b>		
1.97%, 06/20/17 (a)	750,000	776,496
<b>The Bear Stearns Cos. LLC</b>		
5.55%, 01/22/17	500,000	566,242
<b>The Goldman Sachs Group, Inc.</b>		
6.00%, 05/01/14	550,000	587,439
5.13%, 01/15/15	500,000	538,093
3.30%, 05/03/15	400,000	416,916
5.35%, 01/15/16	475,000	527,648
3.63%, 02/07/16	250,000	265,131
6.25%, 09/01/17	100,000	116,861
<b>Toronto-Dominion Bank</b>		
2.50%, 07/14/16	250,000	263,730
<b>UBS AG</b>		
2.25%, 01/28/14	300,000	304,766
<b>Union Bank NA</b>		
3.00%, 06/06/16	250,000	265,231
<b>US Bancorp</b>		
2.20%, 11/15/16 (b)	250,000	262,317
1.65%, 05/15/17 (b)	300,000	307,292
<b>Wells Fargo &amp; Co.</b>		
4.88%, 02/15/14	200,000	208,699
5.00%, 11/15/14	150,000	161,479
4.75%, 02/09/15	600,000	646,760
5.13%, 09/15/16	1,000,000	1,139,829
<b>Westpac Banking Corp.</b>		
4.20%, 02/27/15	500,000	537,608
		<b>28,870,401</b>
<b>Brokerage 0.2%</b>		
<b>BlackRock, Inc.</b>		
3.50%, 12/10/14	200,000	211,614
<b>Jefferies Group, Inc.</b>		
5.88%, 06/08/14	200,000	211,500
5.50%, 03/15/16	65,000	69,550
<b>Nomura Holdings, Inc.</b>		
5.00%, 03/04/15	200,000	212,038
<b>TD Ameritrade Holding Co.</b>		
4.15%, 12/01/14	150,000	160,126
		<b>864,828</b>
<b>Finance Company 0.8%</b>		
<b>GATX Corp.</b>		
4.75%, 05/15/15	150,000	160,732
<b>General Electric Capital Corp.</b>		
2.15%, 01/09/15	1,000,000	1,026,358
2.30%, 04/27/17	1,250,000	1,293,013
<b>HSBC Finance Corp.</b>		
5.00%, 06/30/15	400,000	434,974
5.50%, 01/19/16	150,000	166,880
<b>SLM Corp.</b>		
4.63%, 09/25/17	400,000	407,750
		<b>3,489,707</b>

<b>Insurance 0.9%</b>		
<b>ACE INA Holdings, Inc.</b>		
5.70%, 02/15/17	250,000	296,241
<b>Aflac, Inc.</b>		
3.45%, 08/15/15	150,000	160,088
<b>American International Group, Inc.</b>		
3.00%, 03/20/15	100,000	103,970
2.38%, 08/24/15	100,000	102,088
5.05%, 10/01/15	100,000	110,041
4.88%, 09/15/16	350,000	392,150
<b>Berkshire Hathaway Finance Corp.</b>		
4.85%, 01/15/15	500,000	545,649
<b>Cigna Corp.</b>		
2.75%, 11/15/16	250,000	263,715
5.38%, 03/15/17	100,000	114,086
<b>CNA Financial Corp.</b>		
6.50%, 08/15/16	150,000	173,697
<b>Genworth Financial, Inc.</b>		
5.75%, 06/15/14	150,000	155,539
<b>Jefferson-Pilot Corp.</b>		
4.75%, 01/30/14	100,000	104,221
<b>MetLife, Inc.</b>		
2.38%, 02/06/14	325,000	331,884
<b>Principal Financial Group, Inc.</b>		
7.88%, 05/15/14	100,000	109,964
<b>Prudential Financial, Inc.</b>		
5.10%, 09/20/14	400,000	429,007
<b>The Chubb Corp.</b>		
6.38%, 03/29/67 (a)(b)	100,000	107,125
<b>The Travelers Co., Inc.</b>		
5.50%, 12/01/15	400,000	454,816
<b>UnitedHealth Group, Inc.</b>		
1.40%, 10/15/17	250,000	252,022
<b>WellPoint, Inc.</b>		
5.25%, 01/15/16	100,000	112,173
		<u>4,318,476</u>
<b>Other Financial 0.1%</b>		
<b>CME Group, Inc.</b>		
5.75%, 02/15/14	150,000	159,076
<b>ORIX Corp.</b>		
4.71%, 04/27/15	150,000	159,647
		<u>318,723</u>
<b>Real Estate Investment Trust 0.4%</b>		
<b>Health Care REIT, Inc.</b>		
3.63%, 03/15/16	475,000	502,806
<b>ProLogis LP</b>		
7.63%, 08/15/14	500,000	548,150
<b>Simon Property Group LP</b>		
5.10%, 06/15/15	200,000	221,228
5.25%, 12/01/16 (b)	500,000	574,320
		<u>1,846,504</u>
		<u>39,708,639</u>
<b>Industrial 9.9%</b>		
<hr/>		
<b>Basic Industry 0.8%</b>		
<b>Alcoa, Inc.</b>		
5.55%, 02/01/17 (e)	150,000	166,518

## Portfolio Holdings (Unaudited) continued

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>Barrick Gold Corp.</b> 1.75%, 05/30/14	200,000	202,905
<b>BHP Billiton Finance (USA) Ltd.</b> 1.00%, 02/24/15 1.63%, 02/24/17	400,000 100,000	403,106 102,793
<b>El Du Pont de Nemours &amp; Co.</b> 1.75%, 03/25/14 5.25%, 12/15/16	150,000 250,000	152,486 290,465
<b>Freeport-McMoRan Copper &amp; Gold, Inc.</b> 1.40%, 02/13/15	200,000	201,923
<b>International Paper Co.</b> 5.30%, 04/01/15	150,000	163,509
<b>Monsanto Co.</b> 2.75%, 04/15/16	200,000	213,402
<b>Praxair, Inc.</b> 4.38%, 03/31/14	400,000	420,220
<b>Rio Tinto Finance USA Ltd.</b> 1.88%, 11/02/15	150,000	154,201
<b>Rio Tinto Finance USA PLC</b> 1.13%, 03/20/15	250,000	253,011
<b>The Dow Chemical Co.</b> 5.90%, 02/15/15	400,000	443,383
<b>Vale Overseas Ltd.</b> 6.25%, 01/23/17	200,000	<u>231,947</u>
		<b>3,399,869</b>
<b>Capital Goods 0.9%</b>		
<b>3M Co.</b> 1.38%, 09/29/16	150,000	153,532
<b>Bemis Co., Inc.</b> 5.65%, 08/01/14	50,000	53,614
<b>Boeing Capital Corp.</b> 2.13%, 08/15/16 (b)	300,000	314,127
<b>Caterpillar Financial Services Corp.</b> 1.25%, 11/06/17	750,000	754,365
<b>CRH America, Inc.</b> 6.00%, 09/30/16	75,000	84,479
<b>Emerson Electric Co.</b> 5.00%, 12/15/14	200,000	217,603
<b>General Dynamics Corp.</b> 2.25%, 07/15/16	100,000	105,414
<b>General Electric Co.</b> 0.85%, 10/09/15	100,000	100,115
<b>Honeywell International, Inc.</b> 3.88%, 02/15/14	150,000	156,158
<b>Ingersoll-Rand Global Holding Co., Ltd.</b> 9.50%, 04/15/14	100,000	111,380
<b>John Deere Capital Corp.</b> 5.50%, 04/13/17 2.80%, 09/18/17	150,000 500,000	177,795 537,146
<b>Lockheed Martin Corp.</b> 2.13%, 09/15/16	100,000	104,205
<b>Northrop Grumman Corp.</b> 3.70%, 08/01/14	225,000	236,185
<b>Turlock Corp.</b> 0.95%, 11/02/15 1.50%, 11/02/17	200,000 150,000	200,132 150,866
<b>United Technologies Corp.</b> 1.80%, 06/01/17	300,000	310,536
<b>Waste Management, Inc.</b> 5.00%, 03/15/14 6.38%, 03/11/15	50,000 100,000	52,661 <u>112,383</u>
		<b>3,932,696</b>
<b>Communications 1.6%</b>		
<b>America Movil, S.A.B. de CV</b> 3.63%, 03/30/15 2.38%, 09/08/16	150,000 250,000	160,496 262,453
<b>AT&amp;T, Inc.</b> 2.50%, 08/15/15	300,000	313,590

<b>BellSouth Corp.</b>		
5.20%, 12/15/16	750,000	869,923
<b>British Telecommunications PLC</b>		
2.00%, 06/22/15	100,000	102,899
<b>Cellco Partnership / Verizon Wireless</b>		
5.55%, 02/01/14	350,000	368,600
<b>Comcast Corp.</b>		
5.30%, 01/15/14	400,000	421,130
6.50%, 01/15/17	100,000	121,475
<b>COX Communications, Inc.</b>		
5.50%, 10/01/15	150,000	169,197
<b>Deutsche Telekom International Finance BV</b>		
4.88%, 07/08/14	200,000	212,288
<b>DIRECTV Holdings LLC</b>		
4.75%, 10/01/14	100,000	106,876
3.13%, 02/15/16	300,000	315,549
<b>France Telecom S.A.</b>		
4.38%, 07/08/14	200,000	210,712
<b>NBCUniversal Media LLC</b>		
2.10%, 04/01/14	175,000	178,463
3.65%, 04/30/15	200,000	213,453
<b>News America, Inc.</b>		
5.30%, 12/15/14	100,000	109,086
<b>Omnicom Group, Inc.</b>		
5.90%, 04/15/16	200,000	229,317
<b>Qwest Corp.</b>		
7.50%, 10/01/14	200,000	219,864
<b>Telecom Italia Capital S.A.</b>		
6.18%, 06/18/14	150,000	157,875
<b>Telefonica Emisiones S.A.U.</b>		
4.95%, 01/15/15	200,000	207,540
3.73%, 04/27/15	150,000	152,625
3.99%, 02/16/16	275,000	279,675
<b>Time Warner Cable, Inc.</b>		
7.50%, 04/01/14	100,000	108,800
3.50%, 02/01/15	100,000	105,831
5.85%, 05/01/17	150,000	177,940
<b>Verizon Communications, Inc.</b>		
0.70%, 11/02/15	250,000	250,381
2.00%, 11/01/16	200,000	208,204
<b>Vodafone Group PLC</b>		
4.15%, 06/10/14	175,000	184,144
2.88%, 03/16/16	225,000	238,745
5.63%, 02/27/17	250,000	295,715
		<b>6,952,846</b>
<b>Consumer Cyclical 1.4%</b>		
<b>CVS Caremark Corp.</b>		
4.88%, 09/15/14	100,000	107,705
5.75%, 06/01/17	150,000	180,409
<b>Daimler Finance North America LLC</b>		
2.30%, 01/09/15	100,000	102,610
<b>eBay, Inc.</b>		
1.63%, 10/15/15	125,000	128,460
1.35%, 07/15/17	150,000	152,373
<b>Ford Motor Credit Co. LLC</b>		
8.00%, 06/01/14	500,000	545,240
3.88%, 01/15/15	500,000	519,570
6.63%, 08/15/17	400,000	466,310

## Portfolio Holdings (Unaudited) continued

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>Lowe's Cos., Inc.</b> 5.00%, 10/15/15	100,000	112,198
<b>Macy's Retail Holdings, Inc.</b> 5.75%, 07/15/14	425,000	457,713
<b>Marriott International, Inc.</b> 6.20%, 06/15/16	150,000	174,147
<b>McDonald's Corp.</b> 5.30%, 03/15/17	100,000	118,293
<b>Nordstrom, Inc.</b> 6.75%, 06/01/14	200,000	217,969
<b>PACCAR, Inc.</b> 6.88%, 02/15/14	150,000	161,043
<b>Target Corp.</b> 5.88%, 07/15/16	150,000	176,936
<b>The Home Depot, Inc.</b> 5.40%, 03/01/16	300,000	344,885
<b>The Walt Disney Co.</b> 0.88%, 12/01/14	150,000	151,186
1.35%, 08/16/16	150,000	152,680
<b>Time Warner, Inc.</b> 3.15%, 07/15/15	300,000	318,605
<b>Toyota Motor Credit Corp.</b> 0.88%, 07/17/15	200,000	200,662
2.80%, 01/11/16	500,000	529,007
<b>Viacom, Inc.</b> 1.25%, 02/27/15	100,000	101,069
2.50%, 12/15/16	150,000	157,355
<b>Wal-Mart Stores, Inc.</b> 3.20%, 05/15/14	350,000	364,178
2.80%, 04/15/16	225,000	241,383
		<b>6,181,986</b>
<b>Consumer Non-Cyclical 2.8%</b>		
<b>AbbVie, Inc.</b> 1.75%, 11/06/17 (c)	400,000	406,096
<b>Altria Group, Inc.</b> 4.13%, 09/11/15	100,000	108,944
<b>Amgen, Inc.</b> 4.85%, 11/18/14	200,000	215,359
2.50%, 11/15/16	200,000	209,923
<b>Anheuser-Busch InBev Worldwide, Inc.</b> 4.13%, 01/15/15	150,000	160,855
1.38%, 07/15/17	700,000	708,377
<b>Baxter International, Inc.</b> 4.63%, 03/15/15	100,000	108,908
<b>Boston Scientific Corp.</b> 4.50%, 01/15/15	250,000	266,619
<b>Bunge Ltd Finance Corp.</b> 3.20%, 06/15/17	250,000	261,840
<b>Coca-Cola Enterprises, Inc.</b> 2.13%, 09/15/15	150,000	154,832
<b>Colgate-Palmolive Co.</b> 1.25%, 05/01/14	125,000	126,355
2.63%, 05/01/17	250,000	268,945
<b>ConAgra Foods, Inc.</b> 1.35%, 09/10/15	250,000	250,357
<b>Diageo Capital PLC</b> 7.38%, 01/15/14	200,000	214,829
<b>Express Scripts Holding Co.</b> 2.10%, 02/12/15 (c)	250,000	255,128
2.65%, 02/15/17 (c)	1,050,000	1,098,112
<b>General Mills, Inc.</b> 5.70%, 02/15/17	250,000	296,129
<b>GlaxoSmithKline Capital PLC</b> 0.75%, 05/08/15	200,000	201,270
1.50%, 05/08/17	150,000	153,120
<b>Johnson &amp; Johnson</b> 1.20%, 05/15/14	150,000	151,929
2.15%, 05/15/16	50,000	52,536
<b>Kellogg Co.</b> 4.45%, 05/30/16	100,000	111,325

<b>Kraft Foods, Inc.</b>		
4.13%, 02/09/16	300,000	328,477
6.50%, 08/11/17	300,000	368,992
<b>Lorillard Tobacco Co.</b>		
2.30%, 08/21/17	100,000	101,757
<b>Mattel, Inc.</b>		
2.50%, 11/01/16	100,000	104,640
<b>McKesson Corp.</b>		
3.25%, 03/01/16	250,000	269,560
<b>Medtronic, Inc.</b>		
2.63%, 03/15/16	200,000	211,940
<b>Merck &amp; Co., Inc.</b>		
2.25%, 01/15/16	300,000	314,313
<b>Novartis Capital Corp.</b>		
4.13%, 02/10/14	350,000	364,967
2.90%, 04/24/15	150,000	158,613
<b>PepsiCo, Inc.</b>		
2.50%, 05/10/16	200,000	212,209
1.25%, 08/13/17	300,000	304,006
<b>Pfizer, Inc.</b>		
4.50%, 02/15/14	250,000	262,772
5.35%, 03/15/15	200,000	221,231
<b>Philip Morris International, Inc.</b>		
1.13%, 08/21/17	250,000	250,767
<b>Procter &amp; Gamble Co.</b>		
4.95%, 08/15/14	200,000	215,617
1.80%, 11/15/15	250,000	259,883
<b>Reynolds American, Inc.</b>		
1.05%, 10/30/15	250,000	250,306
7.63%, 06/01/16	43,000	51,630
<b>Safeway, Inc.</b>		
6.25%, 03/15/14	200,000	211,776
6.35%, 08/15/17	150,000	171,645
<b>Sanofi</b>		
2.63%, 03/29/16	250,000	263,760
<b>Teva Pharmaceutical Finance III BV</b>		
1.70%, 03/21/14	200,000	202,765
<b>Teva Pharmaceutical Finance IV LLC</b>		
1.70%, 11/10/14	250,000	254,896
<b>The Coca-Cola Co.</b>		
1.50%, 11/15/15	450,000	462,776
<b>Thermo Fisher Scientific, Inc.</b>		
2.25%, 08/15/16	250,000	260,120
<b>Unilever Capital Corp.</b>		
0.45%, 07/30/15	150,000	149,657
0.85%, 08/02/17	100,000	99,237
<b>Watson Pharmaceuticals, Inc.</b>		
1.88%, 10/01/17	400,000	407,925
		<b>12,518,025</b>
<b>Energy 1.1%</b>		
<b>Anadarko Petroleum Corp.</b>		
7.63%, 03/15/14	250,000	270,117
5.95%, 09/15/16	200,000	232,179
<b>Apache Corp.</b>		
1.75%, 04/15/17	200,000	206,489
<b>BP Capital Markets PLC</b>		
3.13%, 10/01/15	400,000	426,049
3.20%, 03/11/16	100,000	107,159

## Portfolio Holdings (Unaudited) continued

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
1.85%, 05/05/17	500,000	511,939
<b>Canadian Natural Resources Ltd.</b> 1.45%, 11/14/14	200,000	202,985
<b>Chevron Corp.</b> 3.95%, 03/03/14	100,000	104,242
<b>Devon Energy Corp.</b> 1.88%, 05/15/17 (b)	250,000	256,097
<b>Marathon Oil Corp.</b> 0.90%, 11/01/15	250,000	250,451
<b>Marathon Petroleum Corp.</b> 3.50%, 03/01/16	250,000	267,155
<b>Occidental Petroleum Corp.</b> 1.75%, 02/15/17	300,000	309,493
<b>Phillips 66</b> 2.95%, 05/01/17 (c)	300,000	320,089
<b>Shell International Finance BV</b> 4.00%, 03/21/14 3.10%, 06/28/15	250,000 300,000	261,291 318,918
<b>Total Capital S.A.</b> 3.00%, 06/24/15 2.30%, 03/15/16 1.50%, 02/17/17	100,000 100,000 200,000	105,933 104,877 203,383
<b>Transocean, Inc.</b> 4.95%, 11/15/15	450,000	494,045
		<u>4,952,891</u>
<b>Technology 1.1%</b>		
<b>Agilent Technologies, Inc.</b> 5.50%, 09/14/15	250,000	279,635
<b>Cisco Systems, Inc.</b> 2.90%, 11/17/14 5.50%, 02/22/16	100,000 250,000	104,701 287,394
<b>Dell, Inc.</b> 2.30%, 09/10/15	200,000	206,808
<b>Google, Inc.</b> 1.25%, 05/19/14	250,000	253,172
<b>Hewlett-Packard Co.</b> 6.13%, 03/01/14 2.63%, 12/09/14 2.60%, 09/15/17	500,000 400,000 150,000	523,363 399,222 142,970
<b>Intel Corp.</b> 1.95%, 10/01/16	350,000	364,743
<b>International Business Machines Corp.</b> 1.25%, 02/06/17	1,200,000	1,215,763
<b>Microsoft Corp.</b> 2.95%, 06/01/14 1.63%, 09/25/15	150,000 250,000	155,889 257,493
<b>Oracle Corp.</b> 5.25%, 01/15/16 1.20%, 10/15/17	250,000 150,000	284,297 150,509
<b>Texas Instruments Inc</b> 2.38%, 05/16/16	150,000	157,713
<b>Xerox Corp.</b> 4.25%, 02/15/15 2.95%, 03/15/17	150,000 150,000	157,879 153,713
		<u>5,095,264</u>
<b>Transportation 0.2%</b>		
<b>Burlington Northern Santa Fe Corp.</b> 7.00%, 02/01/14	150,000	160,900
<b>CSX Corp.</b> 6.25%, 04/01/15	250,000	280,807
<b>Ryder System, Inc.</b> 3.15%, 03/02/15	300,000	310,551
<b>Southwest Airlines Co.</b> 5.25%, 10/01/14	150,000	160,141
		<u>912,399</u>
		<u>43,945,976</u>
<b>Utilities 1.4%</b>		

<b>Electric 0.9%</b>		
<b>Commonwealth Edison Co.</b>		
1.63%, 01/15/14	50,000	50,647
1.95%, 09/01/16 (b)	100,000	103,746
<b>Dominion Resources, Inc.</b>		
1.80%, 03/15/14	500,000	507,142
5.15%, 07/15/15	200,000	221,627
<b>Duke Energy Corp.</b>		
1.63%, 08/15/17	700,000	707,829
<b>Exelon Corp.</b>		
4.90%, 06/15/15	400,000	438,347
<b>FirstEnergy Solutions Corp.</b>		
4.80%, 02/15/15	250,000	269,447
<b>National Rural Utilities Cooperative Finance Corp.</b>		
3.05%, 03/01/16	150,000	160,132
5.45%, 04/10/17	100,000	118,284
<b>NextEra Energy Capital Holdings, Inc.</b>		
7.88%, 12/15/15	150,000	179,937
<b>PPL Energy Supply LLC</b>		
6.20%, 05/15/16	150,000	172,880
<b>PSEG Power LLC</b>		
5.50%, 12/01/15	150,000	168,189
<b>Southern California Edison Co.</b>		
5.75%, 03/15/14	300,000	319,933
<b>The Southern Co.</b>		
2.38%, 09/15/15	500,000	523,745
		<u>3,941,885</u>
<b>Natural Gas 0.5%</b>		
<b>Energy Transfer Partners LP</b>		
5.95%, 02/01/15	200,000	219,715
<b>Enterprise Products Operating LLC</b>		
9.75%, 01/31/14	225,000	247,766
5.60%, 10/15/14	150,000	162,995
<b>Kinder Morgan Energy Partners LP</b>		
3.50%, 03/01/16	300,000	321,030
<b>ONEOK Partners LP</b>		
6.15%, 10/01/16	150,000	175,947
<b>Plains All American Pipeline LP</b>		
3.95%, 09/15/15	150,000	162,190
<b>Sempra Energy</b>		
6.50%, 06/01/16	200,000	236,655
<b>TransCanada PipeLines Ltd.</b>		
3.40%, 06/01/15	100,000	106,274
<b>Williams Partners LP</b>		
7.25%, 02/01/17	400,000	488,190
		<u>2,120,762</u>
		<u>6,062,647</u>
<b>Total Corporate Bonds</b>		
<b>(Cost \$87,481,694)</b>		<u>89,717,262</u>



**Schwab Short-Term Bond Market Fund****Portfolio Holdings (Unaudited) continued**

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>Municipal Bonds 0.2% of net assets</b>		
<b>Fixed-Rate Obligations 0.2%</b>		
<b>California</b>		
GO Bonds		
3.95%, 11/01/15	350,000	379,179
<b>Illinois</b>		
GO Bonds		
4.42%, 01/01/15	50,000	53,085
GO Bonds Series 2011		
5.37%, 03/01/17	250,000	<u>281,525</u>
<b>Total Municipal Bonds</b> <b>(Cost \$701,897)</b>		<b><u>713,789</u></b>

Security	Number of Shares	Value (\$)
<b>Other Investment Company 0.1% of net assets</b>		
<b>Money Market Fund 0.1%</b>		
State Street Institutional U.S. Government Money Market Fund	490,383	<u>490,383</u>
<b>Total Other Investment Company</b> <b>(Cost \$490,383)</b>		<b><u>490,383</u></b>

**End of Investments.****Collateral Invested for Securities on Loan 0.0% of net assets**

State Street Institutional U.S. Government Money Market Fund	163,300	<u>163,300</u>
<b>Total Collateral Invested for Securities on Loan</b> <b>(Cost \$163,300)</b>		<b><u>163,300</u></b>

**End of Collateral Invested for Securities on Loan**

At 11/30/12, the tax basis cost of the fund' s investments was \$435,013,483, and the unrealized appreciation and depreciation were \$6,339,337 and (\$37,891), respectively, with a net unrealized appreciation of \$6,301,446.

- (a) Variable-rate security.
- (b) The effective maturity may be shorter than the final maturity shown because of the possibility of interim principal payments and prepayments or as the result of embedded demand features (puts or calls).
- (c) Securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registrations, normally to qualified institutional buyers. At the period end, the value of these amounted to \$2,079,425 or 0.5% of net assets.
- (d) Guaranteed by the Republic of Germany.
- (e) All or a portion of this security is on loan.

GO – General obligation  
REIT – Real Estate Investment Trust

Under procedures approved by the fund' s Board of Trustees (the "Board"), the investment adviser has formed a Pricing Committee to administer the pricing and valuation of portfolio securities and other assets and to ensure that prices used for internal purposes or provided by third parties reasonably reflect fair market value. Among other things, these procedures allow the fund to utilize independent pricing services, quotations from securities and financial instrument dealers and other market sources to determine fair value.

The fund values the securities in its portfolio every business day. The fund uses the following policies to value various types of securities:

**Bonds and notes:** valued at halfway between the most recent bid and asked quotes or, if such quotes are unavailable, at prices for securities of comparable maturity, credit quality and type. Valuations for bonds and notes are provided by an independent bond-pricing service.

**Securities for which no quoted value is available:** The Board has adopted procedures to fair value the fund's securities when market prices are not "readily available" or are unreliable. For example, a fund may fair value a security when it is de-listed or its trading is halted or suspended; when a security's primary pricing source is unable or unwilling to provide a price; or when a security's primary trading market is closed during regular market hours. The fund makes fair value determinations in good faith in accordance with the fund's valuation procedures. The Pricing Committee considers a number of factors, including unobservable market inputs when arriving at fair value. The Pricing Committee may employ techniques such as the review of related or comparable assets or liabilities, related market activities, recent transactions, market multiples, book values, transactional back-testing, disposition analysis and other relevant information. The Pricing Committee regularly reviews these inputs and assumptions to calibrate the valuations. The Board convenes on a regular basis to review fair value determinations made by the fund pursuant to the procedures.

**Short-term securities (60 days or less to maturity):** valued at amortized cost, which approximates market value.

## Portfolio Holdings (Unaudited) continued

**Underlying funds:** valued at their respective net asset values.

In accordance with the authoritative guidance on fair value measurements and disclosures under generally accepted accounting principles in the United States of America (GAAP), the fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). If the fund determines that either the volume and/or level of activity for an asset or liability has significantly decreased (from normal conditions for that asset or liability) or price quotations or observable inputs are not associated with orderly transactions, increased analysis and management judgment will be required to estimate fair value.

The three levels of the fair value hierarchy are as follows:

Level 1 – quoted prices in active markets for identical securities – Investments whose values are based on quoted market prices in active markets, and whose values are therefore classified as Level 1 prices, include active listed equities and futures contracts.

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) – Investments that trade in markets that are not considered to be active, but whose values are based on quoted market prices, dealer quotations or valuations provided by alternative pricing sources supported by observable inputs are classified as Level 2 prices. These generally include U.S. government and sovereign obligations, most government agency securities, investment-grade corporate bonds, certain mortgage products, less liquid listed equities, and state, municipal and provincial obligations. As investments whose values are classified as Level 2 prices include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Level 3 – significant unobservable inputs (including the fund's own assumption in determining the fair value of investments) – Investments whose values are classified as Level 3 prices have significant unobservable inputs, as they may trade infrequently or not at all. When observable prices are not available for these securities, the fund uses one or more valuation techniques for which sufficient and reliable data is available. The inputs used by the funds in estimating the value of Level 3 prices may include the original transaction price, quoted prices for similar securities or assets in active markets, completed or pending third-party transactions in the underlying investment or comparable issuers, and changes in financial ratios or cash flows. Level 3 prices may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the fund in the absence of market information. Assumptions used by the fund due to the lack of observable inputs may significantly impact the resulting fair value and therefore the fund's results of operations.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the fund's investments as of November 30, 2012:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
U.S. Government and Government Agencies <sup>1</sup>	\$–	\$320,162,234	\$–	\$320,162,234
Foreign Securities <sup>1</sup>	–	30,231,261	–	30,231,261
Corporate Bonds <sup>1</sup>	–	89,717,262	–	89,717,262
Municipal Bonds <sup>1</sup>	–	713,789	–	713,789
Other Investment Company <sup>1</sup>	490,383	–	–	490,383
<b>Total</b>	<b><u>\$490,383</u></b>	<b><u>\$440,824,546</u></b>	<b><u>\$–</u></b>	<b><u>\$441,314,929</u></b>
Other Financial Instruments				

Collateral Invested for Securities on Loan	\$163,300	\$-	\$-	\$163,300
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1 As categorized in Portfolio Holdings.

**Portfolio Holdings** (Unaudited) continued

The fund's policy is to recognize transfers between Level 1, Level 2 and Level 3 as of the beginning of the fiscal year. There were no transfers between Level 1, Level 2 and Level 3 for the period ended November 30, 2012.

REG406016NOV12

# Schwab Investments

## Schwab Premier Income Fund

(as of December 15, 2012, known as Schwab Intermediate-Term Bond Fund)

### Portfolio Holdings as of November 30, 2012 (Unaudited)

The following are the portfolio holdings as of the report date. For more information, please refer to the fund's semiannual or annual shareholder reports.

For fixed rate obligations, the rate shown is the interest rate (the rate established when the obligation was issued). For variable-rate obligations, the rate shown is the rate as of the report date. The maturity date shown for all the securities is the final legal maturity.

Holdings by Category		Cost (\$)	Value (\$)
23 .8%	Corporate Bonds	93,666,135	96,984,595
0 .2%	Asset-Backed Obligations	1,008,015	1,007,476
40 .1%	Mortgage-Backed Securities	159,235,911	163,646,677
2 .2%	Commercial Mortgage Backed Securities	8,296,814	9,087,506
35 .9%	U.S. Government and Government Agencies	142,486,348	146,318,167
3 .2%	Foreign Securities	12,613,544	13,258,394
0 .3%	Other Investment Company	1,074,979	1,074,979
3 .7%	Short-Term Investments	14,999,174	14,999,287
<b>109.4%</b>	<b>Total Investments</b>	<b>433,380,920</b>	<b>446,377,081</b>
<b>(1 .9)%</b>	<b>TBA Sale Commitments</b>	<b>(7,639,844 )</b>	<b>(7,689,064 )</b>
<b>(7 .5)%</b>	<b>Other Assets and Liabilities, Net</b>		<b>(30,758,896 )</b>
<b>100.0%</b>	<b>Net Assets</b>		<b>407,929,121</b>

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>Corporate Bonds 23.8% of net assets</b>		
<b>Finance 9.9%</b>		

#### Banking 6.7%

<b>American Express Co.</b> 5.50%, 09/12/16	500,000	575,838
<b>Banco Santander Chile</b> 3.88%, 09/20/22	1,000,000	1,018,698
<b>Bank of America Corp.</b> 7.38%, 05/15/14	500,000	543,131
5.63%, 10/14/16	500,000	569,402
7.63%, 06/01/19	500,000	640,153
<b>BB&amp;T Corp.</b> 3.95%, 03/22/22 (b)	250,000	273,394
<b>BNP Paribas</b> 5.00%, 01/15/21	300,000	335,847
<b>Capital One Capital III</b> 7.69%, 08/15/36	2,000,000	2,017,380
<b>Capital One Financial Corp.</b> 1.00%, 11/06/15	500,000	498,466
4.75%, 07/15/21	500,000	579,063
<b>Citigroup, Inc.</b> 5.00%, 09/15/14	1,250,000	1,316,825
<b>Deutsche Bank Financial LLC</b> 5.38%, 03/02/15	500,000	530,042
<b>Fifth Third Bancorp</b> 3.63%, 01/25/16	600,000	643,569
<b>First Horizon National Corp.</b> 4.50%, 05/15/13	1,000,000	1,013,098
<b>JPMorgan Chase &amp; Co.</b> 3.70%, 01/20/15	700,000	738,162
6.00%, 01/15/18	1,000,000	1,194,581
4.40%, 07/22/20	250,000	280,387
3.25%, 09/23/22	1,000,000	1,036,482
<b>Macquarie Group Ltd.</b> 6.25%, 01/14/21 (c)	300,000	330,070
<b>Merrill Lynch &amp; Co., Inc.</b> 6.88%, 04/25/18	500,000	602,128
<b>Morgan Stanley</b>		

4.75%, 04/01/14	1,000,000	1,035,349
5.75%, 10/18/16	500,000	553,175
5.50%, 07/28/21	1,000,000	1,145,579
<b>PNC Financial Services Group, Inc.</b>		
2.85%, 11/09/22 (a)	1,000,000	1,022,900
<b>Rabobank Nederland</b>		
2.13%, 10/13/15	300,000	309,674
3.95%, 11/09/22	500,000	507,758
<b>Royal Bank of Scotland Group PLC</b>		
2.55%, 09/18/15	1,000,000	1,023,929
<b>Santander Holdings USA, Inc.</b>		
4.63%, 04/19/16	100,000	106,335
<b>Societe Generale SA</b>		
2.75%, 10/12/17	1,000,000	1,011,890
<b>Sumitomo Mitsui Banking Corp.</b>		
1.95%, 01/14/14 (c)	500,000	505,180
<b>The Bank of New York Mellon Corp.</b>		
1.97%, 06/20/17 (a)	1,000,000	1,035,328
<b>The Goldman Sachs Group, Inc.</b>		
3.30%, 05/03/15	250,000	260,573
5.35%, 01/15/16	500,000	555,419
3.63%, 02/07/16	500,000	530,262
5.63%, 01/15/17	1,000,000	1,096,805
6.15%, 04/01/18	250,000	292,373
<b>UBS AG</b>		
4.88%, 08/04/20	500,000	584,961
<b>Wells Fargo &amp; Co.</b>		
4.75%, 02/09/15	1,000,000	1,077,934
		<u>27,392,140</u>
<b>Brokerage 0.1%</b>		
<b>Nomura Holdings, Inc.</b>		
5.00%, 03/04/15	300,000	318,058
<b>Finance Company 0.8%</b>		
<b>General Electric Capital Corp.</b>		
0.51%, 06/20/13 (a)	1,300,000	1,300,291
5.63%, 05/01/18	500,000	596,433
<b>HSBC Finance Corp.</b>		
5.50%, 01/19/16	300,000	333,760
<b>SLM Corp.</b>		
4.63%, 09/25/17	600,000	611,625
7.25%, 01/25/22	350,000	385,875
		<u>3,227,984</u>

## Portfolio Holdings (Unaudited) continued

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>Insurance 1.4%</b>		
<b>American International Group, Inc.</b>		
4.25%, 05/15/13 (a)	503,000	510,891
2.38%, 08/24/15	600,000	612,529
<b>Berkshire Hathaway Finance Corp.</b>		
5.40%, 05/15/18	500,000	605,128
<b>Cigna Corp.</b>		
5.13%, 06/15/20	500,000	576,171
4.00%, 02/15/22 (b)	250,000	274,192
<b>CNA Financial Corp.</b>		
5.88%, 08/15/20	250,000	294,700
<b>ING US, Inc.</b>		
5.50%, 07/15/22	150,000	163,412
<b>Nationwide Financial Services, Inc.</b>		
5.63%, 02/13/15	350,000	368,988
<b>The Chubb Corp.</b>		
6.38%, 03/29/67 (a)(b)	100,000	107,125
<b>Travelers Co., Inc.</b>		
5.90%, 06/02/19	150,000	187,823
<b>UnitedHealth Group, Inc.</b>		
0.85%, 10/15/15	800,000	803,914
1.40%, 10/15/17	500,000	504,044
2.75%, 02/15/23 (b)	750,000	763,052
		<b>5,771,969</b>
<b>Real Estate Investment Trust 0.9%</b>		
<b>AvalonBay Communities, Inc.</b>		
2.95%, 09/15/22 (b)	750,000	751,183
<b>Reckson Operating Partnership LP</b>		
6.00%, 03/31/16	1,000,000	1,103,266
<b>Simon Property Group LP</b>		
2.80%, 01/30/17 (b)	300,000	319,077
<b>Ventas Realty LP</b>		
3.13%, 11/30/15	500,000	528,951
3.25%, 08/15/22 (b)	100,000	99,507
<b>WEA Finance LLC / WT Finance Aust Pty Ltd.</b>		
3.38%, 10/03/22 (b)	1,000,000	1,020,475
		<u>3,822,459</u>
		<b>40,532,610</b>
<b>Industrial 12.0%</b>		
<hr/>		
<b>Basic Industry 1.2%</b>		
<b>Alcoa, Inc.</b>		
6.75%, 07/15/18	500,000	580,509
<b>Southern Copper Corp.</b>		
3.50%, 11/08/22	250,000	256,810
<b>Teck Resources Ltd.</b>		
2.50%, 02/01/18	250,000	253,903
<b>The Dow Chemical Co.</b>		
7.60%, 05/15/14	500,000	548,155
4.25%, 11/15/20 (b)	800,000	887,757
<b>Vale Overseas Ltd.</b>		
4.38%, 01/11/22	400,000	425,670
<b>Valspar Corp.</b>		
4.20%, 01/15/22 (b)	100,000	108,620
<b>Xstrata Finance Canada Ltd.</b>		
2.85%, 11/10/14 (c)	100,000	102,607
1.80%, 10/23/15	1,000,000	1,005,129
4.00%, 10/25/22	500,000	506,885
		<u>4,676,045</u>
<b>Capital Goods 1.3%</b>		
<b>Caterpillar Financial Services Corp.</b>		
0.70%, 11/06/15	500,000	499,322
<b>CRH America, Inc.</b>		



5.30%, 10/15/13	300,000	310,909
<b>General Electric Co.</b>		
0.85%, 10/09/15	500,000	500,577
5.25%, 12/06/17	500,000	592,217
2.70%, 10/09/22	750,000	766,233
<b>John Deere Capital Corp.</b>		
2.95%, 03/09/15	350,000	367,496
<b>L-3 Communications Corp.</b>		
5.20%, 10/15/19	250,000	288,203
<b>Lockheed Martin Corp.</b>		
2.13%, 09/15/16	300,000	312,616
<b>The Boeing Co.</b>		
4.88%, 02/15/20	500,000	609,675
<b>Turlock Corp.</b>		
0.95%, 11/02/15	100,000	100,066
1.50%, 11/02/17	100,000	100,577
2.75%, 11/02/22	750,000	757,087
		<b>5,204,978</b>
<b>Communications 2.2%</b>		
<b>America Movil, S.A.B. de CV</b>		
2.38%, 09/08/16	750,000	787,358
<b>AT&amp;T, Inc.</b>		
0.88%, 02/13/15	750,000	753,742
<b>British Telecommunications PLC</b>		
1.50%, 12/20/13 (a)	200,000	201,404
2.00%, 06/22/15	100,000	102,899
<b>CenturyLink, Inc.</b>		
5.80%, 03/15/22	500,000	529,324
<b>Comcast Corp.</b>		
5.88%, 02/15/18	750,000	913,447
<b>DIRECTV Holdings LLC</b>		
3.55%, 03/15/15	250,000	263,350
<b>NBCUniversal Media LLC</b>		
4.38%, 04/01/21	750,000	853,174
<b>Telecom Italia Capital S.A.</b>		
7.00%, 06/04/18	500,000	565,625
<b>Telefonica Chile S.A.</b>		
3.88%, 10/12/22 (c)	500,000	495,989
<b>Telefonica Emisiones S.A.U.</b>		
2.58%, 04/26/13	1,500,000	1,509,375
<b>Time Warner Cable, Inc.</b>		
6.75%, 07/01/18	500,000	626,793
<b>Verizon Communications, Inc.</b>		
0.70%, 11/02/15	750,000	751,143
2.45%, 11/01/22 (b)	500,000	503,025
		<b>8,856,648</b>
<b>Consumer Cyclical 2.1%</b>		
<b>Darden Restaurants, Inc.</b>		
3.35%, 11/01/22 (b)	250,000	251,411
<b>Ford Motor Credit Co. LLC</b>		
7.00%, 10/01/13	1,500,000	1,572,484
4.25%, 09/20/22	1,000,000	1,040,537
<b>Hyundai Capital America</b>		
1.63%, 10/02/15	1,000,000	1,007,674
2.13%, 10/02/17	1,000,000	1,013,646
<b>International Game Technology</b>		
5.50%, 06/15/20	100,000	109,523
<b>Macy's Retail Holdings, Inc.</b>		
5.90%, 12/01/16	213,000	250,712
<b>QVC, Inc.</b>		
5.13%, 07/02/22	500,000	530,830
<b>Royal Caribbean Cruises Ltd.</b>		
7.00%, 06/15/13	1,050,000	1,084,125

## Portfolio Holdings (Unaudited) continued

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>Target Corp.</b> 6.00%, 01/15/18	500,000	620,367
<b>The Gap, Inc.</b> 5.95%, 04/12/21 (b)	500,000	571,256
<b>Time Warner, Inc.</b> 3.15%, 07/15/15	500,000	531,009
<b>Viacom, Inc.</b> 3.88%, 12/15/21	150,000	165,796
		<b>8,749,370</b>
<b>Consumer Non-Cyclical 2.7%</b>		
<b>AbbVie, Inc.</b> 2.00%, 11/06/18	1,000,000	1,012,416
<b>Amgen, Inc.</b> 3.63%, 05/15/22 (b)	250,000	269,122
<b>Anheuser-Busch InBev Worldwide, Inc.</b> 1.38%, 07/15/17	700,000	708,377
<b>Baxter International, Inc.</b> 2.40%, 08/15/22	150,000	151,542
<b>Boston Scientific Corp.</b> 5.13%, 01/12/17 6.00%, 01/15/20	250,000 150,000	278,241 176,925
<b>Express Scripts Holding Co.</b> 2.10%, 02/12/15 (c)	250,000	255,128
<b>Fresenius Medical Care US Finance II, Inc.</b> 5.63%, 07/31/19	500,000	536,250
<b>GlaxoSmithKline Capital PLC</b> 2.85%, 05/08/22	250,000	262,434
<b>Kraft Foods, Inc.</b> 5.38%, 02/10/20 5.38%, 02/10/20 (c)	477,000 523,000	581,281 633,842
<b>Lorillard Tobacco Co.</b> 2.30%, 08/21/17	350,000	356,149
<b>PepsiCo, Inc.</b> 7.90%, 11/01/18	107,000	146,374
<b>Philip Morris International, Inc.</b> 1.13%, 08/21/17 2.50%, 08/22/22	400,000 600,000	401,227 605,628
<b>Reynolds American, Inc.</b> 1.05%, 10/30/15 3.25%, 11/01/22	650,000 100,000	650,796 101,946
<b>Safeway, Inc.</b> 3.95%, 08/15/20	925,000	923,072
<b>Teva Pharmaceutical Finance Co. BV</b> 2.40%, 11/10/16	750,000	786,394
<b>Thermo Fisher Scientific, Inc.</b> 2.25%, 08/15/16	500,000	520,241
<b>Watson Pharmaceuticals, Inc.</b> 1.88%, 10/01/17 3.25%, 10/01/22 (b)	1,000,000 500,000	1,019,812 515,337
		<b>10,892,534</b>
<b>Energy 1.1%</b>		
<b>Anadarko Petroleum Corp.</b> 6.38%, 09/15/17	500,000	601,005
<b>BP Capital Markets PLC</b> 1.85%, 05/05/17	750,000	767,909
<b>ConocoPhillips</b> 6.00%, 01/15/20	600,000	770,673
<b>Devon Energy Corp.</b> 1.88%, 05/15/17 (b)	500,000	512,195
<b>Halliburton Co.</b> 6.15%, 09/15/19	150,000	190,455
<b>Marathon Oil Corp.</b> 0.90%, 11/01/15	250,000	250,451
<b>Marathon Petroleum Corp.</b> 3.50%, 03/01/16	250,000	267,155
<b>Occidental Petroleum Corp.</b> 4.10%, 02/01/21 (b)	250,000	289,504
<b>Phillips 66</b>		

1.95%, 03/05/15 (c)	300,000	306,681
<b>Schlumberger Investment S.A.</b>		
2.40%, 08/01/22 (b)	150,000	149,856
<b>Total Capital S.A.</b>		
4.45%, 06/24/20	350,000	410,071
<b>Transocean, Inc.</b>		
6.38%, 12/15/21	100,000	121,046
		<u>4,637,001</u>
<b>Technology 1.1%</b>		
<b>Google, Inc.</b>		
2.13%, 05/19/16	350,000	367,294
<b>Hewlett-Packard Co.</b>		
3.30%, 12/09/16	500,000	497,619
3.75%, 12/01/20	1,000,000	916,573
<b>IBM Corp.</b>		
5.70%, 09/14/17	500,000	606,487
<b>Oracle Corp.</b>		
1.20%, 10/15/17	1,000,000	1,003,394
3.88%, 07/15/20	500,000	572,676
<b>Seagate Technology International</b>		
10.00%, 05/01/14 (b)(c)	483,000	524,659
		<u>4,488,702</u>
<b>Transportation 0.3%</b>		
<b>Burlington Northern Santa Fe Corp.</b>		
7.00%, 02/01/14	100,000	107,267
3.60%, 09/01/20 (b)	250,000	274,010
<b>CSX Corp.</b>		
7.38%, 02/01/19	300,000	384,704
<b>FedEx Corp.</b>		
2.63%, 08/01/22	250,000	253,715
<b>Union Pacific Corp.</b>		
5.75%, 11/15/17	200,000	241,867
		<u>1,261,563</u>
		<u>48,766,841</u>
<b>Utilities 1.9%</b>		
<b>Electric 1.0%</b>		
<b>Ameren Illinois Co.</b>		
2.70%, 09/01/22	100,000	101,448
<b>CenterPoint Energy Houston Electric LLC</b>		
2.25%, 08/01/22 (b)	100,000	99,818
<b>Commonwealth Edison Co.</b>		
1.63%, 01/15/14	350,000	354,529
1.95%, 09/01/16 (b)	350,000	363,113
<b>Dominion Resources, Inc.</b>		
6.40%, 06/15/18	500,000	627,144
<b>Duke Energy Corp.</b>		
5.05%, 09/15/19	500,000	586,471
<b>Pacific Gas &amp; Electric Co.</b>		
3.50%, 10/01/20 (b)	500,000	554,776
<b>PPL Electric Utilities Corp.</b>		
2.50%, 09/01/22 (b)	100,000	101,901
<b>The Detroit Edison Co.</b>		
2.65%, 06/15/22 (b)	250,000	256,562
<b>The Southern Co.</b>		
2.38%, 09/15/15	200,000	209,498

**Schwab Premier Income Fund**

**Portfolio Holdings (Unaudited) continued**

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
TransAlta Corp. 4.50%, 11/15/22 (b)	1,000,000	988,824
		<u>4,244,084</u>
<b>Natural Gas 0.9%</b>		
Boardwalk Pipelines LP 3.38%, 02/01/23 (b)	1,000,000	986,667
CenterPoint Energy Resources Corp. 6.00%, 05/15/18	250,000	304,538
Energy Transfer Partners LP 8.50%, 04/15/14	401,000	437,779
Enterprise Products Operating LP 3.20%, 02/01/16	500,000	532,344
Kinder Morgan Energy Partners LP 3.45%, 02/15/23 (b)	200,000	205,070
Southwest Gas Corp. 3.88%, 04/01/22 (b)	300,000	333,786
Williams Partners LP 7.25%, 02/01/17	300,000	366,142
4.13%, 11/15/20 (b)	250,000	274,734
		<u>3,441,060</u>
		<u>7,685,144</u>
<b>Total Corporate Bonds (Cost \$93,666,135)</b>		<u>96,984,595</u>

**Asset-Backed Obligations 0.2% of net assets**

Chase Issuance Trust Series 2012-A3 Class A3 0.79%, 06/15/17 (b)	1,000,000	1,007,476
<b>Total Asset-Backed Obligations (Cost \$1,008,015)</b>		<u>1,007,476</u>

**Mortgage-Backed Securities 40.1% of net assets**

<b>Collateralized Mortgage Obligations 1.2%</b>		
<b>ABN Amro Mortgage Corp.</b>		
Series 2003-9 Class A1 4.50%, 08/25/18 (b)	55,993	57,227
<b>Chase Mortgage Finance Corp.</b>		
Series 2003-S13 Class A16 5.00%, 11/25/33 (b)	746,556	764,474
<b>Credit Suisse First Boston Mortgage Securities Corp.</b>		
Series 2003-23 Class 7A1 5.00%, 09/25/18 (b)	1,615,746	1,660,054
<b>MASTR Asset Securitization Trust</b>		
Series 2003-10 Class 3A1 5.50%, 11/25/33 (b)	414,511	438,452
<b>Residential Accredited Loans, Inc.</b>		
Series 2002-QS18 Class A1 5.50%, 12/25/17 (b)	61,402	62,925
<b>Sequoia Mortgage Trust</b>		
Series 2011-1 Class A1 4.13%, 02/25/41 (b)	1,209,686	1,234,943
Series 2012-2 Class A2 3.50%, 04/25/42 (b)	840,784	872,542
		<u>5,090,617</u>
<b>U.S. Government Agency Mortgages 38.9%</b>		
<b>Fannie Mae</b>		
6.00%, 02/01/15 to 07/01/37 (b)	7,629,728	8,402,991
7.00%, 11/15/16 to 01/01/35 (b)	554,868	657,684
4.50%, 09/01/18 to 09/01/19 (b)	464,893	499,055
6.50%, 12/01/19 to 08/01/26 (b)	422,625	462,002

5.50%, 10/01/22 to 05/01/27 (b)	3,130,276	3,420,848
5.00%, 08/01/23 to 07/01/35 (b)	5,662,504	6,159,950
3.00%, 01/01/26 to 11/01/42 (b)	5,346,962	5,690,693
3.50%, 02/01/32 to 10/01/42 (b)	9,969,879	10,690,235
4.00%, 09/01/40 (b)	6,405,140	7,000,761
<b>Fannie Mae REMICS</b>		
4.00%, 10/25/17 (b)	208,375	208,530
4.50%, 07/25/19 (b)	245,058	249,323
5.50%, 10/25/32 (b)	147,579	148,542
<b>Fannie Mae TBA</b>		
2.50%, 12/01/27 (b)	1,500,000	1,569,375
3.50%, 12/01/27 to 12/01/42 (b)	3,500,000	3,723,828
4.00%, 12/01/27 to 12/01/42 (b)	4,500,000	4,819,297
4.50%, 12/01/27 to 12/01/42 (b)	13,000,000	14,009,531
3.00%, 12/01/42 (b)	2,000,000	2,105,000
6.00%, 12/01/42 (b)	2,000,000	2,192,813
<b>Freddie Mac</b>		
4.50%, 01/01/13 to 12/01/39 (b)	4,143,100	4,435,775
6.50%, 10/01/13 to 04/01/26 (b)	646,461	716,249
6.00%, 06/01/16 to 08/01/22 (b)	433,006	479,485
4.00%, 12/01/20 to 10/01/41 (b)	6,006,309	6,412,299
5.50%, 02/01/23 to 10/01/33 (b)	8,546,662	9,278,896
5.00%, 01/01/24 (b)	776,106	848,468
3.00%, 03/01/27 (b)	432,706	455,377
<b>Freddie Mac REMICS</b>		
4.00%, 09/15/17 to 11/15/23 (b)	1,843,850	1,881,119
4.50%, 03/15/19 (b)	671,942	682,320
5.00%, 02/15/32 to 08/15/32 (b)	1,223,768	1,240,492
6.00%, 07/15/33 (b)	539,893	544,920
<b>Freddie Mac TBA</b>		
2.50%, 12/01/27 (b)	1,000,000	1,043,437
3.00%, 12/01/27 (b)	500,000	523,594
3.50%, 12/01/27 (b)	2,000,000	2,106,328
4.50%, 12/01/27 (b)	2,000,000	2,130,156
<b>Ginnie Mae</b>		
4.00%, 12/15/24 to 11/15/40 (b)	5,461,503	5,992,648
7.63%, 08/15/28 (b)	169,395	191,257
7.38%, 09/15/28 to 02/15/30 (b)	401,140	459,736
7.13%, 02/15/29 to 03/15/29 (b)	246,131	286,766
7.00%, 04/15/29 to 05/15/29 (b)	244,440	289,448
5.50%, 02/15/33 to 08/20/34 (b)	9,953,692	11,050,696
5.00%, 02/20/33 to 11/15/34 (b)	14,384,364	15,849,170
4.50%, 09/20/41 to 11/20/41 (b)	9,419,854	10,392,329
3.50%, 06/20/42 to 09/20/42 (b)	3,501,828	3,823,230
<b>Ginnie Mae TBA</b>		
3.00%, 12/01/42 (b)	1,000,000	1,067,344
3.50%, 12/01/42 (b)	2,500,000	2,722,266
4.00%, 12/01/42 (b)	1,500,000	1,641,797
		<b><u>158,556,060</u></b>
<b>Total Mortgage-Backed Securities</b>		
<b>(Cost \$159,235,911)</b>		<b><u>163,646,677</u></b>

**Schwab Premier Income Fund**

**Portfolio Holdings (Unaudited) continued**

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>Commercial Mortgage Backed Securities 2.2% of net assets</b>		
<b>Bear Stearns Commercial Mortgage Securities</b>		
Series 2005-PW10 Class A4 5.41%, 12/11/40 (b)	3,000,000	3,366,471
Series 2006-T24 Class A4 5.54%, 10/12/41 (b)	1,000,000	1,159,833
Series 2007-T28 Class A4 5.74%, 09/11/42 (a)(b)	365,000	437,611
<b>Greenwich Capital Commercial Funding Corp.</b>		
Series 2006-GG7 Class A4 6.06%, 07/10/38 (a)(b)	665,000	769,247
Series 2007-GG9 Class A4 5.44%, 03/10/39 (b)	1,000,000	1,158,801
<b>JPMorgan Chase Commercial Mortgage Securities Corp.</b>		
Series 2005-LDP5 Class A2 5.20%, 12/15/44 (b)	1,012,437	1,018,693
Series 2006-LDP9 Class A2S 5.30%, 05/15/47 (b)	73,195	74,821
Series 2007-LD12-A Class A2 5.83%, 02/15/51 (b)	226,544	232,658
<b>LB-UBS Commercial Mortgage Trust</b>		
Series 2004-C4 Class A4 5.45%, 06/15/29 (a)(b)	100,000	106,640
Series 2006-C3 Class A3 5.69%, 03/15/32 (a)(b)	760,000	762,731
<b>Total Commercial Mortgage Backed Securities (Cost \$8,296,814)</b>		<b>9,087,506</b>

**U.S. Government and Government Agencies 35.9% of net assets**

<b>U.S. Government Agency Securities 6.4%</b>		
<b>Fannie Mae</b>		
1.63%, 10/26/15	7,000,000	7,253,505
2.38%, 04/11/16	2,000,000	2,131,320
0.88%, 10/26/17	8,000,000	8,075,544
<b>Freddie Mac</b>		
2.50%, 05/27/16	7,500,000	8,040,742
1.25%, 08/01/19	600,000	605,827
		<b>26,106,938</b>

**U.S. Treasury Obligations 29.5%**

<b>U.S. Treasury Notes</b>		
0.25%, 01/31/14	8,000,000	8,004,064
0.25%, 06/30/14	2,500,000	2,500,685
0.63%, 07/15/14	4,300,000	4,327,043
0.13%, 07/31/14	1,000,000	998,125
2.63%, 07/31/14	1,600,000	1,663,250
2.38%, 09/30/14	1,850,000	1,921,760
2.38%, 10/31/14	3,400,000	3,537,064
4.25%, 11/15/14	5,000,000	5,388,085
2.63%, 12/31/14	3,000,000	3,147,423
0.25%, 01/15/15	5,000,000	4,997,655
0.25%, 02/15/15	1,000,000	999,531
0.25%, 05/15/15	7,500,000	7,494,142
0.25%, 07/15/15	1,500,000	1,498,242
0.25%, 08/15/15	2,000,000	1,997,188
0.25%, 09/15/15	3,000,000	2,995,080
1.25%, 10/31/15	1,250,000	1,283,496
2.00%, 04/30/16	5,000,000	5,275,390
1.75%, 05/31/16	4,600,000	4,816,706
1.50%, 07/31/16	2,550,000	2,650,804
0.88%, 02/28/17	2,000,000	2,032,188
3.13%, 04/30/17	1,500,000	1,669,805
2.38%, 07/31/17	1,000,000	1,083,047
0.75%, 10/31/17	1,360,000	1,369,882
1.88%, 10/31/17	3,000,000	3,184,218

2.88%, 03/31/18	2,000,000	2,229,532
2.38%, 05/31/18	5,000,000	5,444,925
1.75%, 10/31/18	2,000,000	2,109,220
3.75%, 11/15/18	5,000,000	5,859,765
1.38%, 12/31/18	4,500,000	4,643,788
1.25%, 04/30/19	2,250,000	2,297,637
1.00%, 06/30/19	1,250,000	1,254,493
0.88%, 07/31/19	5,000,000	4,972,655
1.00%, 09/30/19	5,000,000	5,002,345
1.63%, 08/15/22	11,500,000	11,561,996
		<u>120,211,229</u>
<b>Total U.S. Government and Government Agencies</b> (Cost \$142,486,348)		<u>146,318,167</u>

#### Foreign Securities 3.2% of net assets

##### Foreign Agencies 1.5%

##### Cayman Islands 0.5%

##### Petrobras International Finance Co.

2.88%, 02/06/15	600,000	619,012
5.88%, 03/01/18	1,000,000	1,154,715
		<u>1,773,727</u>

##### Germany 0.5%

##### Kreditanstalt Fuer Wiederaufbau

3.50%, 03/10/14 (e)	750,000	780,025
4.00%, 01/27/20 (e)	1,000,000	1,177,396
		<u>1,957,421</u>

##### Mexico 0.3%

##### Petroleos Mexicanos

4.88%, 03/15/15	500,000	540,000
5.50%, 01/21/21	500,000	587,500
		<u>1,127,500</u>

##### Norway 0.1%

##### Statoil ASA

3.13%, 08/17/17	500,000	544,198
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##### Republic of Korea 0.1%

##### Export-Import Bank of Korea

4.00%, 01/11/17	500,000	546,754
		<u>5,949,600</u>

##### Sovereign 1.1%

##### Brazil 0.2%

##### Federative Republic of Brazil

6.00%, 01/17/17	500,000	595,000
4.88%, 01/22/21	250,000	303,875
		<u>898,875</u>

##### Chile 0.2%

##### Republic of Chile

2.25%, 10/30/22	1,000,000	997,000
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**Schwab Premier Income Fund****Portfolio Holdings (Unaudited) continued**

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>Italy 0.3%</b>		
Republic of Italy 3.13%, 01/26/15	1,000,000	<b>1,016,124</b>
<b>Mexico 0.2%</b>		
United Mexican States 5.13%, 01/15/20 3.63%, 03/15/22	500,000 250,000	601,000 275,938 <b>876,938</b>
<b>Republic of Korea 0.2%</b>		
Republic of Korea 5.13%, 12/07/16	750,000	<b>874,829</b> <b>4,663,766</b>
<b>Supranational 0.6%</b>		
European Investment Bank 3.13%, 06/04/14 2.50%, 05/16/16	500,000 2,000,000	520,216 2,124,812 <b>2,645,028</b>
<b>Total Foreign Securities (Cost \$12,613,544)</b>		<b>13,258,394</b>

Security	Number of Shares	Value (\$)
<b>Other Investment Company 0.3% of net assets</b>		
<b>Money Market Fund 0.3%</b>		
State Street Institutional U.S. Government Money Market Fund	1,074,979	<b>1,074,979</b>
<b>Total Other Investment Company (Cost \$1,074,979)</b>		<b>1,074,979</b>

Issuer Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>Short-Term Investments 3.7% of net assets</b>		
<b>U.S. Treasury Obligations 3.7%</b>		
<b>U.S. Treasury Bills</b>		
0.13%, 12/13/12 (d)	10,000,000	9,999,653
0.16%, 12/20/12 (d)	5,000,000	4,999,634
<b>Total Short-Term Investments (Cost \$14,999,174)</b>		<b>14,999,287</b>

**End of Investments.**

At 11/30/12, the tax basis cost of the fund's investments was \$433,407,231 and the unrealized appreciation and depreciation were \$13,157,472 and (\$187,622), respectively, with a net unrealized appreciation of \$12,969,850.

Security Rate, Maturity Dates	Face Amount (\$)	Value (\$)
<b>TBA Sale Commitment 1.9% of net assets</b>		
<b>U.S. Government Agency Mortgage 1.9%</b>		
Ginnie Mae TBA 5.50%, 12/01/42 (b)	7,000,000	<b>7,689,064</b>
<b>Total TBA Sale Commitment</b>		



- (a) Variable-rate security.
- (b) The effective maturity may be shorter than the final maturity shown because of the possibility of interim principal payments and prepayments or as the result of embedded demand features (puts or calls).
- (c) Securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registrations, normally to qualified institutional buyers. At the period end, the value of these amounted to \$3,154,156 or 0.8% of net assets.
- (d) The rate shown is the purchase yield.
- (e) Guaranteed by the Republic of Germany.

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Under procedures approved by the fund's Board of Trustees (the "Board"), the investment adviser has formed a Pricing Committee to administer the pricing and valuation of portfolio securities and other assets and to ensure that prices used for internal purposes or provided by third parties reasonably reflect fair market value. Among other things, these procedures allow the fund to utilize independent pricing services, quotations from securities and financial instrument dealers and other market sources to determine fair value.

The fund values the securities in its portfolio every business day. The fund uses the following policies to value various types of securities:

**Bonds and notes:** valued at halfway between the most recent bid and asked quotes or, if such quotes are unavailable, at prices for securities of comparable maturity, credit quality and type. Valuations for bonds and notes are provided by an independent bond-pricing service.

**Securities for which no quoted value is available:** The Board has adopted procedures to fair value the fund's securities when market prices are not "readily available" or are unreliable. For example, a fund may fair value a security when it is de-listed or its trading is halted or suspended; when a security's primary pricing source is unable or unwilling to provide a price; or when a security's primary trading market is closed during regular market hours. The fund makes fair value

**Portfolio Holdings** (Unaudited) continued

determinations in good faith in accordance with the fund's valuation procedures. The Pricing Committee considers a number of factors, including unobservable market inputs when arriving at fair value. The Pricing Committee may employ techniques such as the review of related or comparable assets or liabilities, related market activities, recent transactions, market multiples, book values, transactional back-testing, disposition analysis and other relevant information. The Pricing Committee regularly reviews these inputs and assumptions to calibrate the valuations. The Board convenes on a regular basis to review fair value determinations made by the fund pursuant to the procedures.

**Short-term securities (60 days or less to maturity):** valued at amortized cost, which approximates market value.

**Underlying funds:** valued at their respective net asset values.

In accordance with the authoritative guidance on fair value measurements and disclosures under generally accepted accounting principles in the United States of America (GAAP), the fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). If the fund determines that either the volume and/or level of activity for an asset or liability has significantly decreased (from normal conditions for that asset or liability) or price quotations or observable inputs are not associated with orderly transactions, increased analysis and management judgment will be required to estimate fair value.

The three levels of the fair value hierarchy are as follows:

Level 1 – quoted prices in active markets for identical securities – Investments whose values are based on quoted market prices in active markets, and whose values are therefore classified as Level 1 prices, include active listed equities and futures contracts.

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) – Investments that trade in markets that are not considered to be active, but whose values are based on quoted market prices, dealer quotations or valuations provided by alternative pricing sources supported by observable inputs are classified as Level 2 prices. These generally include U.S. government and sovereign obligations, most government agency securities, investment-grade corporate bonds, certain mortgage products, less liquid listed equities, and state, municipal and provincial obligations. As investments whose values are classified as Level 2 prices include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Level 3 – significant unobservable inputs (including the fund's own assumption in determining the fair value of investments) – Investments whose values are classified as Level 3 prices have significant unobservable inputs, as they may trade infrequently or not at all. When observable prices are not available for these securities, the fund uses one or more valuation techniques for which sufficient and reliable data is available. The inputs used by the funds in estimating the value of Level 3 prices may include the original transaction price, quoted prices for similar securities or assets in active markets, completed or pending third-party transactions in the underlying investment or comparable issuers, and changes in financial ratios or cash flows. Level 3 prices may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the fund in the absence of market information. Assumptions used by the fund due to the lack of observable inputs may significantly impact the resulting fair value and therefore the fund's results of operations.

**Portfolio Holdings** (Unaudited) continued

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the fund's investments as of November 30, 2012:

**Assets Valuation Input**

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Corporate Bonds <sup>1</sup>	\$-	\$96,984,595	\$-	\$96,984,595
Asset-Backed Obligations	-	1,007,476	-	1,007,476
Mortgage-Backed Securities <sup>1</sup>	-	163,646,677	-	163,646,677
Commercial Mortgage Backed Securities	-	9,087,506	-	9,087,506
U.S. Government and Government Agencies <sup>1</sup>	-	146,318,167	-	146,318,167
Foreign Securities <sup>1</sup>	-	13,258,394	-	13,258,394
Other Investment Company <sup>1</sup>	1,074,979	-	-	1,074,979
Short-Term Investments <sup>1</sup>	-	14,999,287	-	14,999,287
<b>Total</b>	<b><u>\$1,074,979</u></b>	<b><u>\$445,302,102</u></b>	<b><u>\$-</u></b>	<b><u>\$446,377,081</u></b>

**Liabilities Valuation Input**

Other Financial Instruments				
TBA Sale Commitment	\$-	(\$7,689,064 )	\$-	(\$7,689,064 )

<sup>1</sup> As categorized in Portfolio Holdings.

The fund's policy is to recognize transfers between Level 1, Level 2 and Level 3 as of the beginning of the fiscal year. There were no transfers between Level 1, Level 2 and Level 3 for the period ended November 30, 2012.

REG406020NOV12

# Schwab Investments

## Schwab Total Bond Market Fund™

### Portfolio Holdings as of November 30, 2012 (Unaudited)

The following are the portfolio holdings as of the report date. For more information, please refer to the fund's semiannual or annual shareholder reports.

For fixed rate obligations, the rate shown is the interest rate (the rate established when the obligation was issued). For variable-rate obligations, the rate shown is the rate as of the report date. The maturity date shown for all the securities is the final legal maturity.

Holdings by Category	Cost (\$)	Value (\$)
29 .7% Mortgage-Backed Securities	267,483,078	278,887,322
21 .2% Corporate Bonds	183,339,645	199,442,360
41 .0% U.S. Government and Government Agencies	361,193,770	385,772,529
1 .9% Commercial Mortgage Backed Securities	15,537,486	17,793,699
0 .3% Asset-Backed Obligations	3,173,544	3,163,400
4 .5% Foreign Securities	39,168,856	41,916,157
1 .0% Municipal Bonds	8,110,171	9,611,093
0 .8% Other Investment Company	7,694,005	7,694,005
5 .1% Short-Term Investments	47,998,130	47,998,466
<b>105.5% Total Investments</b>	<b>933,698,685</b>	<b>992,279,031</b>
0 .0% Collateral Invested for Securities on Loan	142,025	142,025
(0 .2)% TBA Sale Commitments	(1,594,219 )	(1,595,859 )
(5 .3)% Other Assets and Liabilities, Net		(49,915,580 )
<b>100.0% Net Assets</b>		<b>940,909,617</b>

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
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#### Mortgage-Backed Securities 29.7% of net assets

##### U.S. Government Agency Mortgages 29.7%

###### Fannie Mae

5.50%, 12/01/13 to 07/01/40 (b)	18,711,447	20,724,664
5.00%, 12/01/17 to 12/01/39 (b)	16,606,970	18,055,082
4.50%, 04/01/18 to 09/01/41 (b)	18,090,926	19,646,919
4.00%, 07/01/18 to 11/01/41 (b)	17,509,573	18,844,676
6.00%, 09/01/24 to 12/01/37 (b)	9,713,899	10,789,220
3.50%, 03/01/26 to 10/01/42 (b)	14,536,209	15,585,723
6.50%, 08/01/26 to 11/01/37 (b)	4,064,051	4,643,029
2.50%, 03/01/27 to 10/01/27 (b)	1,783,795	1,866,659
3.00%, 03/01/27 to 11/01/42 (b)	7,694,385	8,118,353
2.28%, 03/01/34 (a)(b)	1,167,303	1,241,337
2.52%, 03/01/35 (a)(b)	540,396	568,062
2.90%, 08/01/35 (a)(b)	1,826,389	1,936,562
7.00%, 04/01/37 (b)	1,127,443	1,300,153
3.64%, 03/01/40 (a)(b)	542,425	574,978

###### Fannie Mae TBA

2.50%, 12/01/27 (b)	3,000,000	3,138,750
3.00%, 12/01/27 to 12/01/42 (b)	3,000,000	3,158,652
3.50%, 12/01/27 to 12/01/42 (b)	5,000,000	5,318,749
4.00%, 12/01/27 to 12/01/42 (b)	6,500,000	6,963,593
4.50%, 12/01/42 (b)	4,000,000	4,311,875

###### Freddie Mac

6.00%, 04/01/15 to 10/01/38 (b)	3,056,688	3,368,154
4.50%, 06/01/19 to 02/01/40 (b)	12,435,192	13,323,237
4.00%, 12/01/20 to 10/01/41 (b)	10,460,923	11,200,266
5.00%, 06/01/23 to 04/01/40 (b)	7,009,477	7,551,094
3.50%, 07/01/26 to 09/01/42 (b)	10,148,904	10,806,022
3.00%, 10/01/26 to 04/01/27 (b)	3,618,720	3,804,102
2.60%, 05/01/37 (a)(b)	934,617	992,181
2.82%, 11/01/37 (a)(b)	1,083,044	1,159,069
5.50%, 10/01/39 to 02/01/40 (b)	887,176	965,908
3.00%, 05/01/41 (a)(b)	626,427	657,278

###### Freddie Mac TBA

2.50%, 12/01/27 (b)	1,000,000	1,043,438
3.00%, 12/01/27 to 12/01/42 (b)	2,000,000	2,095,938
3.50%, 12/01/27 (b)	2,000,000	2,106,328
4.00%, 12/01/42 (b)	500,000	533,203

4.50%, 12/01/42 (b)	2,000,000	2,141,250
5.00%, 12/01/42 (b)	2,000,000	2,146,251
<b>Ginnie Mae</b>		
5.00%, 10/20/21 to 08/20/40 (b)	8,618,626	9,524,420
4.50%, 05/15/24 to 11/20/41 (b)	14,510,970	15,968,357
3.50%, 02/15/26 to 09/20/42 (b)	6,907,331	7,535,117
4.00%, 06/15/26 to 06/20/42 (b)	9,572,486	10,473,434
3.00%, 02/20/27 (b)	479,546	512,685
6.00%, 05/15/32 to 08/15/38 (b)	2,366,821	2,677,716
5.50%, 04/15/33 to 03/15/40 (b)	4,242,035	4,672,296
7.00%, 06/15/33 (b)	331,985	392,883
6.50%, 10/20/37 to 08/15/39 (b)	1,196,439	1,370,546
3.00%, 10/20/40 to 01/20/41 (a)(b)	896,464	954,894
<b>Ginnie Mae TBA</b>		
3.00%, 12/01/42 (b)	2,000,000	2,134,687
3.50%, 12/01/42 (b)	5,000,000	5,444,531
4.00%, 12/01/42 (b)	2,000,000	2,189,063
4.50%, 12/01/42 (b)	2,000,000	2,179,375
5.00%, 01/01/43 (b)	2,000,000	2,176,563
<b>Total Mortgage-Backed Securities</b>		
<b>(Cost \$267,483,078)</b>		<b><u>278,887,322</u></b>

**Corporate Bonds 21.2% of net assets**

**Finance 6.9%**

**Banking 4.5%**

<b>American Express Bank</b>		
7.00%, 03/19/18	300,000	383,795
<b>American Express Co.</b>		
6.80%, 09/01/66 (a)(b)	500,000	539,375
<b>American Express Credit Corp.</b>		
2.38%, 03/24/17	300,000	315,667
<b>Bank of America Corp.</b>		
1.50%, 10/09/15	650,000	652,762
5.63%, 10/14/16	500,000	569,402
5.65%, 05/01/18	400,000	464,031
5.00%, 05/13/21	1,500,000	1,723,255
6.00%, 10/15/36	1,000,000	1,223,857

## Portfolio Holdings (Unaudited) continued

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>Bank of Nova Scotia</b>		
3.40%, 01/22/15	100,000	105,820
4.38%, 01/13/21	500,000	580,685
<b>Barclays Bank PLC</b>		
5.00%, 09/22/16	450,000	506,529
6.75%, 05/22/19	300,000	365,436
<b>BB&amp;T Corp.</b>		
3.95%, 03/22/22 (b)	200,000	218,715
<b>BNP Paribas</b>		
3.60%, 02/23/16	300,000	318,656
5.00%, 01/15/21	250,000	279,872
<b>Capital One Financial Corp.</b>		
2.15%, 03/23/15	100,000	102,316
6.15%, 09/01/16	650,000	748,514
<b>Citigroup, Inc.</b>		
6.38%, 08/12/14	1,550,000	1,680,053
4.45%, 01/10/17	300,000	333,168
6.00%, 08/15/17	12,000	14,130
6.13%, 11/21/17	750,000	892,371
4.50%, 01/14/22	900,000	1,014,441
6.13%, 08/25/36	250,000	277,459
5.88%, 01/30/42	250,000	312,873
<b>Credit Suisse USA, Inc.</b>		
5.50%, 05/01/14	1,050,000	1,119,366
<b>Deutsche Bank AG</b>		
6.00%, 09/01/17	450,000	542,102
<b>Fifth Third Bancorp</b>		
3.63%, 01/25/16	300,000	321,784
8.25%, 03/01/38	200,000	291,276
<b>Goldman Sachs Capital I</b>		
6.35%, 02/15/34	200,000	206,608
<b>HSBC Bank USA</b>		
5.88%, 11/01/34	500,000	586,238
<b>HSBC Holdings PLC</b>		
4.00%, 03/30/22	850,000	935,991
7.63%, 05/17/32	150,000	196,928
<b>JPMorgan Chase &amp; Co.</b>		
3.70%, 01/20/15	1,000,000	1,054,517
6.00%, 01/15/18	1,000,000	1,194,581
4.25%, 10/15/20	1,500,000	1,668,025
5.50%, 10/15/40	100,000	122,451
<b>JPMorgan Chase Bank NA</b>		
6.00%, 10/01/17	1,000,000	1,185,606
<b>Key Bank NA</b>		
5.80%, 07/01/14	350,000	375,996
<b>Merrill Lynch &amp; Co., Inc.</b>		
6.88%, 04/25/18	450,000	541,916
<b>Morgan Stanley</b>		
6.00%, 05/13/14	1,000,000	1,060,484
5.45%, 01/09/17	1,500,000	1,654,065
6.63%, 04/01/18	200,000	233,181
7.30%, 05/13/19	250,000	303,837
6.25%, 08/09/26	250,000	290,654
6.38%, 07/24/42	400,000	470,272
<b>National City Corp.</b>		
6.88%, 05/15/19	100,000	125,004
<b>PNC Financial Services Group, Inc.</b>		
2.85%, 11/09/22 (a)	300,000	306,870
<b>PNC Funding Corp.</b>		
4.25%, 09/21/15	600,000	657,137
<b>Rabobank Nederland</b>		
2.13%, 10/13/15	200,000	206,449
3.38%, 01/19/17	350,000	376,745
3.95%, 11/09/22	100,000	101,552
<b>Royal Bank of Canada</b>		
2.63%, 12/15/15	500,000	527,750
<b>Royal Bank of Scotland Group PLC</b>		
2.55%, 09/18/15	650,000	665,554
<b>State Street Corp.</b>		
2.88%, 03/07/16	350,000	373,150
<b>The Bank of New York Mellon Corp.</b>		

1.97%, 06/20/17 (a)	500,000	517,664
<b>The Goldman Sachs Group, Inc.</b>		
3.30%, 05/03/15	300,000	312,687
3.63%, 02/07/16	850,000	901,445
5.63%, 01/15/17	750,000	822,604
5.95%, 01/18/18	600,000	695,183
5.95%, 01/15/27	450,000	485,247
6.75%, 10/01/37	800,000	893,007
<b>UBS AG</b>		
3.88%, 01/15/15	950,000	1,004,917
5.88%, 12/20/17	150,000	178,711
<b>US Bancorp</b>		
2.20%, 11/15/16 (b)	750,000	786,951
3.00%, 03/15/22 (b)	200,000	211,864
<b>Wachovia Bank NA</b>		
4.88%, 02/01/15	1,000,000	1,083,604
<b>Wells Fargo &amp; Co.</b>		
1.50%, 07/01/15	1,200,000	1,219,894
5.63%, 12/11/17	700,000	840,612
<b>Westpac Banking Corp.</b>		
4.20%, 02/27/15	550,000	591,368
		<u>41,865,029</u>
<b>Brokerage 0.2%</b>		
<b>BlackRock, Inc.</b>		
3.50%, 12/10/14	200,000	211,614
5.00%, 12/10/19	300,000	357,952
<b>Jefferies Group, Inc.</b>		
5.50%, 03/15/16	125,000	133,750
6.45%, 06/08/27	75,000	79,500
<b>Nomura Holdings, Inc.</b>		
5.00%, 03/04/15	150,000	159,029
6.70%, 03/04/20	200,000	236,135
<b>TD Ameritrade Holding Co.</b>		
4.15%, 12/01/14	200,000	213,502
		<u>1,391,482</u>
<b>Finance Company 0.6%</b>		
<b>GATX Corp.</b>		
4.75%, 05/15/15	100,000	107,155
<b>GE Capital Trust I</b>		
6.38%, 11/15/67 (a)(b)	100,000	105,750
<b>General Electric Capital Corp.</b>		
2.15%, 01/09/15	250,000	256,590
5.00%, 01/08/16	550,000	614,165
2.30%, 04/27/17	500,000	517,205
5.63%, 09/15/17	200,000	236,294
5.63%, 05/01/18	650,000	775,362
4.38%, 09/16/20	300,000	337,034
5.30%, 02/11/21	150,000	174,025
6.75%, 03/15/32	600,000	785,175
5.88%, 01/14/38	500,000	608,352
6.88%, 01/10/39	150,000	204,230
<b>HSBC Finance Capital Trust IX</b>		
5.91%, 11/30/35 (a)(b)	400,000	397,000
<b>HSBC Finance Corp.</b>		
5.00%, 06/30/15	82,000	89,170
5.50%, 01/19/16	100,000	111,253

## Portfolio Holdings (Unaudited) continued

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>SLM Corp.</b> 4.63%, 09/25/17	750,000	764,531
		<b>6,083,291</b>
<b>Insurance 1.2%</b>		
<b>Aetna, Inc.</b> 3.95%, 09/01/20	450,000	493,283
<b>American International Group, Inc.</b> 2.38%, 08/24/15 5.60%, 10/18/16 6.40%, 12/15/20	200,000 925,000 150,000	204,176 1,054,003 184,209
<b>Berkshire Hathaway, Inc.</b> 3.20%, 02/11/15 4.25%, 01/15/21	600,000 500,000	633,421 579,739
<b>Chubb Corp.</b> 5.75%, 05/15/18 6.00%, 05/11/37	400,000 100,000	496,165 132,222
<b>Cigna Corp.</b> 2.75%, 11/15/16	300,000	316,458
<b>CNA Financial Corp.</b> 7.35%, 11/15/19	625,000	788,417
<b>Genworth Financial, Inc.</b> 8.63%, 12/15/16	300,000	343,244
<b>Hartford Financial Services Group, Inc.</b> 6.30%, 03/15/18 6.00%, 01/15/19	200,000 100,000	238,682 116,446
<b>ING US, Inc.</b> 5.50%, 07/15/22	250,000	272,354
<b>Lincoln National Corp.</b> 6.25%, 02/15/20	300,000	357,710
<b>MetLife, Inc.</b> 5.00%, 06/15/15 6.82%, 08/15/18 4.75%, 02/08/21	150,000 450,000 200,000	165,785 568,093 233,063
<b>Principal Financial Group, Inc.</b> 6.05%, 10/15/36	300,000	371,889
<b>Prudential Financial, Inc.</b> 4.75%, 09/17/15 4.50%, 11/16/21 5.80%, 11/16/41	200,000 250,000 500,000	220,493 280,253 589,617
<b>The Allstate Corp.</b> 7.45%, 05/16/19 5.55%, 05/09/35	125,000 296,000	165,383 365,264
<b>Travelers Co., Inc.</b> 5.90%, 06/02/19 6.75%, 06/20/36	300,000 150,000	375,646 215,015
<b>UnitedHealth Group, Inc.</b> 0.85%, 10/15/15 1.40%, 10/15/17 2.75%, 02/15/23 (b) 5.80%, 03/15/36 3.95%, 10/15/42 (b)	100,000 100,000 150,000 350,000 250,000	100,489 100,809 152,610 431,743 249,340
<b>WellPoint, Inc.</b> 3.30%, 01/15/23 4.65%, 01/15/43	500,000 150,000	515,516 158,112
		<b>11,469,649</b>
<b>Other Financial 0.0%</b>		
<b>ORIX Corp.</b> 4.71%, 04/27/15	350,000	372,510
<b>Real Estate Investment Trust 0.4%</b>		
<b>AvalonBay Communities, Inc.</b> 2.95%, 09/15/22 (b)	150,000	150,237
<b>Boston Properties LP</b> 4.13%, 05/15/21	300,000	329,563
<b>Digital Realty Trust LP</b> 5.88%, 02/01/20	350,000	406,257
<b>Duke Realty LP</b>		



7.38%, 02/15/15	400,000	448,245
<b>HCP, Inc.</b>		
6.70%, 01/30/18	400,000	482,280
<b>Health Care REIT, Inc.</b>		
3.63%, 03/15/16	400,000	423,415
<b>Kimco Realty Corp.</b>		
4.30%, 02/01/18 (b)	250,000	277,020
<b>ProLogis, Inc.</b>		
6.63%, 05/15/18	337,000	403,021
<b>Regency Centers LP</b>		
4.80%, 04/15/21	150,000	167,701
<b>Simon Property Group LP</b>		
5.25%, 12/01/16 (b)	300,000	344,592
2.80%, 01/30/17 (b)	200,000	212,718
3.38%, 03/15/22 (b)(f)	250,000	265,893
<b>Ventas Realty LP</b>		
4.75%, 06/01/21 (b)	100,000	111,296
		<u>4,022,238</u>
		<b>65,204,199</b>

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**Industrial 11.9%**

**Basic Industry 1.1%**

<b>Alcoa, Inc.</b>		
5.55%, 02/01/17	300,000	333,036
5.87%, 02/23/22	750,000	801,594
<b>Barrick Gold Corp.</b>		
6.95%, 04/01/19	500,000	626,653
<b>BHP Billiton Finance (USA) Ltd.</b>		
1.13%, 11/21/14	500,000	505,845
3.25%, 11/21/21	200,000	216,638
4.13%, 02/24/42	250,000	269,101
<b>CF Industries Holdings, Inc.</b>		
7.13%, 05/01/20	150,000	189,887
<b>Cliffs Natural Resources, Inc.</b>		
4.80%, 10/01/20	150,000	147,297
<b>Ecolab, Inc.</b>		
3.00%, 12/08/16	200,000	213,820
<b>El Du Pont de Nemours &amp; Co.</b>		
4.75%, 03/15/15	750,000	818,566
<b>International Paper Co.</b>		
7.40%, 06/15/14	300,000	326,370
7.95%, 06/15/18	100,000	129,604
7.30%, 11/15/39	400,000	552,188
<b>Lubrizol Corp.</b>		
8.88%, 02/01/19	200,000	282,363
<b>Monsanto Co.</b>		
2.75%, 04/15/16	100,000	106,701
<b>Newmont Mining Corp.</b>		
4.88%, 03/15/42 (b)	250,000	262,328
<b>Potash Corp. of Saskatchewan, Inc.</b>		
6.50%, 05/15/19	375,000	475,229
<b>Praxair, Inc.</b>		
4.38%, 03/31/14	350,000	367,693
<b>Rio Tinto Finance (USA) Ltd.</b>		
3.50%, 11/02/20	250,000	268,746
7.13%, 07/15/28	200,000	273,028
4.75%, 03/22/42 (b)	500,000	561,083
<b>Southern Copper Corp.</b>		
5.25%, 11/08/42	200,000	196,854

## Portfolio Holdings (Unaudited) continued

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>Teck Resources Ltd.</b> 4.75%, 01/15/22 (b)	300,000	327,780
<b>The Dow Chemical Co.</b> 7.60%, 05/15/14	200,000	219,262
4.13%, 11/15/21 (b)	350,000	381,874
7.38%, 11/01/29	325,000	437,560
<b>Vale Overseas Ltd.</b> 4.38%, 01/11/22	375,000	399,066
<b>Vale S.A.</b> 5.63%, 09/11/42	500,000	542,431
<b>Valspar Corp.</b> 4.20%, 01/15/22 (b)	150,000	162,930
		<u>10,395,527</u>
<b>Capital Goods 1.1%</b>		
<b>Boeing Capital Corp.</b> 3.25%, 10/27/14	450,000	473,346
<b>Boeing Co.</b> 6.88%, 03/15/39	100,000	154,997
<b>Caterpillar Financial Services Corp.</b> 0.70%, 11/06/15	500,000	499,322
1.25%, 11/06/17	700,000	704,074
<b>Deere &amp; Co.</b> 5.38%, 10/16/29	550,000	718,019
<b>General Electric Co.</b> 0.85%, 10/09/15	200,000	200,231
5.25%, 12/06/17	750,000	888,326
2.70%, 10/09/22	150,000	153,247
4.13%, 10/09/42	100,000	104,759
<b>Honeywell International, Inc.</b> 5.00%, 02/15/19	350,000	420,797
5.38%, 03/01/41	250,000	327,445
<b>Ingersoll-Rand Global Holding Co. Ltd.</b> 6.88%, 08/15/18	150,000	186,171
<b>John Deere Capital Corp.</b> 1.70%, 01/15/20	250,000	249,484
<b>Joy Global, Inc.</b> 6.00%, 11/15/16	150,000	172,167
<b>L-3 Communications Corp.</b> 4.75%, 07/15/20	250,000	279,909
4.95%, 02/15/21 (b)	250,000	283,987
<b>Lockheed Martin Corp.</b> 4.25%, 11/15/19	100,000	114,031
6.15%, 09/01/36	200,000	265,655
5.50%, 11/15/39	100,000	121,494
<b>Owens Corning</b> 4.20%, 12/15/22 (b)	500,000	507,946
<b>Raytheon Co.</b> 3.13%, 10/15/20	200,000	215,066
4.88%, 10/15/40	250,000	294,258
<b>Republic Services, Inc.</b> 4.75%, 05/15/23	500,000	576,449
<b>Turlock Corp.</b> 0.95%, 11/02/15	150,000	150,099
1.50%, 11/02/17	200,000	201,154
2.75%, 11/02/22	250,000	252,362
4.00%, 11/02/32	150,000	153,214
4.15%, 11/02/42	150,000	153,772
<b>United Technologies Corp.</b> 1.80%, 06/01/17	250,000	258,780
6.13%, 02/01/19	500,000	630,076
4.50%, 06/01/42	500,000	570,945
<b>Waste Management, Inc.</b> 7.00%, 07/15/28	200,000	274,399
		<u>10,555,981</u>
<b>Communications 2.2%</b>		
<b>America Movil, S.A.B. de CV</b> 3.63%, 03/30/15	300,000	320,992
5.00%, 10/16/19	450,000	532,229

4.38%, 07/16/42	600,000	624,368
<b>AT&amp;T, Inc.</b>		
5.10%, 09/15/14	500,000	539,492
0.88%, 02/13/15	250,000	251,247
2.95%, 05/15/16	500,000	531,564
3.00%, 02/15/22	350,000	366,902
<b>BellSouth Corp.</b>		
6.00%, 11/15/34	500,000	572,329
<b>British Telecommunications PLC</b>		
2.00%, 06/22/15	300,000	308,698
<b>CBS Corp.</b>		
5.75%, 04/15/20	275,000	330,623
7.88%, 07/30/30	325,000	455,379
<b>Cellco Partnership / Verizon Wireless</b>		
5.55%, 02/01/14	650,000	684,543
<b>CenturyLink, Inc.</b>		
5.15%, 06/15/17	500,000	540,176
7.65%, 03/15/42	250,000	261,567
<b>Comcast Corp.</b>		
5.30%, 01/15/14	500,000	526,413
5.90%, 03/15/16	600,000	694,393
6.50%, 11/15/35	175,000	227,295
<b>Deutsche Telekom International Finance BV</b>		
6.00%, 07/08/19	500,000	616,636
<b>DIRECTV Holdings LLC</b>		
3.13%, 02/15/16	500,000	525,916
6.00%, 08/15/40 (b)	350,000	382,905
<b>Discovery Communications, Inc.</b>		
5.63%, 08/15/19	50,000	60,393
<b>France Telecom S.A.</b>		
4.38%, 07/08/14	225,000	237,051
8.50%, 03/01/31 (a)	200,000	297,337
5.38%, 01/13/42	100,000	116,366
<b>Grupo Televisa S.A.</b>		
6.63%, 03/18/25	400,000	529,056
<b>NBCUniversal Media LLC</b>		
3.65%, 04/30/15	125,000	133,408
4.38%, 04/01/21	275,000	312,830
5.95%, 04/01/41	150,000	184,201
<b>News America, Inc.</b>		
5.30%, 12/15/14	250,000	272,716
6.40%, 12/15/35	250,000	313,702
6.15%, 03/01/37	600,000	736,493
<b>Pacific Bell Telephone Co.</b>		
7.13%, 03/15/26	750,000	1,019,312
<b>TCI Communication, Inc.</b>		
7.13%, 02/15/28	350,000	469,062
<b>Telecom Italia Capital S.A.</b>		
5.25%, 10/01/15	100,000	106,125
7.00%, 06/04/18	200,000	226,250
7.72%, 06/04/38	350,000	368,375
<b>Telefonica Emisiones S.A.U.</b>		
6.42%, 06/20/16	350,000	378,875
5.13%, 04/27/20	400,000	402,000
7.05%, 06/20/36	100,000	102,750
<b>Time Warner Cable, Inc.</b>		
5.85%, 05/01/17	600,000	711,758
8.25%, 04/01/19	200,000	267,117
4.50%, 09/15/42 (b)	700,000	685,846
<b>Verizon Communications, Inc.</b>		
1.10%, 11/01/17	500,000	500,524

## Portfolio Holdings (Unaudited) continued

Security	Face Amount (\$)	Value (\$)
Rate, Maturity Date		
2.45%, 11/01/22 (b)	1,000,000	1,006,050
5.85%, 09/15/35	650,000	824,635
<b>Vodafone Group PLC</b>		
4.63%, 07/15/18	825,000	<u>965,267</u>
		<b>20,521,166</b>
<b>Consumer Cyclical 1.5%</b>		
<b>CVS Caremark Corp.</b>		
3.25%, 05/18/15	500,000	530,989
4.75%, 05/18/20 (b)	200,000	236,673
<b>Daimler Finance North America LLC</b>		
2.30%, 01/09/15	250,000	256,524
<b>Darden Restaurants, Inc.</b>		
3.35%, 11/01/22 (b)	150,000	150,846
<b>eBay, Inc.</b>		
1.63%, 10/15/15	400,000	411,071
<b>Ford Motor Co.</b>		
7.45%, 07/16/31	250,000	315,000
<b>Ford Motor Credit Co. LLC</b>		
3.88%, 01/15/15	250,000	259,785
6.63%, 08/15/17	500,000	582,887
4.25%, 09/20/22	750,000	780,403
<b>Historic TW, Inc.</b>		
6.88%, 06/15/18	600,000	758,881
<b>Home Depot, Inc.</b>		
5.88%, 12/16/36	500,000	665,861
<b>Lowe's Cos., Inc.</b>		
3.12%, 04/15/22 (b)	300,000	318,062
4.65%, 04/15/42 (b)	200,000	224,529
<b>Macy's Retail Holdings, Inc.</b>		
5.75%, 07/15/14	350,000	376,940
6.90%, 04/01/29	200,000	243,427
5.13%, 01/15/42 (b)	200,000	221,196
<b>Marriott International, Inc.</b>		
3.00%, 03/01/19 (b)	350,000	362,421
<b>McDonald's Corp.</b>		
2.63%, 01/15/22	400,000	416,281
3.70%, 02/15/42	250,000	253,803
<b>Nordstrom, Inc.</b>		
6.25%, 01/15/18	300,000	366,907
<b>PACCAR, Inc.</b>		
6.88%, 02/15/14	650,000	697,853
<b>QVC, Inc.</b>		
5.13%, 07/02/22	300,000	318,498
<b>Target Corp.</b>		
6.35%, 11/01/32	625,000	824,725
<b>The Gap, Inc.</b>		
5.95%, 04/12/21 (b)	200,000	228,503
<b>The Walt Disney Co.</b>		
5.63%, 09/15/16	300,000	351,576
4.13%, 12/01/41	100,000	107,797
<b>Time Warner, Inc.</b>		
4.88%, 03/15/20	400,000	467,742
5.38%, 10/15/41	100,000	113,439
<b>Toyota Motor Credit Corp.</b>		
3.40%, 09/15/21	500,000	551,805
<b>VF Corp.</b>		
6.45%, 11/01/37	50,000	68,566
<b>Viacom, Inc.</b>		
3.88%, 12/15/21	350,000	386,857
6.88%, 04/30/36	250,000	342,778
<b>Wal-Mart Stores, Inc.</b>		
5.80%, 02/15/18	300,000	370,857
3.25%, 10/25/20	500,000	550,731
5.88%, 04/05/27	275,000	373,830
5.25%, 09/01/35	100,000	123,950
6.50%, 08/15/37	150,000	214,346
6.20%, 04/15/38	125,000	<u>173,678</u>
		<b>14,000,017</b>

<b>Consumer Non-Cyclical 3.0%</b>		
<b>AbbVie, Inc.</b>		
2.00%, 11/06/18	500,000	506,208
4.40%, 11/06/42 (c)	100,000	106,486
<b>Altria Group, Inc.</b>		
9.70%, 11/10/18	169,000	238,784
2.85%, 08/09/22	200,000	198,472
4.25%, 08/09/42	250,000	249,359
<b>AmerisourceBergen Corp.</b>		
3.50%, 11/15/21 (b)	500,000	542,894
<b>Amgen, Inc.</b>		
2.50%, 11/15/16	500,000	524,809
5.70%, 02/01/19	500,000	604,666
3.63%, 05/15/22 (b)	500,000	538,243
<b>Anheuser-Busch InBev Worldwide, Inc.</b>		
5.38%, 11/15/14	175,000	190,683
1.38%, 07/15/17	800,000	809,574
5.00%, 04/15/20	600,000	725,776
4.38%, 02/15/21	150,000	176,539
3.75%, 07/15/42	100,000	101,344
<b>Archer-Daniels-Midland Co.</b>		
4.48%, 03/01/21 (a)	300,000	345,613
<b>AstraZeneca PLC</b>		
6.45%, 09/15/37	500,000	688,586
<b>Baxter International, Inc.</b>		
2.40%, 08/15/22	250,000	252,570
<b>Boston Scientific Corp.</b>		
4.50%, 01/15/15	200,000	213,295
<b>Bristol-Myers Squibb Co.</b>		
3.25%, 08/01/42	250,000	235,649
<b>ConAgra Foods, Inc.</b>		
5.88%, 04/15/14	250,000	266,520
2.10%, 03/15/18	250,000	251,518
<b>Coviden International Finance</b>		
6.00%, 10/15/17	400,000	488,952
<b>Diageo Capital PLC</b>		
7.38%, 01/15/14	500,000	537,074
5.88%, 09/30/36	150,000	194,281
<b>Express Scripts Holding Co.</b>		
2.10%, 02/12/15 (c)	500,000	510,255
2.65%, 02/15/17 (c)	250,000	261,455
4.75%, 11/15/21 (c)	450,000	515,894
<b>General Mills, Inc.</b>		
5.70%, 02/15/17	500,000	592,257
<b>GlaxoSmithKline Capital, Inc.</b>		
6.38%, 05/15/38	400,000	563,318
<b>Hospira, Inc.</b>		
6.05%, 03/30/17	230,000	269,104
<b>Johnson &amp; Johnson</b>		
4.95%, 05/15/33	100,000	124,136
4.85%, 05/15/41	300,000	377,941
<b>Kellogg Co.</b>		
7.45%, 04/01/31	250,000	350,508
<b>Kimberly-Clark Corp.</b>		
7.50%, 11/01/18	325,000	436,374
<b>Koninklijke Philips Electronics NV</b>		
5.00%, 03/15/42	300,000	347,744
<b>Kraft Foods, Inc.</b>		
4.13%, 02/09/16	500,000	547,461
5.38%, 02/10/20	358,000	436,266

## Portfolio Holdings (Unaudited) continued

Security	Face Amount (\$)	Value (\$)
Rate, Maturity Date		
5.38%, 02/10/20 (c)	392,000	475,079
5.00%, 06/04/42 (c)	300,000	337,901
<b>Lorillard Tobacco Co.</b>		
2.30%, 08/21/17	350,000	356,149
6.88%, 05/01/20	100,000	122,350
<b>Mead Johnson Nutrition Co.</b>		
3.50%, 11/01/14	300,000	314,265
<b>Merck &amp; Co., Inc.</b>		
5.00%, 06/30/19	500,000	604,530
3.88%, 01/15/21 (b)	700,000	795,509
<b>Molson Coors Brewing Co.</b>		
3.50%, 05/01/22	100,000	105,913
<b>PepsiCo, Inc.</b>		
5.00%, 06/01/18	350,000	418,841
4.50%, 01/15/20	350,000	410,740
4.88%, 11/01/40	500,000	590,514
<b>Pfizer, Inc.</b>		
5.35%, 03/15/15	350,000	387,155
6.20%, 03/15/19	500,000	639,210
7.20%, 03/15/39	250,000	390,764
<b>Philip Morris International, Inc.</b>		
1.13%, 08/21/17	250,000	250,767
2.50%, 08/22/22	300,000	302,814
3.88%, 08/21/42	300,000	305,858
<b>Procter &amp; Gamble Co.</b>		
4.95%, 08/15/14	750,000	808,564
4.70%, 02/15/19	650,000	776,366
<b>Reynolds American, Inc.</b>		
1.05%, 10/30/15	100,000	100,123
3.25%, 11/01/22	100,000	101,946
4.75%, 11/01/42	100,000	101,847
<b>Safeway, Inc.</b>		
6.25%, 03/15/14	250,000	264,720
7.25%, 02/01/31	150,000	165,871
<b>Sanofi</b>		
2.63%, 03/29/16	300,000	316,512
<b>Teva Pharmaceutical Finance Co. LLC</b>		
5.55%, 02/01/16	250,000	283,210
6.15%, 02/01/36	250,000	335,161
<b>Teva Pharmaceutical Finance IV BV</b>		
3.65%, 11/10/21	200,000	217,119
<b>The Coca-Cola Co.</b>		
3.15%, 11/15/20	1,000,000	1,100,991
<b>The Kroger Co.</b>		
3.90%, 10/01/15	200,000	216,407
3.40%, 04/15/22 (b)	150,000	156,444
5.40%, 07/15/40 (b)	50,000	56,941
<b>Thermo Fisher Scientific</b>		
3.20%, 03/01/16	1,000,000	1,068,675
<b>Watson Pharmaceuticals, Inc.</b>		
1.88%, 10/01/17	200,000	203,962
3.25%, 10/01/22 (b)	350,000	360,736
4.63%, 10/01/42 (b)	250,000	264,966
<b>Zimmer Holdings, Inc.</b>		
5.75%, 11/30/39	400,000	491,722
		<b>28,521,250</b>
<b>Energy 1.6%</b>		
<b>Anadarko Petroleum Corp.</b>		
6.38%, 09/15/17	500,000	601,005
6.45%, 09/15/36	100,000	125,977
<b>Apache Corp.</b>		
6.90%, 09/15/18	150,000	190,587
6.00%, 01/15/37	150,000	192,970
<b>Baker Hughes, Inc.</b>		
7.50%, 11/15/18	300,000	401,030
5.13%, 09/15/40	150,000	184,355
<b>BP Capital Markets PLC</b>		
1.85%, 05/05/17	150,000	153,582
3.56%, 11/01/21	600,000	651,482
3.25%, 05/06/22	250,000	263,370

<b>Canadian Natural Resources Ltd.</b>		
5.70%, 05/15/17	250,000	297,018
6.25%, 03/15/38	200,000	261,035
<b>Devon Energy Corp.</b>		
4.75%, 05/15/42 (b)	500,000	540,085
<b>Devon Financing Corp ULC</b>		
7.88%, 09/30/31	200,000	292,759
<b>Encana Corp.</b>		
5.80%, 05/01/14	500,000	533,955
<b>Halliburton Co.</b>		
7.45%, 09/15/39	225,000	341,149
<b>Hess Corp.</b>		
7.30%, 08/15/31	500,000	684,605
<b>Husky Energy, Inc.</b>		
7.25%, 12/15/19	163,000	215,193
<b>Marathon Oil Corp.</b>		
0.90%, 11/01/15	100,000	100,180
2.80%, 11/01/22 (b)	200,000	200,996
<b>Nabors Industries, Inc.</b>		
6.15%, 02/15/18	350,000	415,079
<b>Nexen, Inc.</b>		
6.20%, 07/30/19	125,000	153,343
5.88%, 03/10/35	300,000	366,510
<b>Noble Energy, Inc.</b>		
8.25%, 03/01/19	100,000	132,536
6.00%, 03/01/41 (b)	250,000	301,173
<b>Occidental Petroleum Corp.</b>		
2.50%, 02/01/16	500,000	528,070
4.13%, 06/01/16	200,000	223,951
<b>Phillips 66</b>		
1.95%, 03/05/15 (c)	100,000	102,227
5.88%, 05/01/42 (c)	150,000	181,067
<b>Shell International Finance BV</b>		
5.20%, 03/22/17	500,000	589,077
6.38%, 12/15/38	250,000	360,328
<b>Suncor Energy, Inc.</b>		
6.50%, 06/15/38	500,000	663,330
<b>Tosco Corp.</b>		
7.80%, 01/01/27	850,000	1,265,383
<b>Total Capital S.A.</b>		
2.30%, 03/15/16	150,000	157,316
4.13%, 01/28/21	350,000	399,676
<b>Transocean, Inc.</b>		
6.00%, 03/15/18	300,000	350,018
3.80%, 10/15/22 (b)	500,000	511,500
<b>Valero Energy Corp.</b>		
6.13%, 06/15/17	250,000	301,307
10.50%, 03/15/39	200,000	319,566
<b>Weatherford International Ltd.</b>		
4.50%, 04/15/22 (b)	500,000	512,742
<b>XTO Energy, Inc.</b>		
6.75%, 08/01/37	300,000	475,405
		<u>14,540,937</u>
<b>Other Industrial 0.0%</b>		
<b>Thomas &amp; Betts Corp.</b>		
5.63%, 11/15/21	250,000	312,243

## Portfolio Holdings (Unaudited) continued

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>Technology 1.0%</b>		
<b>Agilent Technologies, Inc.</b>		
6.50%, 11/01/17	550,000	670,030
<b>Cisco Systems, Inc.</b>		
5.50%, 02/22/16	700,000	804,705
4.45%, 01/15/20	550,000	644,425
5.90%, 02/15/39	150,000	198,498
<b>Harris Corp.</b>		
6.15%, 12/15/40	150,000	179,317
<b>Hewlett-Packard Co.</b>		
6.13%, 03/01/14	1,500,000	1,570,089
2.60%, 09/15/17	300,000	285,939
4.65%, 12/09/21	350,000	339,199
<b>Intel Corp.</b>		
1.95%, 10/01/16	500,000	521,062
<b>International Business Machines Corp.</b>		
7.63%, 10/15/18	700,000	943,050
5.60%, 11/30/39	500,000	649,567
<b>Microsoft Corp.</b>		
2.95%, 06/01/14	150,000	155,889
3.00%, 10/01/20	300,000	330,042
5.30%, 02/08/41	150,000	191,923
<b>Oracle Corp.</b>		
3.75%, 07/08/14	800,000	841,230
5.38%, 07/15/40	350,000	444,096
<b>Science Applications International Corp.</b>		
5.50%, 07/01/33	150,000	156,315
<b>Xerox Corp.</b>		
4.25%, 02/15/15	300,000	315,758
		<b>9,241,134</b>
<b>Transportation 0.4%</b>		
<b>Burlington Northern Santa Fe Corp.</b>		
5.65%, 05/01/17	300,000	357,002
<b>Canadian National Railway Co.</b>		
6.20%, 06/01/36	100,000	139,106
<b>CSX Corp.</b>		
3.70%, 10/30/20 (b)	500,000	545,362
4.10%, 03/15/44 (b)	400,000	397,554
<b>FedEx Corp.</b>		
2.63%, 08/01/22	300,000	304,459
3.88%, 08/01/42	300,000	303,167
<b>Norfolk Southern Corp.</b>		
5.90%, 06/15/19	500,000	614,272
<b>Ryder System, Inc.</b>		
3.15%, 03/02/15	200,000	207,034
<b>Southwest Airlines Co.</b>		
5.25%, 10/01/14	500,000	533,803
<b>Union Pacific Corp.</b>		
4.16%, 07/15/22 (b)	500,000	571,217
<b>United Parcel Service, Inc.</b>		
6.20%, 01/15/38	150,000	208,982
		<b>4,181,958</b>
		<b>112,270,213</b>
<b>Utilities 2.4%</b>		
<hr/>		
<b>Electric 1.6%</b>		
<b>Alabama Power Co.</b>		
4.10%, 01/15/42	100,000	105,525
<b>Ameren Illinois Co.</b>		
2.70%, 09/01/22	400,000	405,792
<b>Appalachian Power Co.</b>		
6.38%, 04/01/36	100,000	127,155
7.00%, 04/01/38	300,000	411,783
<b>Commonwealth Edison Co.</b>		
1.63%, 01/15/14	100,000	101,294
1.95%, 09/01/16 (b)	500,000	518,733



<b>Cons Edison Co. of New York, Inc.</b>		
5.30%, 03/01/35	350,000	427,426
<b>Dominion Resources, Inc.</b>		
4.45%, 03/15/21	450,000	524,340
5.25%, 08/01/33 (b)	500,000	586,108
<b>Duke Energy Carolinas LLC</b>		
4.30%, 06/15/20	850,000	983,997
6.45%, 10/15/32	350,000	462,989
<b>Exelon Generation Co., LLC</b>		
5.20%, 10/01/19	200,000	230,539
<b>First Energy Corp.</b>		
7.38%, 11/15/31	150,000	197,364
<b>Florida Power &amp; Light Co.</b>		
6.20%, 06/01/36	500,000	693,573
<b>Florida Power Corp.</b>		
4.55%, 04/01/20	750,000	866,873
<b>Georgia Power Co.</b>		
4.75%, 09/01/40	200,000	226,260
<b>National Rural Utilities Cooperative Finance Corp.</b>		
3.05%, 03/01/16	500,000	533,772
<b>Pacific Gas &amp; Electric Co.</b>		
4.80%, 03/01/14	156,000	163,924
3.50%, 10/01/20 (b)	200,000	221,910
6.05%, 03/01/34	300,000	391,774
5.80%, 03/01/37	400,000	506,328
<b>Pacificorp</b>		
5.50%, 01/15/19	150,000	184,112
6.00%, 01/15/39	500,000	674,521
<b>PPL Electric Utilities Corp.</b>		
2.50%, 09/01/22 (b)	400,000	407,603
<b>PSEG Power LLC</b>		
5.13%, 04/15/20	150,000	173,254
8.63%, 04/15/31	500,000	746,420
<b>Public Service Co. of Colorado</b>		
5.50%, 04/01/14	250,000	266,193
<b>San Diego Gas &amp; Electric Co.</b>		
4.50%, 08/15/40	250,000	290,914
<b>Sierra Pacific Power Co.</b>		
6.00%, 05/15/16	200,000	233,196
<b>Southern California Edison Co.</b>		
5.75%, 03/15/14	350,000	373,255
5.50%, 08/15/18	500,000	615,574
4.50%, 09/01/40 (b)	275,000	312,163
<b>The Detroit Edison Co.</b>		
3.95%, 06/15/42 (b)	250,000	262,786
<b>The Southern Co.</b>		
2.38%, 09/15/15	800,000	837,992
<b>Union Electric Co.</b>		
3.90%, 09/15/42 (b)	400,000	413,243
<b>Westar Energy, Inc.</b>		
4.13%, 03/01/42 (b)	100,000	108,206
		<b>14,586,891</b>
<b>Natural Gas 0.8%</b>		
<b>CenterPoint Energy Resources Corp.</b>		
5.85%, 01/15/41 (b)	250,000	321,852
<b>El Paso Pipeline Partners Operating Co., LLC</b>		
4.70%, 11/01/42 (b)	100,000	99,075
<b>Energy Transfer Partners LP</b>		
9.00%, 04/15/19	187,000	247,179
5.20%, 02/01/22 (b)	500,000	563,288

**Schwab Total Bond Market Fund**

**Portfolio Holdings (Unaudited) continued**

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>Enterprise Products Operating LP</b>		
6.30%, 09/15/17	700,000	854,048
4.85%, 08/15/42 (b)	250,000	261,506
<b>Kinder Morgan Energy Partners LP</b>		
6.85%, 02/15/20	400,000	505,443
6.95%, 01/15/38	250,000	318,633
5.00%, 08/15/42 (b)	200,000	205,436
<b>Magellan Midstream Partners LP</b>		
4.20%, 12/01/42 (b)	250,000	248,088
<b>ONEOK Partners LP</b>		
6.65%, 10/01/36	250,000	312,516
<b>Plains All American Pipeline LP</b>		
3.95%, 09/15/15	250,000	270,316
<b>Sempra Energy</b>		
6.15%, 06/15/18	500,000	616,083
<b>Southern Natural Gas Co.</b>		
5.90%, 04/01/17 (c)	575,000	681,959
<b>Southwest Gas Corp.</b>		
3.88%, 04/01/22 (b)	100,000	111,262
<b>TransCanada PipeLines Ltd.</b>		
6.50%, 08/15/18	325,000	413,204
6.20%, 10/15/37	150,000	200,950
<b>Williams Partners LP</b>		
7.25%, 02/01/17	250,000	305,119
4.13%, 11/15/20 (b)	500,000	549,469
		<b>7,085,426</b>
<b>Other Utilities 0.0%</b>		
<b>Veolia Environment</b>		
6.00%, 06/01/18	250,000	<b>295,631</b>
		<b>21,967,948</b>
<b>Total Corporate Bonds</b>		
<b>(Cost \$183,339,645)</b>		<b>199,442,360</b>

**U.S. Government and Government Agencies 41.0% of net assets**

<b>U.S. Government Agency Securities 4.9%</b>		
<b>Egypt Government AID Bonds</b>		
4.45%, 09/15/15	1,000,000	1,111,906
<b>Fannie Mae</b>		
2.75%, 02/05/14	2,250,000	2,318,668
0.65%, 04/30/15 (b)	4,000,000	4,006,028
0.50%, 05/27/15	1,000,000	1,004,112
4.38%, 10/15/15	2,000,000	2,228,508
1.25%, 09/28/16	3,000,000	3,088,770
5.38%, 06/12/17	1,000,000	1,211,584
1.20%, 07/17/17 (b)	1,000,000	1,005,311
0.88%, 08/28/17	2,500,000	2,529,587
6.63%, 11/15/30	500,000	774,802
<b>Federal Farm Credit Bank</b>		
0.33%, 02/03/14 (b)	1,000,000	1,000,012
4.88%, 01/17/17	500,000	588,554
<b>Federal Home Loan Bank</b>		
0.38%, 01/29/14	1,250,000	1,252,313
5.50%, 08/13/14	1,000,000	1,089,695
5.38%, 05/18/16	1,000,000	1,170,352
1.00%, 11/09/17 (b)	1,000,000	1,002,968
5.00%, 11/17/17	1,750,000	2,114,089
5.38%, 05/15/19	500,000	632,475
5.50%, 07/15/36	500,000	704,988
<b>Freddie Mac</b>		
0.65%, 06/27/14 (b)	2,000,000	2,000,536
3.00%, 07/28/14	2,500,000	2,610,877
1.00%, 07/30/14	1,000,000	1,012,604
0.63%, 12/29/14	2,500,000	2,517,145
4.75%, 11/17/15	2,000,000	2,257,762
2.00%, 08/25/16	1,000,000	1,055,612
2.00%, 08/14/17 (b)	1,000,000	1,012,614

4.88%, 06/13/18	2,000,000	2,435,846
2.38%, 01/13/22	1,500,000	1,579,791
<b>Tennessee Valley Authority</b>		
4.65%, 06/15/35	1,000,000	1,223,298
		<b>46,540,807</b>

**U.S. Treasury Obligations 36.1%**

**U.S. Treasury Bonds**

7.25%, 05/15/16	1,000,000	1,234,844
8.13%, 08/15/19	1,000,000	1,469,844
6.00%, 02/15/26	3,500,000	5,149,921
6.13%, 11/15/27	1,000,000	1,514,063
5.25%, 02/15/29	1,250,000	1,766,797
5.38%, 02/15/31	500,000	729,297
4.50%, 02/15/36	1,000,000	1,344,219
5.00%, 05/15/37	1,000,000	1,442,188
4.38%, 02/15/38	1,000,000	1,326,563
4.50%, 05/15/38	1,000,000	1,351,563
3.50%, 02/15/39	1,000,000	1,157,656
4.25%, 05/15/39	1,500,000	1,958,907
4.50%, 08/15/39	500,000	678,047
4.38%, 11/15/39	500,000	665,782
4.63%, 02/15/40	2,500,000	3,457,032
4.38%, 05/15/40	1,750,000	2,332,423
3.88%, 08/15/40	5,300,000	6,525,625
4.25%, 11/15/40	1,650,000	2,157,632
4.75%, 02/15/41	1,450,000	2,046,086
4.38%, 05/15/41	1,250,000	1,667,774
3.75%, 08/15/41	2,000,000	2,409,688
3.13%, 11/15/41	2,285,000	2,454,234
3.13%, 02/15/42	2,230,000	2,393,417
2.75%, 08/15/42	1,000,000	992,188

**U.S. Treasury Notes**

1.50%, 12/31/13	16,000,000	16,223,760
1.75%, 01/31/14	4,000,000	4,071,564
4.00%, 02/15/14	1,000,000	1,045,352
1.88%, 02/28/14	5,000,000	5,102,735
1.75%, 03/31/14	2,700,000	2,754,421
1.25%, 04/15/14	4,350,000	4,410,665
0.25%, 04/30/14	4,000,000	4,001,720
1.88%, 04/30/14	2,000,000	2,046,406
4.75%, 05/15/14	1,000,000	1,065,391
2.25%, 05/31/14	700,000	721,055
2.63%, 06/30/14	850,000	881,842
0.63%, 07/15/14	1,000,000	1,006,289
2.63%, 07/31/14	1,000,000	1,039,531
0.50%, 08/15/14	3,750,000	3,766,552
4.25%, 08/15/14	1,000,000	1,067,969
2.38%, 08/31/14	2,575,000	2,670,254
0.25%, 09/15/14	4,000,000	4,000,312
0.50%, 10/15/14	1,000,000	1,004,610
2.38%, 10/31/14	2,600,000	2,704,814
0.38%, 11/15/14	4,750,000	4,761,319
4.25%, 11/15/14	4,750,000	5,118,681
2.13%, 11/30/14	3,500,000	3,629,608
0.25%, 12/15/14	4,500,000	4,499,298
2.63%, 12/31/14	1,530,000	1,605,186
0.25%, 01/15/15	3,000,000	2,998,593
2.25%, 01/31/15	2,050,000	2,137,445

## Portfolio Holdings (Unaudited) continued

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
0.25%, 02/15/15	4,000,000	3,998,124
4.00%, 02/15/15	2,000,000	2,163,282
2.38%, 02/28/15	1,425,000	1,491,686
0.38%, 03/15/15	1,500,000	1,503,516
2.50%, 04/30/15	3,300,000	3,475,570
0.25%, 05/15/15	8,250,000	8,243,557
4.13%, 05/15/15	1,000,000	1,093,594
2.13%, 05/31/15	7,000,000	7,318,283
0.38%, 06/15/15	4,265,000	4,273,999
4.25%, 08/15/15	1,000,000	1,105,625
1.25%, 08/31/15	4,000,000	4,102,812
0.25%, 09/15/15	5,000,000	4,991,800
1.25%, 09/30/15	2,000,000	2,052,656
0.25%, 10/15/15	3,500,000	3,493,710
0.38%, 11/15/15	2,000,000	2,003,282
4.50%, 11/15/15	1,000,000	1,122,031
1.38%, 11/30/15	1,000,000	1,030,781
2.13%, 12/31/15	2,700,000	2,846,602
2.00%, 01/31/16	2,250,000	2,366,368
4.50%, 02/15/16	1,000,000	1,131,797
2.13%, 02/29/16	1,000,000	1,057,031
2.63%, 04/30/16	1,000,000	1,075,781
5.13%, 05/15/16	1,000,000	1,161,641
3.25%, 05/31/16	1,000,000	1,098,828
3.25%, 06/30/16	1,000,000	1,101,094
1.50%, 07/31/16	1,000,000	1,039,531
3.25%, 07/31/16	1,850,000	2,040,926
4.88%, 08/15/16	1,000,000	1,163,281
1.00%, 08/31/16	1,500,000	1,531,992
3.00%, 08/31/16	2,100,000	2,300,321
3.00%, 09/30/16	1,000,000	1,097,344
1.00%, 10/31/16	2,000,000	2,043,126
4.63%, 11/15/16	1,000,000	1,162,969
2.75%, 11/30/16	5,000,000	5,452,345
0.88%, 12/31/16	3,750,000	3,811,230
3.13%, 01/31/17	3,700,000	4,102,375
0.88%, 02/28/17	4,500,000	4,572,423
1.00%, 03/31/17	1,500,000	1,531,290
3.25%, 03/31/17	2,000,000	2,234,220
3.13%, 04/30/17	5,250,000	5,844,316
4.50%, 05/15/17	3,000,000	3,523,359
0.63%, 05/31/17	2,500,000	2,510,742
2.38%, 07/31/17	3,500,000	3,790,664
0.63%, 08/31/17	2,000,000	2,005,156
0.63%, 09/30/17	1,000,000	1,001,719
4.25%, 11/15/17	3,000,000	3,532,032
0.63%, 11/30/17	3,000,000	3,001,407
2.63%, 01/31/18	2,000,000	2,200,312
3.50%, 02/15/18	1,000,000	1,144,610
2.88%, 03/31/18	3,000,000	3,344,298
3.88%, 05/15/18	3,000,000	3,508,830
4.00%, 08/15/18	2,000,000	2,365,156
1.50%, 08/31/18	2,000,000	2,080,782
1.38%, 09/30/18	2,000,000	2,066,406
1.75%, 10/31/18	4,000,000	4,218,440
3.75%, 11/15/18	3,000,000	3,515,859
1.38%, 11/30/18	4,500,000	4,645,548
1.38%, 12/31/18	2,000,000	2,063,906
2.75%, 02/15/19	1,500,000	1,671,446
1.50%, 03/31/19	2,000,000	2,075,156
1.00%, 06/30/19	1,500,000	1,505,391
3.63%, 08/15/19	1,750,000	2,055,020
1.25%, 10/31/19	1,500,000	1,523,907
3.38%, 11/15/19	3,000,000	3,479,532
3.63%, 02/15/20	5,000,000	5,893,360
2.63%, 08/15/20	5,875,000	6,509,318
3.63%, 02/15/21	2,000,000	2,371,094
3.13%, 05/15/21	6,600,000	7,563,191
2.13%, 08/15/21	5,500,000	5,842,034
2.00%, 02/15/22	2,000,000	2,091,720
1.75%, 05/15/22	3,250,000	3,316,524
1.63%, 08/15/22	4,000,000	4,021,564

1.63%, 11/15/22	1,000,000	<u>1,000,938</u>
<b>Total U.S. Government and Government Agencies</b> <b>(Cost \$361,193,770)</b>		<b><u>339,231,722</u></b>
		<b><u>385,772,529</u></b>

#### Commercial Mortgage Backed Securities 1.9% of net assets

<b>Banc of America Commercial Mortgage Trust</b>		
Series 2007-4 Class A4		
5.92%, 02/10/51 (a)(b)	3,000,000	3,572,257
<b>Banc of America Commercial Mortgage, Inc.</b>		
Series 2005-3 Class AJ		
4.77%, 07/10/43 (a)(b)	1,100,000	1,103,637
Series 2006-3 Class AM		
6.05%, 07/10/44 (a)(b)	800,000	820,031
Series 2007-1 Class A4		
5.45%, 01/15/49 (b)	1,000,000	1,162,889
<b>Bear Stearns Commercial Mortgage Securities</b>		
Series 2005-PW10 Class A4		
5.41%, 12/11/40 (b)	3,737,000	4,193,501
<b>Credit Suisse Mortgage Capital Certificates</b>		
Series 2006-C1 Class AM		
5.59%, 02/15/39 (a)(b)	650,000	715,769
<b>Greenwich Capital Commercial Funding Corp.</b>		
Series 2007-GG9 Class A4		
5.44%, 03/10/39 (b)	800,000	927,040
<b>GS Mortgage Securities Corp II</b>		
Series 2006-GG6 Class A4		
5.55%, 04/10/38 (a)(b)	1,100,000	1,245,131
<b>JPMorgan Chase Commercial Mortgage Securities Corp.</b>		
Series 2005-LDP5 Class AJ		
5.49%, 12/15/44 (a)(b)	1,025,000	1,110,283
Series 2007-LD12 Class A3		
6.16%, 02/15/51 (a)(b)	2,000,000	2,134,960
Series 2007-LD12-A Class A2		
5.83%, 02/15/51 (b)	30,893	31,726
<b>Merrill Lynch Mortgage Trust</b>		
Series 2005-LC1 Class AM		
5.50%, 01/12/44 (a)(b)	700,000	<u>776,475</u>
<b>Total Commercial Mortgage Backed Securities</b> <b>(Cost \$15,537,486)</b>		<b><u>17,793,699</u></b>

#### Asset-Backed Obligations 0.3% of net assets

<b>Chase Issuance Trust</b>		
Series 2007-A3 Class A3		
5.23%, 04/15/19 (b)	1,515,000	1,790,199
<b>Citibank Credit Card Issuance Trust</b>		
Series 2005-A2 Class A2		
4.85%, 03/10/17 (b)	700,000	768,148

**Schwab Total Bond Market Fund**
**Portfolio Holdings (Unaudited) continued**

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>Discover Card Master Trust</b> Series 2012-A1 Class A1 0.81%, 08/15/17 (b)	600,000	<u>605,053</u>
<b>Total Asset-Backed Obligations (Cost \$3,173,544)</b>		<b><u>3,163,400</u></b>

**Foreign Securities 4.5% of net assets**
**Foreign Agencies 1.4%**

<b>Austria 0.0%</b> <b>Oesterreichische Kontrollbank AG</b> 1.13%, 07/06/15	400,000	<b>406,239</b>
<b>Canada 0.1%</b> <b>Pemex Project Funding Master Trust</b> 6.63%, 06/15/35	600,000	<b>762,000</b>
<b>Cayman Islands 0.2%</b> <b>Petrobras International Finance Co.</b> 3.88%, 01/27/16 5.75%, 01/20/20 5.38%, 01/27/21 6.88%, 01/20/40	500,000 400,000 500,000 100,000	532,290 458,953 564,795 127,964 <b><u>1,684,002</u></b>
<b>Germany 0.6%</b> <b>Kreditanstalt Fuer Wiederaufbau</b> 3.50%, 03/10/14 (d) 1.25%, 10/26/15 (d) 2.63%, 02/16/16 (d) 4.88%, 01/17/17 (d) 4.00%, 01/27/20 (d) 2.75%, 09/08/20 (d)	1,700,000 1,000,000 1,000,000 850,000 350,000 750,000	1,768,058 1,021,726 1,065,321 993,913 412,088 818,711 <b><u>6,079,817</u></b>
<b>Japan 0.1%</b> <b>Japan Bank for International Cooperation</b> 2.50%, 01/21/16 <b>Japan Finance Corp.</b> 2.25%, 07/13/16	400,000 300,000	422,851 <u>317,519</u> <b>740,370</b>
<b>Mexico 0.1%</b> <b>Petroleos Mexicanos</b> 4.88%, 03/15/15 5.50%, 01/21/21	425,000 500,000	459,000 <u>587,500</u> <b>1,046,500</b>
<b>Norway 0.1%</b> <b>Statoil ASA</b> 2.90%, 10/15/14 3.13%, 08/17/17 5.10%, 08/17/40	150,000 200,000 250,000	156,536 217,679 309,568 <b><u>683,783</u></b>
<b>Republic of Korea 0.2%</b> <b>Export-Import Bank of Korea</b> 8.13%, 01/21/14 4.00%, 01/11/17 <b>Korea Development Bank</b> 8.00%, 01/23/14	600,000 600,000 450,000	648,246 656,104 485,725

1,790,075  
13,192,786

**Foreign Local Government 0.5%**

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**Canada 0.5%**

**Province of Ontario**

4.10%, 06/16/14	1,575,000	1,664,703
4.40%, 04/14/20	975,000	1,161,721

**Province of Quebec**

5.13%, 11/14/16	450,000	526,303
7.50%, 09/15/29	650,000	<u>1,006,378</u>
		<b>4,359,105</b>

**Sovereign 1.2%**

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**Brazil 0.3%**

**Federative Republic of Brazil**

6.00%, 01/17/17	500,000	595,000
4.88%, 01/22/21	250,000	303,875
8.88%, 04/15/24	675,000	1,100,250
5.63%, 01/07/41	500,000	<u>662,500</u>
		<b>2,661,625</b>

**Chile 0.0%**

**Republic of Chile**

3.88%, 08/05/20	200,000	227,500
3.63%, 10/30/42	150,000	<u>151,500</u>
		<b>379,000</b>

**Colombia 0.1%**

**Republic of Colombia**

7.38%, 09/18/37	750,000	<b>1,174,125</b>
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**Italy 0.1%**

**Republic of Italy**

3.13%, 01/26/15	750,000	762,093
6.88%, 09/27/23	250,000	292,750
5.38%, 06/15/33	300,000	<u>296,571</u>
		<b>1,351,414</b>

**Mexico 0.3%**

**United Mexican States**

6.63%, 03/03/15	200,000	225,100
5.63%, 01/15/17	300,000	351,000
3.63%, 03/15/22	500,000	551,875
6.75%, 09/27/34	750,000	1,084,875
6.05%, 01/11/40	150,000	<u>203,400</u>
		<b>2,416,250</b>

**Panama 0.1%**

**Republic of Panama**

7.25%, 03/15/15	400,000	453,000
6.70%, 01/26/36	200,000	<u>286,200</u>
		<b>739,200</b>

**Peru 0.1%**

**Republic of Peru**

7.13%, 03/30/19	650,000	<b>856,375</b>
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**Poland 0.1%**

**Republic of Poland**

5.13%, 04/21/21	750,000	<b>891,345</b>
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**Republic of Korea 0.0%**

**Republic of Korea**

5.75%, 04/16/14	300,000	<b>320,051</b>
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**Schwab Total Bond Market Fund****Portfolio Holdings (Unaudited) continued**

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
South Africa 0.1% Republic of South Africa 6.88%, 05/27/19	500,000	<u>635,250</u>
		<b>11,424,635</b>
<b>Supranational 1.4%</b>		
<b>African Development Bank</b>		
2.50%, 03/15/16	350,000	372,590
<b>Asian Development Bank</b>		
2.50%, 03/15/16	1,750,000	1,866,769
<b>European Bank for Reconstruction &amp; Development</b>		
2.50%, 03/15/16	500,000	529,339
<b>European Investment Bank</b>		
1.25%, 02/14/14	500,000	505,264
3.13%, 06/04/14	1,000,000	1,040,433
1.63%, 09/01/15	400,000	411,836
2.50%, 05/16/16	800,000	849,925
5.13%, 05/30/17	1,600,000	1,901,238
2.88%, 09/15/20	800,000	876,610
4.88%, 02/15/36	150,000	181,628
<b>Inter-American Development Bank</b>		
3.00%, 04/22/14	1,000,000	1,038,142
3.88%, 09/17/19	500,000	589,095
<b>International Bank for Reconstruction &amp; Development</b>		
0.55%, 04/25/14 (b)	200,000	200,310
2.38%, 05/26/15	550,000	577,572
2.13%, 03/15/16	800,000	843,862
0.88%, 04/17/17	250,000	254,494
<b>International Finance Corp.</b>		
2.75%, 04/20/15	350,000	370,131
2.25%, 04/11/16	500,000	<u>530,393</u>
		<b>12,939,631</b>
<b>Total Foreign Securities</b> <b>(Cost \$39,168,856)</b>		<b><u>41,916,157</u></b>

**Municipal Bonds 1.0% of net assets**

<b>Fixed-Rate Obligations 1.0%</b>		
<b>Bay Area Toll Auth</b>		
San Francisco Bay Area Toll Bridge RB (Build America Bonds) Series 2009F2 6.26%, 04/01/49	1,050,000	1,470,315
<b>California</b>		
GO (Build America Bonds) Series 2009 7.50%, 04/01/34	1,000,000	1,398,110
<b>Catholic Health Initiatives</b>		
1.60%, 11/01/17	150,000	152,311
<b>Connecticut</b>		
GO (Build America Bonds) Series 2010D 5.09%, 10/01/30	100,000	115,670
GO (Teachers' Retirement Fund) Series 2008A 5.85%, 03/15/32	300,000	383,511
<b>East Bay Municipal Utility District</b>		
Water System RB (Build America Bonds) Series 2010 5.87%, 06/01/40	1,000,000	1,341,720
<b>Illinois</b>		
GO Bonds Series 2011 5.37%, 03/01/17	1,000,000	1,126,100
GO Bonds (Pension Funding) Series 2003 5.10%, 06/01/33	1,000,000	1,010,060
<b>Metropolitan Government of Nashville &amp; Davidson Cnty</b>		
GO (Build America Bonds) Series 2010B 5.71%, 07/01/34	200,000	253,628
<b>Metropolitan Transportation Authority</b>		
GO (Build America Bonds) Series 2010E 6.81%, 11/15/40	350,000	470,036
<b>New Jersey State Turnpike Auth</b>		
RB (Build America Bonds) Series 2009F		



7.41%, 01/01/40	100,000	148,513
RB (Build America Bonds) Series 2010A		
7.10%, 01/01/41	700,000	1,005,921
<b>Texas State Transportation Commission</b>		
RB (Build America Bonds) Series 2010B		
5.03%, 04/01/26	600,000	<u>735,198</u>
<b>Total Municipal Bonds</b>		
<b>(Cost \$8,110,171)</b>		<b><u>9,611,093</u></b>

Security	Number of Shares	Value (\$)
<b>Other Investment Company 0.8% of net assets</b>		
<b>Money Market Fund 0.8%</b>		
State Street Institutional U.S. Government Money Market Fund	7,694,005	<u>7,694,005</u>
<b>Total Other Investment Company</b>		
<b>(Cost \$7,694,005)</b>		<b><u>7,694,005</u></b>

Issuer Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>Short-Term Investments 5.1% of net assets</b>		
<b>U.S. Treasury Obligations 5.1%</b>		
<b>U.S. Treasury Bills</b>		
0.12%, 12/06/12 (e)	13,000,000	12,999,873
0.13%, 12/13/12 (e)	30,000,000	29,998,959
0.16%, 12/20/12 (e)	5,000,000	<u>4,999,634</u>
<b>Total Short-Term Investments</b>		
<b>(Cost \$47,998,130)</b>		<b><u>47,998,466</u></b>

**End of Investments.**

Security	Number of Shares	Value (\$)
<b>Collateral Invested for Securities on Loan 0.0% of net assets</b>		
State Street Institutional U.S. Government Money Market Fund	142,025	<u>142,025</u>
<b>Total Collateral Invested for Securities on Loan</b>		
<b>(Cost \$142,025)</b>		<b><u>142,025</u></b>

**End of Collateral Invested for Securities on Loan.**

**Portfolio Holdings** (Unaudited) continued

At 11/30/12, the tax basis cost of the fund's investments was \$934,303,654 and the unrealized appreciation and depreciation were \$58,279,598 and (\$304,221), respectively, with a net unrealized appreciation of \$57,975,377.

Security Rate, Maturity Dates	Face Amount (\$)	Value (\$)
<b>TBA Sale Commitment 0.2% of net assets</b>		
<b>U.S. Government Agency Mortgages 0.2%</b>		
<b>Freddie Mac TBA</b>		
3.50%, 12/01/42 (b)	1,500,000	<u>1,595,859</u>
<b>Total TBA Sale Commitment</b> <b>(Proceeds \$1,594,219)</b>		<u>1,595,859</u>

- (a) Variable-rate security.
- (b) The effective maturity may be shorter than the final maturity shown because of the possibility of interim principal payments and prepayments or as the result of embedded demand features (puts or calls).
- (c) Securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registrations, normally to qualified institutional buyers. At the period end, the value of these amounted to \$3,172,323 or 0.3% of net assets.
- (d) Guaranteed by the Republic of Germany.
- (e) The rate shown is the purchase yield.
- (f) All or a portion of this security is on loan.

GO – General obligation  
 RB – Revenue bond  
 REIT – Real Estate Investment Trust

Under procedures approved by the fund's Board of Trustees (the "Board"), the investment adviser has formed a Pricing Committee to administer the pricing and valuation of portfolio securities and other assets and to ensure that prices used for internal purposes or provided by third parties reasonably reflect fair market value. Among other things, these procedures allow the fund to utilize independent pricing services, quotations from securities and financial instrument dealers and other market sources to determine fair value.

The fund values the securities in its portfolio every business day. The fund uses the following policies to value various types of securities:

**Bonds and notes:** valued at halfway between the most recent bid and asked quotes or, if such quotes are unavailable, at prices for securities of comparable maturity, credit quality and type. Valuations for bonds and notes are provided by an independent bond-pricing service.

**Securities for which no quoted value is available:** The Board has adopted procedures to fair value the fund's securities when market prices are not "readily available" or are unreliable. For example, a fund may fair value a security when it is de-listed or its trading is halted or suspended; when a security's primary pricing source is unable or unwilling to provide a price; or when a security's primary trading market is closed during regular market hours. The fund makes fair value determinations in good faith in accordance with the fund's valuation procedures. The Pricing Committee considers a number of factors, including unobservable market inputs when arriving at fair value. The Pricing Committee may employ techniques such as the review of related or comparable assets or liabilities, related market activities, recent transactions, market multiples, book values, transactional back-testing, disposition analysis and other relevant information. The Pricing Committee regularly reviews these inputs and assumptions to calibrate the valuations. The Board convenes on a regular basis to review fair value determinations made by the fund pursuant to the procedures.

**Short-term securities (60 days or less to maturity):** valued at amortized cost, which approximates market value.

**Underlying funds:** valued at their respective net asset values.

In accordance with the authoritative guidance on fair value measurements and disclosures under generally accepted accounting principles in the United States of America (GAAP), the fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). If the fund determines that either the volume and/or level of activity for an asset or liability has significantly decreased (from normal conditions for that asset or liability) or price quotations or observable inputs are not associated with orderly transactions, increased analysis and management judgment will be required to estimate fair value.

**Portfolio Holdings** (Unaudited) continued

The three levels of the fair value hierarchy are as follows:

Level 1 – quoted prices in active markets for identical securities – Investments whose values are based on quoted market prices in active markets, and whose values are therefore classified as Level 1 prices, include active listed equities and futures contracts.

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) – Investments that trade in markets that are not considered to be active, but whose values are based on quoted market prices, dealer quotations or valuations provided by alternative pricing sources supported by observable inputs are classified as Level 2 prices. These generally include U.S. government and sovereign obligations, most government agency securities, investment-grade corporate bonds, certain mortgage products, less liquid listed equities, and state, municipal and provincial obligations. As investments whose values are classified as Level 2 prices include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Level 3 – significant unobservable inputs (including the fund's own assumption in determining the fair value of investments) – Investments whose values are classified as Level 3 prices have significant unobservable inputs, as they may trade infrequently or not at all. When observable prices are not available for these securities, the fund uses one or more valuation techniques for which sufficient and reliable data is available. The inputs used by the funds in estimating the value of Level 3 prices may include the original transaction price, quoted prices for similar securities or assets in active markets, completed or pending third-party transactions in the underlying investment or comparable issuers, and changes in financial ratios or cash flows. Level 3 prices may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the fund in the absence of market information. Assumptions used by the fund due to the lack of observable inputs may significantly impact the resulting fair value and therefore the fund's results of operations.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the fund's investments as of November 30, 2012:

**Assets Valuation Input**

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mortgage-Backed Securities <sup>1</sup>	\$–	\$278,887,322	\$–	\$278,887,322
Corporate Bonds <sup>1</sup>	–	199,442,360	–	199,442,360
U.S. Government and Government Agencies <sup>1</sup>	–	385,772,529	–	385,772,529
Commercial Mortgage Backed Securities	–	17,793,699	–	17,793,699
Asset-Backed Obligations	–	3,163,400	–	3,163,400
Foreign Securities <sup>1</sup>	–	41,916,157	–	41,916,157
Municipal Bonds <sup>1</sup>	–	9,611,093	–	9,611,093
Other Investment Company <sup>1</sup>	7,694,005	–	–	7,694,005
Short-Term Investments <sup>1</sup>	–	47,998,466	–	47,998,466
<b>Total</b>	<b><u>\$7,694,005</u></b>	<b><u>\$984,585,026</u></b>	<b><u>\$–</u></b>	<b><u>\$992,279,031</u></b>
Other Financial Instruments				
Collateral Invested for Securities on Loan	\$142,025	\$–	\$–	\$142,025

**Liabilities Valuation Input**

Other Financial Instruments				
TBA Sale Commitment	\$-	(\$1,595,859 )	\$-	(\$1,595,859 )

1 As categorized in Portfolio Holdings.

**Portfolio Holdings** (Unaudited) continued

The fund's policy is to recognize transfers between Level 1, Level 2 and Level 3 as of the beginning of the fiscal year. There were no transfers between Level 1, Level 2 and Level 3 for the period ended November 30, 2012.

REG406017NOV12

# Schwab Investments

## Schwab GNMA Fund™

### Portfolio Holdings as of November 30, 2012 (Unaudited)

The following are the portfolio holdings as of the report date. For more information, please refer to the fund's semiannual or annual shareholder reports.

For fixed rate obligations, the rate shown is the interest rate (the rate established when the obligation was issued). For variable-rate obligations, the rate shown is the rate as of the report date. The maturity date shown for all the securities is the final legal maturity.

Holdings by Category		Cost (\$)	Value (\$)
105.1%	Mortgage-Backed Securities	642,210,087	660,181,854
1 .0%	Other Investment Company	6,453,711	6,453,711
10 .3%	Short-Term Investments	64,998,817	64,999,242
<b>116.4%</b>		<b>713,662,615</b>	<b>731,634,807</b>
(1 .4)%	TBA Sale Commitments	(8,710,625 )	(8,753,283 )
(15 .0)%	Other Assets and Liabilities, Net		(94,472,759 )
<b>100.0%</b>	<b>Net Assets</b>		<b>628,408,765</b>

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
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#### Mortgage-Backed Securities 105.1% of net assets

##### U.S. Government Agency Mortgages 105.1%

###### Fannie Mae

2.50%, 03/01/27 (b)	177,362	185,718
3.00%, 06/01/27 (b)	1,936,590	2,076,135
5.45%, 12/01/31 to 07/01/32 (b)	245,900	269,879
5.49%, 09/01/29 to 09/01/31 (b)	179,769	196,836
5.50%, 09/01/17 (b)	182,889	196,786
5.81%, 12/01/31 to 01/01/32 (b)	204,113	227,026
6.50%, 04/01/31 (b)	215,869	251,239
7.17%, 11/01/30 (b)	21,429	21,486

###### Fannie Mae REMICS

3.75%, 05/25/33 (b)	1,993,540	2,041,447
4.00%, 10/25/17 (b)	314,527	314,762
4.50%, 07/25/19 (b)	280,066	284,941
5.50%, 10/25/32 (b)	147,579	148,542
7.00%, 09/25/22 (b)	117,771	133,229

###### Federal Home Loan Bank

5.27%, 12/28/12 (b)	263,955	264,879
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###### Freddie Mac

4.00%, 12/01/20 (b)	1,705,207	1,819,431
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###### Freddie Mac REMICS

4.00%, 09/15/17 to 02/15/33 (b)	3,132,236	3,188,275
4.50%, 05/15/17 to 03/15/19 (b)	1,089,755	1,101,384
5.00%, 03/15/18 to 08/15/32 (b)	1,434,097	1,452,824
6.00%, 07/15/33 (b)	573,637	578,977
6.50%, 03/15/14 (b)	53,156	1,584

###### Ginnie Mae

1.63%, 12/20/30 to 02/20/32 (a)(b)	96,014	99,778
1.75%, 07/20/24 to 04/20/37 (a)(b)	769,319	804,445
2.25%, 08/20/33 (a)(b)	85,515	89,474
2.50%, 04/15/27 to 10/20/27 (b)	1,473,741	1,558,209
3.00%, 02/20/27 (b)	4,804,682	5,136,706
3.50%, 02/20/16 (a)(b)	35,524	37,298
3.50%, 01/15/26 to 09/20/42 (b)	72,303,907	78,883,795
4.00%, 12/15/24 to 06/20/42 (b)	75,702,775	82,654,723
4.25%, 06/16/24 to 09/20/41 (b)	385,425	419,557
4.38%, 05/15/29 to 04/15/32 (b)	483,066	534,410
4.50%, 12/15/17 to 01/20/42 (b)	132,197,327	145,674,987
4.63%, 07/20/40 to 12/20/40 (b)	7,825,699	8,637,666
4.75%, 06/15/28 (b)	126,916	140,353
5.00%, 11/15/17 to 04/20/40 (b)	102,581,068	112,924,163
5.13%, 03/15/31 (b)	257,497	282,676
5.25%, 04/15/31 to 11/15/31 (b)	462,608	507,842
5.45%, 05/15/29 to 02/15/33 (b)	6,294,582	6,902,003
5.49%, 10/20/28 to 08/15/32 (b)	4,502,083	4,964,047

5.50%, 08/20/15 to 12/20/34 (b)	35,624,691	39,258,253
5.81%, 06/20/31 to 02/20/32 (b)	572,658	633,938
5.90%, 07/15/31 to 05/15/32 (b)	428,623	474,620
6.00%, 04/20/13 to 11/15/39 (b)	23,187,743	26,326,064
6.05%, 09/15/31 (b)	64,799	73,585
6.10%, 07/20/28 to 09/15/31 (b)	2,079,397	2,351,965
6.15%, 04/20/29 to 04/20/30 (b)	1,001,694	1,134,006
6.25%, 10/20/28 to 03/20/30 (b)	1,861,842	2,106,820
6.50%, 09/20/13 to 10/20/37 (b)	11,001,192	12,820,973
7.00%, 05/15/13 to 04/15/39 (b)	3,167,765	3,720,310
7.10%, 12/15/30 (b)	61,649	64,693
7.17%, 04/20/30 to 03/20/31 (b)	392,144	460,832
7.50%, 06/15/17 to 11/15/37 (b)	377,301	440,977
8.00%, 07/15/26 to 02/15/30 (b)	75,523	84,737
8.50%, 08/20/25 to 01/20/30 (b)	13,634	15,566
9.00%, 09/20/15 to 09/20/30 (b)	357,214	400,979
13.00%, 07/20/14 (b)	6	6
<b>Ginnie Mae TBA</b>		
3.00%, 12/01/42 (b)	20,500,000	21,880,546
3.50%, 12/01/42 (b)	40,000,000	43,556,252
4.00%, 12/01/42 (b)	29,000,000	31,741,408
4.50%, 12/01/42 (b)	7,000,000	7,627,812
<b>Total Mortgage-Backed Securities (Cost \$642,210,087)</b>		<b><u>660,181,854</u></b>

Security	Number of Shares	Value (\$)
<b>Other Investment Company 1.0% of net assets</b>		
<b>Money Market Fund 1.0%</b>		
State Street Institutional U.S. Government Money Market Fund	6,453,711	<u>6,453,711</u>
<b>Total Other Investment Company (Cost \$6,453,711)</b>		<b><u>6,453,711</u></b>



## Portfolio Holdings (Unaudited) continued

Issuer Rate, Maturity Date	Face Amount (\$)	Value (\$)
<b>Short-Term Investments 10.3% of net assets</b>		
<b>U.S. Treasury Obligations 10.3%</b>		
<b>U.S. Treasury Bills</b>		
0.12%, 12/06/12 (c)	60,000,000	59,999,415
0.13%, 12/13/12 (c)	5,000,000	<u>4,999,827</u>
<b>Total Short-Term Investments (Cost \$64,998,817)</b>		<b><u>64,999,242</u></b>

## End of Investments.

At 11/30/12, the tax basis cost of the fund's investments was \$713,665,408 and the unrealized appreciation and depreciation were \$18,144,614 and (\$175,215), respectively, with a net unrealized appreciation of \$17,969,399.

Security Rate, Maturity Dates	Face Amount (\$)	Value (\$)
<b>TBA Sale Commitments 1.4% of net assets</b>		
<b>U.S. Government Agency Mortgages 1.4%</b>		
<b>Ginnie Mae TBA</b>		
5.00%, 12/01/42 (b)	3,000,000	3,261,094
5.50%, 12/01/42 (b)	5,000,000	<u>5,492,189</u>
<b>Total TBA Sale Commitment (Proceeds \$8,710,625)</b>		<b><u>8,753,283</u></b>

- (a) Variable-rate security.
- (b) The effective maturity may be shorter than the final maturity shown because of the possibility of interim principal payments and prepayments or as the result of embedded demand features (puts or calls).
- (c) The rate shown is the purchase yield.

Under procedures approved by the fund's Board of Trustees (the "Board"), the investment adviser has formed a Pricing Committee to administer the pricing and valuation of portfolio securities and other assets and to ensure that prices used for internal purposes or provided by third parties reasonably reflect fair market value. Among other things, these procedures allow the fund to utilize independent pricing services, quotations from securities and financial instrument dealers and other market sources to determine fair value.

The fund values the securities in its portfolio every business day. The fund uses the following policies to value various types of securities:

**Bonds and notes:** valued at halfway between the most recent bid and asked quotes or, if such quotes are unavailable, at prices for securities of comparable maturity, credit quality and type. Valuations for bonds and notes are provided by an independent bond-pricing service.

**Securities for which no quoted value is available:** The Board has adopted procedures to fair value the fund's securities when market prices are not "readily available" or are unreliable. For example, a fund may fair value a security when it is de-listed or its trading is halted or suspended; when a security's primary pricing source is unable or unwilling to provide a price; or when a security's primary trading market is closed during regular market hours. The fund makes fair value determinations in good faith in accordance with the fund's valuation procedures. The Pricing Committee considers a number of factors, including unobservable market inputs when arriving at fair value. The Pricing Committee may employ techniques such as the review of related or comparable assets or liabilities, related market activities, recent transactions, market multiples, book values, transactional back-testing, disposition analysis and other relevant information. The Pricing Committee regularly reviews these inputs and assumptions to

calibrate the valuations. The Board convenes on a regular basis to review fair value determinations made by the fund pursuant to the procedures.

**Short-term securities (60 days or less to maturity):** valued at amortized cost, which approximates market value.

**Underlying funds:** valued at their respective net asset values.

In accordance with the authoritative guidance on fair value measurements and disclosures under generally accepted accounting principles in the United States of America (GAAP), the fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). If the fund determines that either the volume and/or level of activity for an asset or liability has significantly decreased (from

**Portfolio Holdings** (Unaudited) continued

normal conditions for that asset or liability) or price quotations or observable inputs are not associated with orderly transactions, increased analysis and management judgment will be required to estimate fair value.

The three levels of the fair value hierarchy are as follows:

Level 1 – quoted prices in active markets for identical securities – Investments whose values are based on quoted market prices in active markets, and whose values are therefore classified as Level 1 prices, include active listed equities and futures contracts.

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) – Investments that trade in markets that are not considered to be active, but whose values are based on quoted market prices, dealer quotations or valuations provided by alternative pricing sources supported by observable inputs are classified as Level 2 prices. These generally include U.S. government and sovereign obligations, most government agency securities, investment-grade corporate bonds, certain mortgage products, less liquid listed equities, and state, municipal and provincial obligations. As investments whose values are classified as Level 2 prices include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Level 3 – significant unobservable inputs (including the fund's own assumption in determining the fair value of investments) – Investments whose values are classified as Level 3 prices have significant unobservable inputs, as they may trade infrequently or not at all. When observable prices are not available for these securities, the fund uses one or more valuation techniques for which sufficient and reliable data is available. The inputs used by the funds in estimating the value of Level 3 prices may include the original transaction price, quoted prices for similar securities or assets in active markets, completed or pending third-party transactions in the underlying investment or comparable issuers, and changes in financial ratios or cash flows. Level 3 prices may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the fund in the absence of market information. Assumptions used by the fund due to the lack of observable inputs may significantly impact the resulting fair value and therefore the fund's results of operations.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the fund's investments as of November 30, 2012:

**Assets Valuation Input**

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mortgage-Backed Securities <sup>1</sup>	\$-	\$660,181,854	\$-	\$660,181,854
Other Investment Company <sup>1</sup>	6,453,711	-	-	6,453,711
Short-Term Investments <sup>1</sup>	-	64,999,242	-	64,999,242
<b>Total</b>	<b><u>\$6,453,711</u></b>	<b><u>\$725,181,096</u></b>	<b><u>\$-</u></b>	<b><u>\$731,634,807</u></b>

**Liabilities Valuation Input**

Other Financial Instruments				
TBA Sale Commitments <sup>1</sup>	\$-	(\$8,753,283 )	\$-	(\$8,753,283 )

<sup>1</sup> As categorized in Portfolio Holdings.

The fund's policy is to recognize transfers between Level 1, Level 2 and Level 3 as of the beginning of the fiscal year. There were no transfers between Level 1, Level 2 and Level 3 for the period ended November 30, 2012.



# Schwab Investments

## Schwab Treasury Inflation Protected Securities Fund

### Portfolio Holdings as of November 30, 2012 (Unaudited)

The following are the portfolio holdings as of the report date. For more information, please refer to the fund's semiannual or annual shareholder reports.

For fixed rate obligations, the rate shown is the interest rate (the rate established when the obligation was issued). For variable-rate obligations, the rate shown is the rate as of the report date. The maturity date shown for all the securities is the final legal maturity.

Holdings by Category	Cost (\$)	Value (\$)
99.5% U.S. Government Securities	373,142,304	418,929,826
0.6% Other Investment Company	2,610,501	2,610,501
100.1% Total Investments	375,752,805	421,540,327
(0.1)% Other Assets and Liabilities, Net		(243,455)
100.0% Net Assets		421,296,872

Security Rate, Maturity Date	Face Amount (\$)	Value (\$)
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#### U.S. Government Securities 99.5% of net assets

#### U.S. Treasury Obligations 99.5%

#### U.S. Treasury Inflation Protected Securities

2.00%, 01/15/14	12,974,450	13,398,196
1.25%, 04/15/14	8,233,453	8,486,878
2.00%, 07/15/14	11,502,894	12,131,987
1.63%, 01/15/15	11,355,408	12,057,967
0.50%, 04/15/15	11,179,762	11,654,901
1.88%, 07/15/15	9,969,516	10,868,367
2.00%, 01/15/16	9,770,238	10,858,740
0.13%, 04/15/16	19,646,267	20,705,397
2.50%, 07/15/16	9,567,765	11,031,346
2.38%, 01/15/17	8,296,208	9,676,781
0.13%, 04/15/17	15,078,389	16,178,659
2.63%, 07/15/17	7,112,169	8,557,931
1.63%, 01/15/18	7,511,076	8,755,061
1.38%, 07/15/18	7,404,390	8,664,321
2.13%, 01/15/19	6,897,920	8,431,604
1.88%, 07/15/19	7,824,820	9,584,153
1.38%, 01/15/20	9,491,788	11,320,476
1.25%, 07/15/20	14,589,713	17,427,850
1.13%, 01/15/21	16,692,558	19,751,970
0.63%, 07/15/21	17,721,015	20,323,878
0.13%, 01/15/22	19,558,514	21,477,791
0.13%, 07/15/22	20,346,673	22,349,599
2.38%, 01/15/25	13,000,603	17,747,903
2.00%, 01/15/26	9,467,109	12,564,652
2.38%, 01/15/27	7,596,257	10,599,133
1.75%, 01/15/28	7,621,533	9,988,934
3.63%, 04/15/28	8,112,184	13,035,306
2.50%, 01/15/29	7,372,152	10,665,440
3.88%, 04/15/29	9,571,817	16,061,222
3.38%, 04/15/32	2,959,377	4,957,873
2.13%, 02/15/40	4,539,430	6,794,255
2.13%, 02/15/41	6,984,658	10,532,655
0.75%, 02/15/42	10,947,528	12,288,600

Total U.S. Government Securities  
(Cost \$373,142,304)

418,929,826

Security	Number of Shares	Value (\$)
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#### Other Investment Company 0.6% of net assets

#### Money Market Fund 0.6%

State Street Institutional U.S. Government Money Market Fund	2,610,501	<u>2,610,501</u>
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Total Other Investment Company  
(Cost \$2,610,501)

2,610,501

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**End of Investments.**

At 11/30/12, the tax basis cost of the fund' s investments was \$377,312,786 and the unrealized appreciation and depreciation were \$44,227,541 and (\$0), respectively, with a net unrealized appreciation of \$44,227,541.

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Under procedures approved by the fund' s Board of Trustees (the "Board"), the investment adviser has formed a Pricing Committee to administer the pricing and valuation of portfolio securities and other assets and to ensure that prices used for internal purposes or provided by third parties reasonably reflect fair market value. Among other things, these procedures allow the fund to utilize independent pricing services, quotations from securities and financial instrument dealers and other market sources to determine fair value.

The fund values the securities in its portfolio every business day. The fund uses the following policies to value various types of securities:

**Bonds and notes:** valued at halfway between the most recent bid and asked quotes or, if such quotes are unavailable, at prices for securities of comparable maturity, credit quality and type. Valuations for bonds and notes are provided by an independent bond-pricing service.

**Portfolio Holdings** (Unaudited) continued

**Securities for which no quoted value is available:** The Board has adopted procedures to fair value the fund's securities when market prices are not "readily available" or are unreliable. For example, a fund may fair value a security when it is de-listed or its trading is halted or suspended; when a security's primary pricing source is unable or unwilling to provide a price; or when a security's primary trading market is closed during regular market hours. The fund makes fair value determinations in good faith in accordance with the fund's valuation procedures. The Pricing Committee considers a number of factors, including unobservable market inputs when arriving at fair value. The Pricing Committee may employ techniques such as the review of related or comparable assets or liabilities, related market activities, recent transactions, market multiples, book values, transactional back-testing, disposition analysis and other relevant information. The Pricing Committee regularly reviews these inputs and assumptions to calibrate the valuations. The Board convenes on a regular basis to review fair value determinations made by the fund pursuant to the procedures.

**Short-term securities (60 days or less to maturity):** valued at amortized cost, which approximates market value.

**Underlying funds:** valued at their respective net asset values.

In accordance with the authoritative guidance on fair value measurements and disclosures under generally accepted accounting principles in the United States of America (GAAP), the fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). If the fund determines that either the volume and/or level of activity for an asset or liability has significantly decreased (from normal conditions for that asset or liability) or price quotations or observable inputs are not associated with orderly transactions, increased analysis and management judgment will be required to estimate fair value.

The three levels of the fair value hierarchy are as follows:

Level 1 – quoted prices in active markets for identical securities – Investments whose values are based on quoted market prices in active markets, and whose values are therefore classified as Level 1 prices, include active listed equities and futures contracts.

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) – Investments that trade in markets that are not considered to be active, but whose values are based on quoted market prices, dealer quotations or valuations provided by alternative pricing sources supported by observable inputs are classified as Level 2 prices. These generally include U.S. government and sovereign obligations, most government agency securities, investment-grade corporate bonds, certain mortgage products, less liquid listed equities, and state, municipal and provincial obligations. As investments whose values are classified as Level 2 prices include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Level 3 – significant unobservable inputs (including the fund's own assumption in determining the fair value of investments) – Investments whose values are classified as Level 3 prices have significant unobservable inputs, as they may trade infrequently or not at all. When observable prices are not available for these securities, the fund uses one or more valuation techniques for which sufficient and reliable data is available. The inputs used by the funds in estimating the value of Level 3 prices may include the original transaction price, quoted prices for similar securities or assets in active markets, completed or pending third-party transactions in the underlying investment or comparable issuers, and changes in financial ratios or cash flows. Level 3 prices may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the fund in the absence of market information. Assumptions used by the fund due to the lack of observable inputs may significantly impact the resulting fair value and therefore the fund's results of operations.

**Portfolio Holdings** (Unaudited) continued

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the fund's investments as of November 30, 2012:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total <sup>2</sup>
U.S. Government Securities <sup>1</sup>	\$-	\$418,929,826	\$-	\$418,929,826
Other Investment Company <sup>1</sup>	<u>2,610,501</u>	<u>-</u>	<u>-</u>	<u>2,610,501</u>
<b>Total</b>	<b><u>\$2,610,501</u></b>	<b><u>\$418,929,826</u></b>	<b><u>\$-</u></b>	<b><u>\$421,540,327</u></b>

<sup>1</sup> As categorized in Portfolio Holdings.

<sup>2</sup> The fund had no Other Financial Instruments.

The fund's policy is to recognize transfers between Level 1, Level 2 and Level 3 as of the beginning of the fiscal year. There were no transfers between Level 1, Level 2 and Level 3 for the period ended November 30, 2012.

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# Schwab Investments

## Schwab Tax-Free Bond Fund™

### Portfolio Holdings as of November 30, 2012 (Unaudited)

The following are the portfolio holdings as of the report date. For more information, please refer to the fund's semiannual or annual shareholder reports.

For fixed rate obligations, the rate shown is the interest rate (the rate established when the obligation was issued). For variable-rate obligations, the rate shown is the rate as of the report date. The maturity date shown for all the securities is the final legal maturity.

Holdings by Category	Cost (\$)	Value (\$)
96 .6% Fixed-Rate Obligations	665,875,061	710,103,180
4 .7% Variable-Rate Obligations	34,615,074	34,834,911
101.3% Total Investments	700,490,135	744,938,091
(1 .3)% Other Assets and Liabilities, Net		(9,861,614 )
100.0% Net Assets		735,076,477

Issuer Type of Security, Series	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Fixed-Rate Obligations 96.6% of net assets</b>				
<b>ALABAMA 1.3%</b>				
<b>Birmingham</b>				
GO Refunding Warrants Series 2010A	5.00%	02/01/18 (f)	1,260,000	1,509,820
<b>Camden IDB</b>				
Facilities RB (Weyerhaeuser) Series 2003A	6.13%	12/01/24 (b)(f)(h)	1,725,000	1,824,860
<b>Huntsville</b>				
Water Revenue Warrant Series 2008	5.00%	11/01/15	250,000	280,788
<b>Pell City Special Care Facilities Financing Auth</b>				
RB (Noland Health Services) Series 2012A	5.00%	12/01/19	1,840,000	2,124,354
RB (Noland Health Services) Series 2012A	5.00%	12/01/20	1,000,000	1,158,830
RB (Noland Health Services) Series 2012A	5.00%	12/01/21	2,250,000	2,606,085
				<b>9,504,737</b>
<b>ALASKA 0.5%</b>				
<b>Alaska Housing Finance Corp</b>				
State Capital Project Bonds II Series 2012A	3.00%	06/01/16	2,080,000	2,240,119
State Capital Project Bonds II Series 2012A	5.00%	12/01/17	980,000	1,168,189
				<b>3,408,308</b>
<b>ARIZONA 1.6%</b>				
<b>Glendale IDA</b>				
RB (Midwestern Univ) Series 2010	5.00%	05/15/15	415,000	445,374
<b>Maricopa Cnty UHSD No.210 (Phoenix)</b>				
GO Bonds Series 2012A	3.00%	07/01/21	500,000	552,485
GO Bonds Series 2012A	4.00%	07/01/26 (b)	425,000	487,148
<b>Payson USD No.10</b>				
School Improvement Bonds Series 2008B	5.75%	07/01/28 (b)(f)	1,375,000	1,664,960
<b>Phoenix Civic Improvement Corp</b>				
Sr Lien Airport Refunding RB Series 2008C	5.00%	07/01/13	75,000	77,045
<b>Pima Cnty</b>				
GO Bonds Series 2012A	3.00%	07/01/21	50,000	53,594
GO Bonds Series 2012A	4.00%	07/01/22	625,000	723,375
GO Bonds Series 2012A	4.00%	07/01/23 (b)	950,000	1,085,403
<b>Univ Medical Center Corp</b>				
Hospital RB Series 2009	5.00%	07/01/14	615,000	656,377
Hospital RB Series 2009	5.00%	07/01/15	170,000	186,131
Hospital RB Series 2009	5.50%	07/01/16	250,000	283,345
Hospital RB Series 2009	6.00%	07/01/18	450,000	543,141

## Portfolio Holdings (Unaudited) continued

Issuer	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Type of Security, Series</b>				
Hospital RB Series 2009	5.75%	07/01/19	350,000	423,255
Hospital RB Series 2011	5.00%	07/01/19	1,850,000	2,140,820
Hospital RB Series 2011	5.00%	07/01/20	1,370,000	1,595,680
<b>Yavapai Cnty IDA</b>				
Hospital Refunding RB (Northern Arizona Healthcare) Series 2011	3.00%	10/01/13	600,000	610,794
				<u>11,528,927</u>
<b>ARKANSAS 0.5%</b>				
<b>Fort Smith</b>				
Sales & Use Tax Refunding Bonds Series 2012	2.38%	05/01/27 (b)	820,000	824,871
<b>Little Rock</b>				
Library Construction & Refunding Bonds Series 2012	3.10%	03/01/32 (b)	2,500,000	2,565,725
				<u>3,390,596</u>
<b>CALIFORNIA 16.7%</b>				
<b>Anaheim Public Financing Auth</b>				
Lease Refunding RB Series 2008	5.00%	08/01/17	955,000	1,130,720
<b>California</b>				
GO Bonds	4.00%	09/01/16	635,000	710,197
GO Bonds	5.00%	11/01/32 (b)(f)	1,240,000	1,424,227
GO Refunding Bonds	5.00%	09/01/16	7,000,000	8,086,330
GO Refunding Bonds	5.00%	09/01/25 (b)	5,000,000	6,245,950
RAN 2012-2013 Series A2	2.50%	06/20/13	4,500,000	4,554,855
<b>California Dept of Water Resources</b>				
Power Supply RB Series 2005G4	5.00%	05/01/16 (f)	750,000	862,448
<b>California Educational Facilities Auth</b>				
RB (Univ of San Francisco) Series 2011	5.00%	10/01/21	750,000	904,845
<b>California Health Facilities Financing Auth</b>				
RB (Children's Hospital Orange Cnty) Series 2009A	6.50%	11/01/38 (b)(f)	1,850,000	2,296,719
RB (Community Program for Persons with Developmental Disabilities) Series 2011A	5.50%	02/01/21 (a)	375,000	440,584
<b>California Infrastructure &amp; Economic Development Bank</b>				
RB (Sanford Consortium) Series 2010A	5.00%	05/15/27 (b)(f)	2,005,000	2,380,958
RB (Sanford Consortium) Series 2010A	5.00%	05/15/28 (b)(f)	2,060,000	2,436,980
<b>California Public Works Board</b>				
Lease RB Series 2009I1	6.63%	11/01/34 (b)(f)	1,985,000	2,530,220
Lease RB Series 2012A	5.00%	04/01/24 (b)(f)	3,900,000	4,670,289
<b>California Statewide Communities Development Auth</b>				
RB (Proposition 1A Receivables) Series 2009	5.00%	06/15/13 (f)	4,000,000	4,099,720
RB (St. Joseph Health) Series 2000	4.50%	07/01/18 (f)	1,875,000	2,012,981
<b>East Bay Municipal Utility District</b>				
Water System Refunding RB Series 2013A	5.00%	06/01/18 (e)	1,000,000	1,202,520
Water System Refunding RB Series 2013A	5.00%	06/01/19 (e)	1,000,000	1,227,070
<b>Emery USD</b>				
GO Bonds Series 2011A	6.50%	08/01/31 (b)	2,500,000	3,269,325
<b>Golden State Tobacco Securitization Corp</b>				
Tobacco Settlement Asset-Backed Bonds Series 2003A1	6.25%	06/01/33 (b)(f)(h)	1,620,000	1,667,466
<b>Jefferson UHSD</b>				
GO Bonds Series 2006D	0.00%	08/01/37 (b)(g)	1,545,000	286,057
GO Bonds Series 2006D	0.00%	08/01/39 (b)(g)	3,750,000	584,625
<b>Kern Cnty</b>				
Refunding COP 2011 Series A	5.00%	11/01/16	1,935,000	2,198,837
<b>Los Angeles</b>				
Judgment Obligation Bonds Series 2010A	4.00%	06/01/19	4,245,000	4,921,611
<b>Los Angeles Cnty</b>				
Refunding COP 2012	5.00%	03/01/23	1,500,000	1,824,750
<b>Los Angeles Dept of Water &amp; Power</b>				
Power System RB Series 2012C	4.00%	01/01/16 (b)	3,075,000	3,374,382
Power System RB Series 2012C	5.00%	01/01/16 (b)	1,230,000	1,384,168
Water System RB Series 2012C	5.00%	07/01/22	1,000,000	1,299,600
<b>Los Angeles Municipal Improvement Corp</b>				
Lease RB (Capital Equipment) Series 2009A	5.00%	04/01/17	1,375,000	1,565,754
Lease RB (Capital Equipment) Series 2009C	4.00%	09/01/16	1,050,000	1,144,678

## Portfolio Holdings (Unaudited) continued

Issuer	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Type of Security, Series</b>				
Lease RB (Capital Equipment) Series 2009C	4.00%	09/01/17	1,000,000	1,102,350
Lease RB (Capital Equipment) Series 2009C	5.00%	09/01/18	600,000	699,948
Lease RB (Capital Equipment) Series 2009C	4.50%	09/01/19	1,050,000	1,209,694
Lease RB (Real Property) Series 2009E	5.13%	09/01/27 (b)	1,590,000	1,806,113
<b>Los Angeles USD</b>				
Refunding COP (Headquarters Building) Series 2012A	5.00%	10/01/22	3,130,000	3,744,356
Refunding COP (Headquarters Building) Series 2012B	5.00%	10/01/30 (b)	900,000	1,032,309
Refunding COP (Headquarters Building) Series 2012B	5.00%	10/01/31 (b)	1,000,000	1,142,490
<b>Midpeninsula Regional Open Space District</b>				
RB Series 2011	6.00%	09/01/41 (b)	2,000,000	2,418,760
<b>Palo Alto</b>				
Limited Obligation Refunding Bonds (Univ Ave Area Off-St Parking Assessment District) Series 2012	3.00%	09/02/18	385,000	400,462
Limited Obligation Refunding Bonds (Univ Ave Area Off-St Parking Assessment District) Series 2012	4.00%	09/02/19	480,000	524,712
Limited Obligation Refunding Bonds (Univ Ave Area Off-St Parking Assessment District) Series 2012	4.00%	09/02/21	400,000	427,684
<b>Palomar Health</b>				
COP 2010	5.25%	11/01/21 (b)	760,000	849,467
<b>Pasadena Public Financing Auth</b>				
Lease RB (Rose Bowl Renovation) Series 2010A	5.00%	03/01/22 (b)	360,000	444,420
<b>Riverside Cnty Transportation Commission</b>				
Limited Sales Tax RB Series 2010A	5.00%	06/01/32 (b)	3,530,000	4,056,499
<b>San Diego Public Facilities Financing Auth</b>				
Lease Refunding RB Series 2010A	3.88%	03/01/18	2,215,000	2,461,330
<b>San Diego USD</b>				
GO Bonds Series 2010C	0.00%	07/01/31 (g)	2,000,000	914,180
GO Bonds Series 2010C	0.00%	07/01/32 (g)	1,500,000	647,340
GO Bonds Series 2010C	0.00%	07/01/33 (g)	1,000,000	408,460
GO Bonds Series 2010C	0.00%	07/01/34 (g)	1,750,000	674,328
GO Bonds Series 2010C	0.00%	07/01/35 (g)	1,300,000	476,099
<b>San Mateo-Foster City SD</b>				
GO Refunding Bonds Series 2012	3.00%	09/01/15	1,730,000	1,844,561
GO Refunding Bonds Series 2012	4.00%	09/01/18	1,885,000	2,189,333
GO Refunding Bonds Series 2012	5.00%	09/01/20	2,195,000	2,756,130
<b>Santa Cruz HSD</b>				
GO Refunding Bonds Series 2005	5.00%	08/01/29 (b)	5,180,000	5,334,727
<b>Santa Monica Public Financing Auth</b>				
Lease RB Series 2011A	5.00%	06/01/31 (b)	2,440,000	2,901,916
<b>South Orange Cnty Public Financing Auth</b>				
Facility Lease Refunding RB (Juvenile Justice Center) Series 2012	5.00%	06/01/19	1,250,000	1,499,012
<b>Tiburon/Belvedere Wastewater Financing Auth</b>				
RB (Marin Cnty Sanitary District No. 5) Series 2012	3.00%	10/01/21	490,000	553,112
<b>Turlock Irrigation District</b>				
Sub Refunding RB Series 2011	5.00%	01/01/31 (b)	2,155,000	2,480,254
<b>Upland</b>				
COP (San Antonio Community Hospital) Series 2011	5.50%	01/01/19	1,165,000	1,355,757
<b>West Basin Municipal Water District</b>				
Refunding RB Series 2012A	5.00%	08/01/28 (b)	3,345,000	4,095,986
<b>Woodland Finance Auth</b>				
Water RB Series 2011	6.00%	03/01/41 (b)	1,500,000	1,806,810
				<b>122,997,465</b>
<b>COLORADO 1.2%</b>				
<b>Aspen Valley Hospital District</b>				
Refunding RB Series 2012	5.00%	10/15/30 (b)	750,000	831,217
Refunding RB Series 2012	5.00%	10/15/33 (b)	500,000	549,805
<b>Colorado Health Facilities Auth</b>				
RB (Catholic Health Initiatives) Series 2008D1	5.00%	10/01/14 (f)	550,000	594,941
Refunding RB (National Jewish Health) Series 2012	5.00%	01/01/18 (f)	1,630,000	1,827,083
Refunding RB (National Jewish Health) Series 2012	5.00%	01/01/19 (f)	1,735,000	1,961,227
Refunding RB (National Jewish Health) Series 2012	5.00%	01/01/21	1,975,000	2,236,608
<b>Univ of Colorado Hospital Auth</b>				
RB Series 2012A	4.00%	11/15/14	250,000	265,905

## Portfolio Holdings (Unaudited) continued

Issuer Type of Security, Series	Rate	Maturity	Face Amount (\$)	Value (\$)
RB Series 2012A	5.00%	11/15/16	500,000	572,980
				<b>8,839,766</b>
<b>CONNECTICUT 1.8%</b>				
<b>Danbury</b>				
GO Refunding Bonds Series 2012	4.00%	08/01/22 (b)	505,000	599,006
GO Refunding Bonds Series 2012	2.25%	08/01/24 (b)	1,050,000	1,063,230
GO Refunding Bonds Series 2012	4.00%	08/01/25 (b)	745,000	860,944
<b>New Haven</b>				
GO Bonds Series 2011A	5.00%	03/01/15	1,260,000	1,369,242
<b>Oxford</b>				
GO Refunding Bonds 2011	3.00%	08/01/16	705,000	763,952
GO Refunding Bonds 2011	4.00%	08/01/17	1,405,000	1,610,046
GO Refunding Bonds 2011	4.00%	08/01/18	1,575,000	1,846,467
GO Refunding Bonds 2011	4.00%	08/01/19	500,000	598,125
GO Refunding Bonds 2011	3.00%	08/01/21 (b)	130,000	143,696
GO Refunding Bonds 2011	3.13%	08/01/22 (b)	125,000	137,569
<b>West Haven</b>				
GO Bonds 2012	4.00%	08/01/19	1,360,000	1,484,331
GO Bonds 2012	5.00%	08/01/20	2,230,000	2,592,553
				<b>13,069,161</b>
<b>DELAWARE 0.3%</b>				
<b>Delaware State Housing Auth</b>				
Sr S/F Mortgage RB Series 2011A2	4.25%	07/01/29 (b)	1,880,000	2,018,575
<b>DISTRICT OF COLUMBIA 0.4%</b>				
<b>District of Columbia</b>				
Income Tax Secured RB Series 2009A	5.25%	12/01/27 (b)(f)	300,000	373,254
Income Tax Secured Refunding RB Series 2010A	5.00%	12/01/30 (b)	1,210,000	1,453,851
<b>District of Columbia Water &amp; Sewer Auth</b>				
Public Utility Sr Lien RB Series 2009A	4.00%	10/01/17	50,000	57,426
<b>Metropolitan Washington Airports Auth</b>				
Airport System RB Series 2009B	5.00%	10/01/18 (a)(f)	825,000	1,009,090
				<b>2,893,621</b>
<b>FLORIDA 4.7%</b>				
<b>Alachua Cnty Health Facilities Auth</b>				
Health Facilities RB (Shands HealthCare) Series 2008D1	6.25%	12/01/18	500,000	616,515
<b>Florida Higher Educational Facilities Financing Auth</b>				
Refunding RB (Univ Tampa) Series 2012A	5.25%	04/01/42 (b)	400,000	445,484
Refunding RB (UnivTampa) Series 2012A	5.00%	04/01/19	1,220,000	1,405,001
<b>Florida Ports Financing Commission</b>				
Refunding RB (State Transportation Trust Fund-Intermodal Program) Series 2011A	5.00%	10/01/28 (b)	1,500,000	1,816,335
<b>Highlands Cnty Health Facilities Auth</b>				
Hospital RB (Adventist Health/Sunbelt) Series 2008A	6.10%	11/15/37 (b)(f)	1,000,000	1,048,640
<b>Hillsborough Cnty School Board</b>				
Refunding COP (Master Lease Program) Series 2010A	5.00%	07/01/24 (b)	3,900,000	4,595,253
<b>Jacksonville Electric Auth</b>				
Electric System RB Series Three 2010A	3.00%	10/01/13	295,000	301,732
<b>Kissimmee Utility Auth</b>				
Electric System Sub Refunding RB Series 2003	5.25%	10/01/18	200,000	238,582
<b>Lee Cnty</b>				
Non-Ad Valorem Refunding RB Series 2012	3.00%	10/01/14	355,000	369,821
Non-Ad Valorem Refunding RB Series 2012	4.00%	10/01/15	950,000	1,032,156
<b>Miami-Dade Cnty</b>				
Aviation RB (Miami Int'l Airport) Series 2010A	5.00%	10/01/20	500,000	616,245
Aviation RB (Miami Int'l Airport) Series 2010A	5.50%	10/01/26 (b)	4,750,000	5,715,438
<b>Miami-Dade Cnty Educational Facilities Auth</b>				
RB (Univ of Miami) Series 2008A	5.25%	04/01/16 (f)	1,100,000	1,250,436

## Portfolio Holdings (Unaudited) continued

Issuer Type of Security, Series	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Orange Cnty Health Facilities Auth</b>				
RB (Nemours Foundation) Series 2009A	4.00%	01/01/13	800,000	802,032
RB (Nemours Foundation) Series 2009A	4.00%	01/01/14	300,000	310,620
RB (Nemours Foundation) Series 2009A	4.00%	01/01/15	440,000	468,406
RB (Nemours Foundation) Series 2009A	4.00%	01/01/16	625,000	680,000
RB (Nemours Foundation) Series 2009A	4.00%	01/01/17	560,000	623,079
RB (Nemours Foundation) Series 2009A	5.00%	01/01/18	300,000	353,988
RB (Nemours Foundation) Series 2009A	5.00%	01/01/19	545,000	651,815
<b>Orlando Utilities Commission</b>				
Water & Electric RB Series 1996A	3.75%	10/01/23 (b)	1,900,000	1,954,910
<b>Palm Beach Cnty Solid Waste Auth</b>				
Improvement RB Series 2009	5.25%	10/01/18 (a)	2,200,000	2,691,238
<b>Pasco Cnty</b>				
Water & Sewer RB Series 2009A	5.00%	10/01/16	75,000	85,434
<b>Port St. Lucie</b>				
Refunding COP Series 2008	5.00%	09/01/13	845,000	869,995
Water & Sewer Special Assessment Refunding Bonds Series 2011A	1.50%	09/01/13	200,000	200,940
<b>Tampa</b>				
Sales Tax Refunding RB Series 2010	4.00%	10/01/20	535,000	630,337
Sales Tax Refunding RB Series 2010	5.00%	10/01/21 (b)	390,000	491,696
<b>Tampa Bay Water</b>				
Utility System Refunding RB Series 2011	5.00%	10/01/18	1,250,000	1,526,550
<b>Tohopekalgiga Water Auth</b>				
Utility System Refunding RB Series 2011A	5.75%	10/01/30 (b)	1,500,000	1,890,525
Utility System Refunding RB Series 2011A	5.75%	10/01/31 (b)	580,000	<u>726,821</u>
				<b>34,410,024</b>
<b>GEORGIA 1.7%</b>				
<b>Albany Dougherty Cnty Hosp Auth</b>				
Revenue Anticipation Certificates (Phoebe Putney Memorial) Series 2012	4.00%	12/01/42 (b)(e)	1,000,000	1,032,460
<b>Cobb Cnty Kennestone Hospital Auth</b>				
Revenue Anticipation Refunding Certificates Series 2012	4.00%	04/01/31 (b)	5,000,000	5,385,600
<b>Dawson Cnty SD</b>				
GO School Bonds Series 2010	3.00%	02/01/13 (f)	600,000	602,646
<b>Fulton Cnty Development Auth</b>				
RB (Georgia State Univ-Student Recreation Center) Series 2011	5.00%	10/01/15	825,000	910,033
RB (Georgia State Univ-Student Recreation Center) Series 2011	5.00%	10/01/17	185,000	215,477
RB (Tuff Morehouse) Series 2002A	5.50%	02/01/22 (b)(f)	2,130,000	2,137,583
<b>Macon-Bibb Cnty Hospital Auth</b>				
Revenue Anticipation Certificates (Medical Center of Central Georgia) Series 2009	4.00%	08/01/19	250,000	287,392
Revenue Anticipation Certificates (Medical Center of Central Georgia) Series 2009	5.00%	08/01/21 (b)	95,000	112,221
<b>Private Colleges &amp; Universities Auth</b>				
RB (Mercer Univ) Series 2012C	5.00%	10/01/17	500,000	574,320
RB (Mercer Univ) Series 2012C	4.00%	10/01/22	1,000,000	<u>1,108,740</u>
				<b>12,366,472</b>
<b>HAWAII 1.5%</b>				
<b>Hawaii</b>				
GO Bonds Series 2004DD	5.00%	05/01/19 (b)	2,275,000	2,424,513
GO Bonds Series 2011DZ	5.00%	12/01/21	3,155,000	4,089,574
<b>Hawaii State Housing Finance &amp; Development Corp</b>				
S/F Mortgage Purchase RB Series 2011B	4.50%	01/01/26 (b)	2,180,000	2,382,784
<b>Honolulu</b>				
GO Bonds Series 2011A	5.25%	08/01/30 (b)	1,900,000	2,391,929
GO Bonds Series 2011A	5.25%	08/01/31 (b)	50,000	<u>62,674</u>
				<b>11,351,474</b>
<b>IDAHO 1.0%</b>				
<b>Boise ISD</b>				
GO Refunding Bonds Series 2012B	3.00%	08/01/17	1,870,000	2,063,040

## Portfolio Holdings (Unaudited) continued

Issuer Type of Security, Series	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Nampa SD No. 131</b>				
GO Refunding Bonds Series 2011B	3.50%	08/15/19 (f)	1,915,000	2,205,467
GO Refunding Bonds Series 2011B	4.00%	08/15/21 (f)	1,885,000	2,254,178
GO Refunding Bonds Series 2011B	4.00%	08/15/22 (f)	1,000,000	1,192,920
				<b>7,715,605</b>
<b>ILLINOIS 4.2%</b>				
<b>Arlington Heights Park District</b>				
GO Refunding Park Bonds Series 2010B	2.00%	12/01/12	705,000	705,000
GO Refunding Park Bonds Series 2010B	2.00%	12/01/15	200,000	205,218
<b>Chicago</b>				
Passenger Facility Charge Refunding RB (O' Hare) Series 2010D	5.00%	01/01/17 (f)	1,000,000	1,151,440
Passenger Facility Charge Refunding RB (O' Hare) Series 2010D	5.00%	01/01/18 (f)	1,200,000	1,409,508
Passenger Facility Charge Refunding RB (O' Hare) Series 2010D	5.00%	01/01/19 (f)	750,000	893,160
<b>Elk Grove Village</b>				
GO Bonds Series 2012	4.00%	01/01/23 (e)	1,295,000	1,549,779
GO Bonds Series 2012	4.00%	01/01/24 (b)(e)	1,340,000	1,578,024
GO Bonds Series 2012	4.00%	01/01/25 (b)(e)	1,385,000	1,615,921
<b>Illinois</b>				
Building Receipts RB (Unemployment Insurance Fund) Series 2012C	1.50%	06/15/21	1,000,000	1,002,820
GO Bonds Series January 2012A	4.00%	01/01/21	1,575,000	1,747,919
GO Bonds Series March 2012	5.00%	03/01/20	1,000,000	1,182,720
GO Bonds Series March 2012	5.00%	03/01/21	2,400,000	2,840,232
GO Refunding Bonds Series 2012	5.00%	08/01/18	3,000,000	3,471,990
GO Refunding Bonds Series February 2010	5.00%	01/01/18	2,375,000	2,721,940
GO Refunding Bonds Series June 2006	5.00%	01/01/19	1,220,000	1,422,972
Sales Tax Jr Obligation Bonds Series June 2010	5.00%	06/15/14	200,000	213,902
Sales Tax Jr Obligation Bonds Series June 2010	5.00%	06/15/20	400,000	503,192
<b>Illinois Finance Auth</b>				
RB (Ascension Health Alliance) Series 2012E2	5.00%	11/15/42 (b)	1,300,000	1,526,018
Refunding RB (Alexian Brothers Health) Series 2010	4.00%	02/15/13	2,000,000	2,010,020
<b>Pennsylvania Economic Development Financing Auth</b>				
Unemployment Compensation RB Series 2012B	5.00%	07/01/23 (b)	1,900,000	2,118,766
<b>Railsplitter Tobacco Settlement Auth</b>				
Tobacco Settlement RB Series 2010	4.00%	06/01/13	50,000	50,856
<b>Village of Homer Glen</b>				
GO Bonds Series 2012A	2.00%	12/01/13	1,185,000	1,201,566
				<b>31,122,963</b>
<b>INDIANA 2.7%</b>				
<b>Indiana Finance Auth</b>				
Educational Facilities Refunding RB (Butler Univ) Series 2012A	5.00%	02/01/22	900,000	1,062,882
Educational Facilities Refunding RB (Butler Univ) Series 2012A	5.00%	02/01/24 (b)	3,545,000	4,108,797
Hospital RB (King' s Daughters Hospital & Health Services) Series 2010	4.50%	08/15/15	1,370,000	1,467,585
Hospital RB (King' s Daughters Hospital & Health Services) Series 2010	4.50%	08/15/16	1,355,000	1,473,007
Hospital RB (King' s Daughters Hospital & Health Services) Series 2010	5.13%	08/15/27 (b)	1,000,000	1,091,110
Hospital RB (Parkview Health System) Series 2012A	4.00%	05/01/17	450,000	498,186
RB (Community Foundation of Northwest Indiana) Series 2012	5.00%	03/01/16	400,000	447,324
RB (Community Foundation of Northwest Indiana) Series 2012	5.00%	03/01/17	480,000	549,585
RB (Community Foundation of Northwest Indiana) Series 2012	5.00%	03/01/18	1,000,000	1,164,710
RB (Community Foundation of Northwest Indiana) Series 2012	5.00%	03/01/19	1,000,000	1,180,900
RB (Community Foundation of Northwest Indiana) Series 2012	4.00%	03/01/34 (b)	2,000,000	2,027,700
RB (Community Foundation of Northwest Indiana) Series 2012	5.00%	03/01/41 (b)	1,000,000	1,109,980
State Revolving Fund Refunding Bonds Series 2010A	5.00%	02/01/19	945,000	1,174,569
<b>Indiana Health Facility Financing Auth</b>				
RB (Ascension Health) Series 2001A1	1.50%	11/15/36 (b)	2,500,000	2,538,250
				<b>19,894,585</b>
<b>IOWA 0.3%</b>				
<b>Iowa</b>				
Special Obligation Bonds (Prison Infrastructure Fund) Series 2010	5.00%	06/15/25 (b)	950,000	1,170,638

## Portfolio Holdings (Unaudited) continued

Issuer Type of Security, Series	Rate	Maturity	Face Amount (\$)	Value (\$)
Iowa Higher Education Loan Auth Private College Facility RB (Grinnell College) Series 2010	4.00%	12/01/12	1,000,000	<u>1,000,000</u> <u>2,170,638</u>
<b>KANSAS 0.5%</b>				
<b>Johnson Cnty USD No. 231</b>				
GO Refunding Bonds (Gardner-Edgerton) Series 2012A	5.00%	10/01/24 (b)	380,000	466,731
GO Refunding Bonds (Gardner-Edgerton) Series 2012A	5.00%	10/01/25 (b)	300,000	366,999
<b>Kansas Development Finance Auth</b>				
Health Facilities RB (Hays Medical Center) Series 2010Q	3.00%	05/15/13	100,000	100,929
Hospital RB (Adventist Health/Sunbelt) Series 2009D	5.00%	11/15/14	50,000	53,781
Hospital RB (Adventist Health/Sunbelt) Series 2009D	5.00%	11/15/15	185,000	205,221
<b>Olathe</b>				
Health Facilities RB (Olathe Medical Center) Series 2012B	4.00%	09/01/20	365,000	408,201
Health Facilities RB (Olathe Medical Center) Series 2012B	4.00%	09/01/21	325,000	363,048
Health Facilities RB (Olathe Medical Center) Series 2012B	5.00%	09/01/24 (b)	440,000	515,676
<b>Wichita</b>				
Hospital Facilities Refunding RB (Via Christi Health) Series 2009X	5.25%	11/15/24 (b)	890,000	<u>1,048,856</u> <u>3,529,442</u>
<b>KENTUCKY 0.4%</b>				
<b>Kentucky Economic Development Finance Auth</b>				
Hospital RB (Baptist Healthcare) Series 2009A	5.00%	08/15/18	1,000,000	1,164,780
<b>Kentucky State Property &amp; Buildings Commission</b>				
Refunding RB (Project No. 100) Series A	5.00%	08/01/20	1,210,000	<u>1,513,202</u> <u>2,677,982</u>
<b>MARYLAND 0.4%</b>				
<b>Maryland Community Development Admin</b>				
Housing RB Series 1996A	5.88%	07/01/16 (b)	50,000	50,050
<b>Maryland Health &amp; Higher Educational Facilities Auth</b>				
RB (Frederick Memorial Hospital) Series 2012A	5.00%	07/01/20 (e)	335,000	402,422
RB (Frederick Memorial Hospital) Series 2012A	5.00%	07/01/21 (e)	400,000	480,824
RB (Frederick Memorial Hospital) Series 2012A	5.00%	07/01/23 (b)(e)	1,000,000	1,188,210
RB (Frederick Memorial Hospital) Series 2012A	5.00%	07/01/27 (b)(e)	450,000	524,799
<b>Prince George' s Cnty</b>				
COP Series 2011	5.00%	10/01/30 (b)	400,000	<u>480,068</u> <u>3,126,373</u>
<b>MASSACHUSETTS 3.1%</b>				
<b>Chatham</b>				
GO Refunding Bonds	4.00%	07/01/13 (f)	285,000	291,224
GO Refunding Bonds	4.00%	07/01/14 (f)	60,000	63,460
GO Refunding Bonds	5.00%	07/01/16 (f)	250,000	288,433
GO Refunding Bonds	5.00%	07/01/17 (f)	245,000	291,837
<b>Massachusetts Bay Transportation Auth</b>				
Assessment Bonds Series 2004A	5.25%	07/01/31 (b)(f)(h)	6,700,000	7,221,997
Assessment Bonds Series 2005A	5.00%	07/01/14 (h)	535,000	574,146
Assessment Bonds Series 2005A	5.00%	07/01/14	315,000	337,894
Sr Sales Tax Bonds Series 2005A	5.00%	07/01/31	2,795,000	3,823,001
<b>Massachusetts Development Finance Agency</b>				
RB (New England Conservatory of Music) Series 2008	4.00%	07/01/15	325,000	345,933
RB (Tufts Medical Center) Series 2011I	4.00%	01/01/13	700,000	701,673
RB (Tufts Medical Center) Series 2011I	5.00%	01/01/14	915,000	953,631
RB (Tufts Medical Center) Series 2011I	5.00%	01/01/17	1,000,000	1,126,350
RB (Tufts Medical Center) Series 2011I	5.00%	01/01/18	885,000	1,006,944
<b>Massachusetts Health &amp; Educational Facilities Auth</b>				
RB (Northeastern Univ) Series 2008T3	2.70%	10/01/37 (b)	2,000,000	2,045,100
<b>Massachusetts School Building Auth</b>				
Sr Dedicated Sales Tax Refunding Bonds Series 2012B	4.00%	08/15/17	1,000,000	1,152,130
Sr Dedicated Sales Tax Refunding Bonds Series 2012B	5.00%	08/15/17	1,360,000	1,629,593

**Schwab Tax-Free Bond Fund**
**Portfolio Holdings (Unaudited) continued**

Issuer Type of Security, Series	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Massachusetts Turnpike Auth</b> Turnpike RB Series 1993A	5.00%	01/01/20 (h)	725,000	<u>851,135</u>
				<b>22,704,481</b>
<b>MICHIGAN 2.3%</b>				
<b>Grand Rapids</b>				
Sanitary Sewer System Refunding RB Series 2010	5.00%	01/01/25	950,000	1,217,872
Sanitary Sewer System Refunding RB Series 2010	5.00%	01/01/26	1,245,000	1,609,573
Sanitary Sewer System Refunding RB Series 2010	5.00%	01/01/27	1,950,000	2,544,243
<b>Michigan</b>				
Refunding Bonds (State Trunk Line Fund) Series 2009	5.00%	11/01/22 (b)	2,200,000	2,683,934
<b>Michigan Finance Auth</b>				
Refunding RB (Trinity Health) Series 2010A	4.00%	12/01/13	1,000,000	1,035,390
Refunding RB (Trinity Health) Series 2010A	5.00%	12/01/15	1,000,000	1,121,270
Unemployment Obligation Assessment RB Series 2012B	5.00%	07/01/23 (b)	1,000,000	1,076,460
<b>Michigan State Hospital Finance Auth</b>				
Refunding RB (Trinity Health) Series 2008A1	5.25%	12/01/15	1,500,000	1,692,945
<b>Wayne Cnty Community College</b>				
Improvement Bonds Series 1999	5.50%	07/01/19 (b)	1,000,000	1,003,260
<b>Western Townships Utilites Auth</b>				
Sewage Disposal System Limited Tax GO Refunding Bonds Series 2012	3.00%	01/01/16	400,000	424,520
Sewage Disposal System Limited Tax GO Refunding Bonds Series 2012	4.00%	01/01/19	1,240,000	1,416,948
Sewage Disposal System Limited Tax GO Refunding Bonds Series 2012	4.00%	01/01/20	750,000	<u>859,635</u>
				<b>16,686,050</b>
<b>MINNESOTA 0.8%</b>				
<b>Olmsted Cnty</b>				
GO Crossover Refunding Bonds Series 2012A	4.00%	02/01/23 (b)	1,935,000	2,325,367
<b>Shakopee ISD No. 720</b>				
GO Crossover Refunding Bonds Series 2012A	4.00%	02/01/19	840,000	989,520
GO Crossover Refunding Bonds Series 2012A	5.00%	02/01/21	1,000,000	1,294,370
<b>St. Paul Housing &amp; Redevelopment Auth</b>				
Health Care RB (Gillette Children' s Specialty Healthcare) Series 2010	3.00%	02/01/13	240,000	240,912
<b>Univ of Minnesota</b>				
GO Bonds Series 2011D	5.00%	12/01/20	220,000	282,152
GO Bonds Series 2011D	5.00%	12/01/21	475,000	<u>616,165</u>
				<b>5,748,486</b>
<b>MISSISSIPPI 0.3%</b>				
<b>Mississippi Home Corp</b>				
Homeownership Mortgage RB Series 2011A	4.50%	06/01/25 (b)	2,300,000	<b>2,499,755</b>
<b>MISSOURI 0.8%</b>				
<b>Boone Cnty</b>				
Hospital RB (Boone Hospital Center) Series 2008	5.00%	08/01/13 (f)	1,550,000	1,583,279
Hospital Refunding RB (Boone Hospital Center) Series 2012	4.00%	08/01/17	1,000,000	1,088,460
Hospital Refunding RB (Boone Hospital Center) Series 2012	4.00%	08/01/18	400,000	439,872
<b>Missouri Health &amp; Educational Facilities Auth</b>				
Health Facilities RB (St. Luke' s Episcopal-Presbyterian Hospitals) Series 2011	3.00%	12/01/12	1,150,000	1,150,000
<b>St. Charles SD</b>				
GO Refunding Bonds Series 2011	4.00%	03/01/17 (a)	1,400,000	<u>1,580,096</u>
				<b>5,841,707</b>
<b>NEBRASKA 0.1%</b>				
<b>Nebraska Public Power District</b>				
General RB Series 2010C	5.00%	01/01/19	425,000	<b>519,303</b>



## Portfolio Holdings (Unaudited) continued

Issuer Type of Security, Series	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>NEVADA 2.1%</b>				
<b>Carson City</b>				
Hospital Refunding RB (Carson Tahoe Regional Healthcare) Series 2012	2.00%	09/01/13	785,000	791,280
Hospital Refunding RB (Carson Tahoe Regional Healthcare) Series 2012	3.00%	09/01/14	550,000	566,308
Hospital Refunding RB (Carson Tahoe Regional Healthcare) Series 2012	4.00%	09/01/15	370,000	393,595
Hospital Refunding RB (Carson Tahoe Regional Healthcare) Series 2012	5.00%	09/01/18	1,265,000	1,443,947
Hospital Refunding RB (Carson Tahoe Regional Healthcare) Series 2012	5.00%	09/01/33 (b)	700,000	766,017
<b>Clark Cnty</b>				
Airport Passenger Facility Charge Sub Lien RB Series 2008A	5.00%	07/01/15 (f)	1,115,000	1,229,767
Airport System RB Sr Series 2010D	5.00%	07/01/17 (f)	1,000,000	1,164,680
Airport System RB Sr Series 2010D	5.00%	07/01/18 (f)	1,920,000	2,299,507
<b>Nevada</b>				
Highway Improvement RB (Motor Vehicle Fuel Tax) Series 2004	5.50%	12/01/18 (b)	340,000	374,602
<b>Nevada System of Higher Education</b>				
Univ RB Series 2011A	5.00%	07/01/18	5,375,000	6,469,457
				<b>15,499,160</b>
<b>NEW HAMPSHIRE 0.5%</b>				
<b>New Hampshire Health &amp; Education Facilities Auth</b>				
RB (Dartmouth College) Series 2009	5.00%	06/01/19	305,000	382,772
RB (Dartmouth-Hitchcock) Series 2009	6.00%	08/01/38 (b)	400,000	475,880
<b>New Hampshire HFA</b>				
S/F Mortgage Acquisition RB Series 2008E	6.63%	07/01/38 (b)	1,170,000	1,273,042
S/F Mortgage Acquisition RB Series 2011E	4.50%	01/01/28 (b)	1,500,000	1,636,500
				<b>3,768,194</b>
<b>NEW JERSEY 5.8%</b>				
<b>Bergen Cnty</b>				
GO Bonds Series 2011A	2.25%	12/01/21 (f)	1,975,000	2,088,878
<b>Cranbury Township</b>				
General Improvement Refunding Bonds	2.75%	12/01/15 (f)	430,000	455,895
General Improvement Refunding Bonds	3.00%	12/01/16	320,000	347,715
General Improvement Refunding Bonds	3.00%	12/01/17	285,000	312,964
General Improvement Refunding Bonds	4.00%	12/01/18	400,000	469,080
<b>Essex Cnty Utilities Auth</b>				
Water System Notes Series 2012	2.00%	11/07/14	2,500,000	2,564,350
<b>Gloucester Cnty Improvement Auth</b>				
Refunding RB (Shady Lane Nursing Home) Series 2012	4.00%	12/01/17	425,000	480,475
Refunding RB (Shady Lane Nursing Home) Series 2012	4.00%	12/01/18	465,000	545,598
Refunding RB (Shady Lane Nursing Home) Series 2012	4.00%	12/01/19	485,000	563,070
Refunding RB (Shady Lane Nursing Home) Series 2012	4.00%	12/01/20	510,000	598,108
Refunding RB (Shady Lane Nursing Home) Series 2012	4.00%	12/01/21	355,000	418,261
Refunding RB (Shady Lane Nursing Home) Series 2012	4.00%	12/01/22	480,000	565,104
<b>Kearny</b>				
GO Refunding Bonds Series 2011	2.00%	01/15/13	2,355,000	2,358,509
<b>Mercer Cnty Improvement Auth</b>				
Refunding RB Series 2011	4.00%	09/01/14	215,000	228,051
Refunding RB Series 2011	4.00%	09/01/15	1,000,000	1,085,370
Refunding RB Series 2011	4.00%	09/01/16	150,000	167,057
Refunding RB Series 2011	4.00%	09/01/17	1,620,000	1,841,956
<b>Middlesex Cnty</b>				
Refunding COP (Civic Square II Redevelopment Associates) Series 2011	4.00%	06/15/18	650,000	720,220
Refunding COP (Civic Square II Redevelopment Associates) Series 2011	3.00%	06/15/19	1,020,000	1,076,998
Refunding COP (Civic Square II Redevelopment Associates) Series 2011	4.00%	06/15/20	1,000,000	1,119,820
Refunding COP (Civic Square II Redevelopment Associates) Series 2011	4.00%	06/15/21	565,000	632,484
<b>Middlesex Cnty Improvement Auth</b>				
Lease RB Series 2008	4.00%	12/15/15	415,000	454,906
Lease Refunding RB (Youth Detention Center) Series 2010	2.00%	07/01/14	430,000	440,157
Lease Refunding RB (Youth Detention Center) Series 2010	3.00%	07/01/16	225,000	242,397
Open Space Trust Fund Refunding RB Series 2011	3.00%	09/15/16	1,520,000	1,649,519
Refunding RB (Open Space Trust Fund) Series 2011	4.00%	09/15/21	625,000	737,838
<b>Monmouth Cnty Improvement Auth</b>				
Governmental Loan RB (Atlantic Highlands) Series 2010	3.00%	02/01/13	245,000	246,085

## Portfolio Holdings (Unaudited) continued

Issuer	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Type of Security, Series</b>				
Governmental Loan RB Series 2008	5.25%	12/01/18	85,000	105,893
<b>Montgomery Township</b>				
GO Refunding Bonds Series 2012	2.00%	08/01/14	2,635,000	2,698,319
GO Refunding Bonds Series 2012	3.00%	08/01/15	770,000	815,676
<b>Morris Cnty Improvement Auth</b>				
Guaranteed Pooled Program Bonds Series 2012A	3.00%	02/01/19	705,000	771,735
Guaranteed Pooled Program Bonds Series 2012A	3.00%	02/01/20	695,000	762,012
<b>New Jersey</b>				
COP (Equipment Lease Purchase) Series 2009A	5.25%	06/15/29 (b)	150,000	170,063
<b>New Jersey Building Auth</b>				
Refunding RB Series 2009B	4.00%	12/15/19	135,000	156,067
<b>New Jersey Economic Development Auth</b>				
School Facilities Construction Refunding Bonds Series 2011GG	5.00%	09/01/16	920,000	1,056,537
School Facilities Construction Refunding Bonds Series 2011GG	5.00%	09/01/19	2,500,000	3,073,175
<b>New Jersey Transportation Trust Fund Auth</b>				
Transportation System Bonds Series 2001C	5.50%	12/15/15	10,000	11,419
Transportation System Bonds Series 2011A	5.13%	06/15/29 (b)	1,000,000	1,214,170
Transportation System Bonds Series 2011B	5.50%	06/15/31 (b)	150,000	185,796
<b>Passaic Cnty</b>				
General Improvement Refunding Bonds Series 2011	5.00%	05/01/17	4,180,000	4,824,556
GO Refunding Bonds Series 2012	3.00%	08/15/14 (e)	500,000	522,625
GO Refunding Bonds Series 2012	3.00%	08/15/16 (e)	1,400,000	1,497,608
GO Refunding Bonds Series 2012	4.00%	02/01/17	1,160,000	1,282,310
GO Refunding Bonds Series 2012	4.00%	02/01/18	100,000	112,516
GO Refunding Bonds Series 2012	4.00%	02/01/19	600,000	679,944
<b>Princeton Township</b>				
General Improvement Refunding Bonds	4.00%	09/01/13	125,000	128,515
				<u>42,479,801</u>
<b>NEW MEXICO 0.4%</b>				
<b>Bernalillo Cnty</b>				
GO Refunding Bonds Series 2010	4.00%	02/01/19	500,000	589,655
GO Refunding Bonds Series 2010	4.00%	02/01/20	105,000	125,259
<b>New Mexico Hospital Equipment Loan Council</b>				
Hospital System RB (Presbyterian Healthcare) Series 2008A	5.25%	08/01/15	500,000	553,455
Hospital System RB (Presbyterian Healthcare) Series 2008A	5.50%	08/01/16	10,000	11,494
<b>Santa Fe</b>				
Gross Receipt Tax Improvement & Refunding RB Series 2012A	4.00%	06/01/18	735,000	852,056
Gross Receipt Tax Improvement & Refunding RB Series 2012A	4.00%	06/01/19	1,000,000	1,174,970
				<u>3,306,889</u>
<b>NEW YORK 10.4%</b>				
<b>Buffalo</b>				
School Refunding Bonds Series 2012E	3.00%	02/01/14	300,000	308,100
School Refunding Bonds Series 2012E	3.00%	02/01/15	250,000	261,620
School Refunding Bonds Series 2012E	3.00%	02/01/16	275,000	292,749
School Refunding Bonds Series 2012E	4.00%	02/01/17	420,000	469,518
<b>Lake Success</b>				
GO Refunding Bonds Series 2010B	4.00%	12/01/18	360,000	418,759
GO Refunding Bonds Series 2010B	4.00%	12/01/19	125,000	147,113
<b>Long Island Power Auth</b>				
Electric System General RB Series 2012B	5.00%	09/01/25 (b)	1,000,000	1,231,400
<b>Metropolitan Transportation Auth</b>				
Dedicated Tax Fund Refunding Bonds Series 2008B2	5.00%	11/01/15	320,000	360,294
Dedicated Tax Fund Refunding Bonds Series 2011A	4.00%	11/15/13	1,000,000	1,035,250
Transportation RB Series 2011A	5.00%	11/15/21	2,500,000	3,116,075
Transportation RB Series 2012C	5.00%	11/15/41 (b)	800,000	928,464
Transportation Refunding RB Series 2002D1	4.00%	11/01/22	2,760,000	3,207,976
Transportation Refunding RB Series 2012F	5.00%	11/15/18	4,000,000	4,831,240
<b>Nassau Cnty Interim Finance Auth</b>				
Sales Tax Secured Bonds Series 2009A	5.00%	11/15/18	145,000	179,809
<b>New York City</b>				
GO Bonds Fiscal 2006 Series F1	5.00%	09/01/17 (b)	3,090,000	3,464,137

## Portfolio Holdings (Unaudited) continued

Issuer	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Type of Security, Series</b>				
GO Bonds Fiscal 2012 Series I	5.00%	08/01/19	5,000,000	6,219,050
<b>New York City Housing Development Corp</b>				
M/F Housing RB Series 2012H	0.95%	05/01/16	975,000	977,281
M/F Housing RB Series 2012H	1.50%	05/01/18	830,000	836,034
<b>New York City Municipal Water Finance Auth</b>				
Water & Sewer System RB Fiscal 2012 Series DD	4.00%	06/15/18 (b)	2,500,000	2,811,175
<b>New York City Transitional Finance Auth</b>				
Future Tax Secured Sub RB Fiscal 2010 Series C1	4.00%	08/01/16	3,000,000	3,374,040
Future Tax Secured Sub RB Fiscal 2010 Series I-2	5.00%	11/01/18	900,000	1,114,092
Future Tax Secured Sub RB Fiscal 2010 Series I-2	5.00%	11/01/20 (b)	200,000	253,212
Future Tax Secured Sub RB Fiscal 2011 Series D1	5.00%	02/01/35 (b)	5,000,000	5,937,200
<b>New York State Bridge Auth</b>				
General RB Series 2012	4.00%	01/01/21	6,580,000	7,706,167
<b>New York State Dormitory Auth</b>				
Master BOCES Program Lease RB (Oneida Herkimer Madison) Series 2008	5.25%	08/15/16	750,000	848,670
Mental Health Services Facilities RB Series 2010A	4.00%	02/15/13 (h)	5,000	5,037
Mental Health Services Facilities RB Series 2010A	4.00%	02/15/13	945,000	951,785
RB (Cornell Univ) Series 1990B	5.00%	07/01/18	80,000	98,030
RB (New York Univ Hospitals Center) Series 2011A	5.00%	07/01/15	1,000,000	1,099,440
RB (New York Univ Hospitals Center) Series 2011A	5.00%	07/01/19	1,370,000	1,639,630
State Personal Income Tax RB Series 2009A	5.00%	02/15/18	3,000,000	3,638,100
State Personal Income Tax RB Series 2012B	5.00%	03/15/20	5,000,000	6,336,200
<b>New York State Municipal Bond Bank Agency</b>				
Special School Purpose RB (Prior Year Claims) Series 2012A	5.00%	12/01/16	3,000,000	3,491,130
<b>New York State Thruway Auth</b>				
General RB Series I	5.00%	01/01/20	500,000	615,875
General RB Series I	5.00%	01/01/21	1,000,000	1,246,210
Local Highway & Bridge Service Contract Bonds Series 2009	4.00%	04/01/16	505,000	559,979
Local Highway & Bridge Service Contract Bonds Series 2009	5.00%	04/01/16	1,590,000	1,815,239
Local Highway & Bridge Service Contract Bonds Series 2009	4.00%	04/01/17	750,000	850,388
<b>New York State Urban Development Corp</b>				
State Personal Income Tax RB Series 2009A1	5.00%	12/15/17	570,000	688,993
<b>North Syracuse CSD</b>				
GO Refunding Bonds Series 2012B	3.00%	06/15/16	1,260,000	1,348,490
GO Refunding Bonds Series 2012B	4.00%	06/15/17	800,000	902,576
<b>Scarsdale UFSD</b>				
School District GO Refunding Serial Bonds 2012	5.00%	02/01/17	320,000	375,683
School District GO Refunding Serial Bonds 2012	5.00%	02/01/18	350,000	424,095
School District GO Refunding Serial Bonds 2012	4.00%	02/01/19	260,000	307,473
				<b>76,723,778</b>
<b>NORTH CAROLINA 1.6%</b>				
<b>Durham Cnty</b>				
COP Series 2009A	4.00%	06/01/18	1,800,000	2,052,558
<b>North Carolina</b>				
Limited Obligation Refunding Bonds Series 2011B	5.00%	11/01/23 (b)	500,000	632,985
<b>North Carolina HFA</b>				
Home Ownership RB Series 2009-2	4.25%	01/01/28 (b)	1,500,000	1,632,390
<b>North Carolina Medical Care Commission</b>				
Health Care Facilities Refunding RB (Blue Ridge) Series 2010A	4.00%	01/01/15	915,000	962,644
Health Care Facilities Refunding RB (Blue Ridge) Series 2010A	3.50%	01/01/18	120,000	129,423
Health Care Facilities Refunding RB (WakeMed) Series 2012A	5.00%	10/01/21	5,000,000	6,067,800
<b>Wake Cnty</b>				
GO Refunding Bonds Series 2009D	4.00%	02/01/17	525,000	598,148
				<b>12,075,948</b>
<b>OHIO 3.0%</b>				
<b>Akron, Bath &amp; Copley Jt Township Hospital District</b>				
Hospital Refunding RB (Children' s Hospital Medical Center) Series 2012	5.00%	11/15/24 (b)	1,190,000	1,379,151
<b>Bowling Green State Univ</b>				
General Receipts Bonds Series 2010A	3.00%	06/01/13	170,000	172,181
<b>Butler Cnty</b>				
Hospital Facilities RB (UC Health) Series 2010	3.00%	11/01/14	585,000	602,872

## Portfolio Holdings (Unaudited) continued

Issuer	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Type of Security, Series</b> Hospital Facilities RB (UC Health) Series 2010	3.00%	11/01/15	580,000	602,620
<b>Columbus</b> Unlimited Tax GO Bonds Series 2011A	5.00%	07/01/18	2,000,000	2,450,760
Unlimited Tax GO Refunding Bonds Series 2012-3	5.00%	08/15/17	2,000,000	2,392,360
<b>Lakota Local SD</b> GO Unlimited Tax Refunding Bonds Series 2012	5.00%	12/01/16	1,330,000	1,547,162
<b>Ohio HFA</b> M/F Housing RB (Haddon Hall Apts) Series 2012F	1.00%	08/01/14 (b)(h)	3,000,000	3,001,020
<b>Ohio Water Development Auth</b> RB (Water Pollution Control Loan Fund) Series 2010	5.00%	12/01/23 (b)	2,185,000	2,698,781
<b>Toledo</b> GO Refunding Bonds Series 2012	3.00%	12/01/14	1,000,000	1,042,310
GO Refunding Bonds Series 2012	3.00%	12/01/15	1,810,000	1,907,559
GO Refunding Bonds Series 2012	3.00%	12/01/16	1,440,000	1,530,230
<b>Univ of Toledo</b> General Receipts Bonds Series 2011B	5.00%	06/01/18	1,100,000	1,309,792
General Receipts Bonds Series 2011B	5.00%	06/01/30 (b)	1,000,000	1,170,960
<b>Westerville</b> GO Limited Tax Bonds Series 2010	4.00%	12/01/18	365,000	430,828
				<b>22,238,586</b>
<b>OKLAHOMA 0.7%</b>				
<b>Grady Cnty School Finance Auth</b> Educational Facilities Lease RB (Bridge Creek Public Schools) Series 2008	5.00%	09/01/16 (f)	695,000	785,816
<b>Tulsa Cnty Industrial Auth</b> Educational Facilities Lease RB (Broken Arrow Public Schools) Series 2012	4.00%	09/01/22	3,750,000	4,303,275
				<b>5,089,091</b>
<b>OREGON 2.6%</b>				
<b>Forest Grove</b> Student Housing RB (Oak Tree Foundation) Series 2007	5.00%	03/01/14 (c)(d)	600,000	613,650
<b>Hillsboro SD No. 1J</b> GO Refunding Bonds Series 2012	4.00%	06/15/22 (a)	3,000,000	3,613,350
GO Refunding Bonds Series 2012	4.00%	06/15/23 (a)(b)	4,550,000	5,409,677
<b>Lane Community College</b> GO Bonds Series 2012	4.00%	06/15/20 (a)	2,395,000	2,832,782
<b>Oregon Health &amp; Science Univ</b> RB Series 2012A	5.00%	07/01/20	1,000,000	1,219,240
RB Series 2012A	5.00%	07/01/22	1,100,000	1,362,383
RB Series 2012A	5.00%	07/01/26 (b)	500,000	611,060
<b>Oregon State Facilities Auth</b> RB (Providence Health & Services) Series 2011C	5.00%	10/01/21	400,000	499,536
RB (Providence Health & Services) Series 2011C	5.00%	10/01/22 (b)	300,000	363,000
Refunding RB (Legacy Health) Series 2011A	5.25%	05/01/21	2,000,000	2,465,760
				<b>18,990,438</b>
<b>PENNSYLVANIA 3.0%</b>				
<b>Beaver Cnty Hospital Auth</b> RB (Heritage Valley Health) Series 2012	3.00%	05/15/13	500,000	504,800
<b>Lehigh Cnty General Purpose Auth</b> Hospital RB (St Luke's Hospital of Bethlehem) Series 2003	5.38%	08/15/33 (b)(h)	1,900,000	1,967,792
<b>Pennsylvania</b> COP (Dept of Corrections) Series 2010A	3.00%	04/01/18	620,000	668,056
COP (Dept of Corrections) Series 2010A	3.05%	10/01/18	1,580,000	1,713,273
COP (Dept of Corrections) Series 2010A	3.30%	10/01/19	955,000	1,053,021
COP (Dept of Corrections) Series 2010A	3.50%	04/01/20	465,000	517,982
<b>Pennsylvania Economic Development Financing Auth</b> Solid Waste Disposal RB (Waste Management) Series 2006	2.75%	09/01/13	2,000,000	2,031,800
Unemployment Compensation RB Series 2012B	5.00%	01/01/23 (b)	2,500,000	2,835,150
<b>Pennsylvania Higher Educational Facilities Auth</b> RB (Temple Univ) First Series 2012	3.00%	04/01/15	660,000	695,686
RB (Temple Univ) First Series 2012	4.00%	04/01/16	300,000	331,095

## Portfolio Holdings (Unaudited) continued

Issuer	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Type of Security, Series</b>				
RB (Temple Univ) First Series 2012	4.00%	04/01/17	610,000	686,940
RB (Temple Univ) First Series 2012	4.00%	04/01/18	400,000	455,800
<b>Pennsylvania Intergovernmental Coop Auth</b>				
Special Tax Refunding RB (Philadelphia Funding Program) Series 2010	5.00%	06/15/18	2,000,000	2,418,400
Special Tax Refunding RB (Philadelphia Funding Program) Series 2010	5.00%	06/15/20	1,070,000	1,342,561
<b>Philadelphia</b>				
GO Refunding Bonds Series 2008A	5.25%	12/15/19 (b)	4,080,000	4,854,955
				<b>22,077,311</b>
<b>PUERTO RICO 1.7%</b>				
<b>Puerto Rico</b>				
GO Public Improvement Refunding Bonds Series 2006A	5.00%	07/01/16	850,000	911,039
<b>Puerto Rico Electric Power Auth</b>				
Power RB Series LL	5.50%	07/01/19	2,240,000	2,565,987
Power RB Series ZZ	5.25%	07/01/23 (b)	1,850,000	2,027,581
<b>Puerto Rico Industrial, Tourist, Educational, Medical &amp; Environmental Control Facilities Fincg Auth</b>				
Higher Education & Refunding RB (Inter American Univ of Puerto Rico) Series 2012	4.00%	10/01/14	300,000	313,428
Higher Education & Refunding RB (Inter American Univ of Puerto Rico) Series 2012	5.00%	10/01/15	1,000,000	1,091,400
<b>Puerto Rico Sales Tax Financing Corp</b>				
Sales Tax RB First Sub Series 2009A	5.75%	08/01/37 (b)	5,000,000	5,577,650
				<b>12,487,085</b>
<b>SOUTH CAROLINA 0.1%</b>				
<b>Beaufort-Jasper Water &amp; Sewer Auth</b>				
Refunding RB Series 2010B	5.00%	03/01/22	95,000	124,252
Refunding RB Series 2010B	5.00%	03/01/23	495,000	657,751
				<b>782,003</b>
<b>SOUTH DAKOTA 0.3%</b>				
<b>South Dakota Building Auth</b>				
RB Series 2011	3.00%	06/01/13	300,000	303,627
RB Series 2011	3.00%	06/01/15	620,000	651,657
RB Series 2011	3.00%	06/01/16	615,000	656,635
RB Series 2011	4.00%	06/01/21 (b)	305,000	342,344
<b>South Dakota Health &amp; Educational Facilities Auth</b>				
RB (Sanford Health) Series 2009	5.00%	11/01/17	250,000	291,103
				<b>2,245,366</b>
<b>TENNESSEE 0.6%</b>				
<b>Memphis</b>				
Electric System Sub Refunding RB Series 2010	2.50%	12/01/14	70,000	72,980
Electric System Sub Refunding RB Series 2010	5.00%	12/01/14	900,000	982,872
Refunding Bonds Series 2011	5.00%	05/01/20	2,000,000	2,543,480
<b>Metro Government of Nashville &amp; Davidson Cnty Health &amp; Educational Facilities Board</b>				
RB (Belmont Univ) Series 2012	4.00%	11/01/21	820,000	895,719
				<b>4,495,051</b>
<b>TEXAS 7.8%</b>				
<b>Arlington ISD</b>				
Unlimited Tax GO Bonds Series 2011A	5.00%	02/15/36 (a)(b)(f)	3,650,000	4,353,282
<b>Beaumont ISD</b>				
Unlimited Tax GO Bonds Series 2011	5.00%	02/15/33 (a)(b)(f)	2,315,000	2,790,825
Unlimited Tax GO Bonds Series 2011	5.00%	02/15/36 (a)(b)(f)	1,900,000	2,254,559
<b>Burkburnett ISD</b>				
Unlimited Tax Refunding Bonds Series 2012	2.00%	02/15/18 (a)(b)	250,000	252,055
<b>Cedar Hill ISD</b>				
Unlimited Tax Refunding Bonds Series 2012A	0.00%	02/15/23 (a)(g)	125,000	99,106
Unlimited Tax Refunding Bonds Series 2012A	0.00%	02/15/24 (a)(g)	450,000	346,059

## Portfolio Holdings (Unaudited) continued

Issuer Type of Security, Series	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Collin Cnty</b> Limited Tax Refunding & Permanent Improvement Bonds Series 2009A	4.00%	02/15/19 (f)	695,000	816,271
<b>Crandall ISD</b> Unlimited Tax Refunding Bonds Series 2012A	0.00%	08/15/24 (a)(b)(e)(g)	1,000,000	726,840
Unlimited Tax Refunding Bonds Series 2012A	0.00%	08/15/25 (a)(b)(e)(g)	1,000,000	702,740
<b>Dallas-Fort Worth</b> Jt Refunding RB Series 2012B	5.00%	11/01/22 (b)	1,530,000	1,859,072
<b>Del Valle ISD</b> Unlimited Tax Refunding Bonds Series 2010	4.00%	02/01/13 (a)	250,000	251,495
<b>Denton ISD</b> Unlimited Tax Refunding Bonds Series 2012D	3.00%	08/15/33 (a)(b)	1,000,000	1,021,120
<b>Denver City ISD</b> Unlimited Tax Refunding Bonds Series 2012	2.00%	02/15/16 (a)(b)	580,000	585,052
Unlimited Tax Refunding Bonds Series 2012	2.00%	02/15/17 (a)(b)	1,000,000	1,008,150
Unlimited Tax Refunding Bonds Series 2012	2.00%	02/15/18 (a)(b)	1,220,000	1,229,260
Unlimited Tax Refunding Bonds Series 2012	2.00%	02/15/19 (a)(b)	1,775,000	1,786,999
<b>El Paso</b> Water & Sewer Refunding RB Series 2008C	5.00%	03/01/19 (b)	200,000	239,712
<b>Ferris ISD</b> Unlimited Tax Refunding Bonds Series 2011	2.00%	08/15/17 (a)	345,000	362,405
Unlimited Tax Refunding Bonds Series 2011	2.50%	08/15/18 (a)	150,000	162,077
Unlimited Tax Refunding Bonds Series 2011	2.50%	08/15/19 (a)(b)	340,000	362,899
<b>Fort Bend Cnty</b> Limited Tax & Refunding Bonds Series 2009	5.00%	03/01/17	100,000	117,744
<b>Fort Worth</b> Combination Tax & Parking Revenue GO Bonds Series 2009	4.45%	03/01/18 (c)	1,880,000	2,072,418
<b>Frisco ISD</b> Unlimited Tax Refunding Bonds Series 2012B	5.00%	08/15/33 (a)(b)(e)	3,570,000	4,403,202
<b>Garland ISD</b> Unlimited Tax Refunding Bonds Series 2012A	3.00%	02/15/22 (a)(b)	1,465,000	1,474,522
Unlimited Tax Refunding Bonds Series 2012A	3.00%	02/15/23 (a)(b)	1,525,000	1,533,128
<b>Harris Cnty Cultural Education Facilities Finance Corp</b> Refunding RB (Methodist Hospital) Series 2009B2	5.00%	12/01/41 (b)	1,000,000	1,021,050
<b>Houston Community College System</b> Limited Tax Refunding Bonds Series 2011	5.00%	02/15/16	500,000	569,330
Limited Tax Refunding Bonds Series 2011	5.00%	02/15/17	500,000	588,485
Limited Tax Refunding Bonds Series 2011	5.00%	02/15/18	1,000,000	1,212,700
<b>Klein ISD</b> Unlimited Tax Refunding Bonds Series 2009A	4.00%	08/01/17	660,000	756,320
<b>Lone Star College System</b> Maintenance Tax Notes Series 2009	3.25%	09/15/18	150,000	169,080
<b>Loop ISD</b> Unlimited Tax GO Bonds Series 2012	2.00%	02/15/16 (a)(b)	375,000	378,135
Unlimited Tax GO Bonds Series 2012	2.00%	02/15/18 (a)(b)	350,000	352,534
<b>Lubbock Health Facilities Development Corp</b> Refunding RB (St. Joseph Health) Series 2008B	5.00%	07/01/20	1,750,000	2,121,280
<b>Midland ISD</b> Unlimited Tax Refunding Bonds Series 2011	5.00%	02/15/18 (a)	625,000	755,813
Unlimited Tax Refunding Bonds Series 2011	4.00%	02/15/20 (a)	860,000	1,028,104
Unlimited Tax Refunding Bonds Series 2012	4.00%	02/15/20 (a)	510,000	609,690
Unlimited Tax Refunding Bonds Series 2012	4.00%	02/15/21 (a)	1,210,000	1,456,888
<b>North Central Texas Health Facilities Development Corp</b> Hospital RB (Children's Medical Center of Dallas) Series 2012	5.00%	08/15/26 (b)	1,000,000	1,210,180
<b>North Texas Tollway Auth</b> System RB Series 2011A	5.00%	09/01/21	500,000	630,675
<b>Plano</b> GO Refunding RB Series 2011	5.00%	09/01/21	750,000	960,690
<b>Rockwall ISD</b> Unlimited Tax Refunding Bonds Series 2012	5.00%	02/15/20 (a)	185,000	232,732
Unlimited Tax Refunding Bonds Series 2012	5.00%	02/15/22 (a)(b)	450,000	561,821
Unlimited Tax Refunding Bonds Series 2012	5.00%	02/15/24 (a)(b)	475,000	587,209
<b>San Antonio</b> Electric & Gas Systems Refunding RB Series 2002	5.38%	02/01/14	200,000	211,626
Electric & Gas Systems Refunding RB Series 2009D	5.00%	02/01/17	1,130,000	1,330,888
<b>Sunnyvale ISD</b> Unlimited Tax GO Bonds Series 2011	5.00%	02/15/19 (a)	195,000	241,866

## Portfolio Holdings (Unaudited) continued

Issuer	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Type of Security, Series</b>				
Unlimited Tax GO Bonds Series 2011	3.00%	02/15/20 (a)	110,000	123,930
Unlimited Tax GO Bonds Series 2011	5.00%	02/15/22 (a)(b)	220,000	278,192
<b>Tatum ISD</b>				
Unlimited Tax GO Bonds Series 2012	5.00%	02/15/23 (a)(b)	750,000	923,663
Unlimited Tax GO Bonds Series 2012	5.00%	02/15/25 (a)(b)	680,000	833,347
<b>Texas Public Finance Auth</b>				
Unemployment Compensation Obligation Assessment RB Series 2010A	2.60%	07/01/20	765,000	770,386
<b>Texas State Affordable Housing Corp</b>				
S/F Mortgage RB Series 2011B	4.45%	09/01/28 (b)	865,000	945,194
<b>Tomball ISD</b>				
Unlimited Tax GO Bonds Series 2011	5.00%	02/15/21 (a)	250,000	320,333
<b>Travis Cnty</b>				
Limited Tax Refunding Bonds Series 2009	5.00%	03/01/18	1,625,000	1,965,177
<b>Williamson Cnty</b>				
Limited Tax GO Refunding Bonds Series 2011	5.00%	02/15/21	1,000,000	1,285,810
<b>Wink Loving ISD</b>				
Unlimited Tax GO Bonds Series 2012	3.00%	02/15/15 (a)	700,000	738,143
Unlimited Tax GO Bonds Series 2012	3.00%	02/15/16 (a)	700,000	752,612
Unlimited Tax GO Bonds Series 2012	3.00%	02/15/17 (a)	500,000	545,715
				<b>57,280,390</b>
<b>UTAH 0.3%</b>				
<b>Riverton</b>				
RB (IHC Health Services) Series 2009	5.00%	08/15/15	950,000	1,062,907
<b>Salt Lake Cnty</b>				
Sales Tax Refunding RB Series 2010A	3.00%	02/01/15	725,000	759,496
Sales Tax Refunding RB Series 2010A	3.00%	02/01/16	300,000	320,814
				<b>2,143,217</b>
<b>VERMONT 0.7%</b>				
<b>Vermont HFA</b>				
RB Series 2011A	4.50%	02/01/26 (b)	4,455,000	<b>4,906,603</b>
<b>VIRGINIA 1.3%</b>				
<b>Chesterfield Cnty Economic Development Auth</b>				
Public Facility Refunding RB (Juvenile Courts) Series 2010A	4.00%	01/01/19 (f)	455,000	531,131
<b>Hanover Cnty</b>				
Public Improvement Refunding RB Series 2011A	5.25%	01/15/31 (b)	345,000	423,919
<b>Henrico Cnty</b>				
GO Refunding Bonds Series 2009	4.00%	03/01/18	95,000	111,098
GO Refunding Bonds Series 2010	5.00%	07/15/17	500,000	599,145
<b>Leesburg</b>				
GO Refunding Bonds Series 2009B	3.00%	02/01/13	60,000	60,260
<b>Prince William Cnty IDA</b>				
Life Sciences Lab RB (George Mason Univ) Series 2011AA	5.00%	09/01/17	445,000	511,576
Life Sciences Lab RB (George Mason Univ) Series 2011AA	4.00%	09/01/18	255,000	283,685
Life Sciences Lab RB (George Mason Univ) Series 2011AA	4.00%	09/01/20	325,000	364,198
Life Sciences Lab RB (George Mason Univ) Series 2011AA	5.50%	09/01/34 (b)	405,000	476,179
<b>Richmond</b>				
GO Bonds Series 2009A	4.00%	07/15/16	85,000	95,049
<b>Virginia Beach Development Auth</b>				
M/F Housing RB (New Sands Apts) Series 2011	1.10%	12/01/13 (b)(h)	2,925,000	2,932,400
<b>Virginia Commonwealth Univ Health System Auth</b>				
General RB Series 2011	5.00%	07/01/26 (b)	590,000	713,794
General RB Series 2011	5.00%	07/01/27 (b)	1,000,000	1,204,640
<b>Virginia Housing Development Auth</b>				
Homeownership Mortgage Bonds Series 2010A	4.00%	03/01/20 (b)	175,000	191,637
<b>Virginia Resources Auth</b>				
Water & Sewer System Refunding RB (Goochland Cnty & Tuckahoe Creek Services District) Series 2012	0.00%	11/01/33 (b)(g)	1,000,000	473,760
Water & Sewer System Refunding RB (Goochland Cnty & Tuckahoe Creek Services District) Series 2012	0.00%	11/01/34 (b)(g)	1,000,000	449,870

**Schwab Tax-Free Bond Fund**

**Portfolio Holdings (Unaudited) continued**

Issuer Type of Security, Series	Rate	Maturity	Face Amount (\$)	Value (\$)
Water & Sewer System Refunding RB (Goochland Cnty & Tuckahoe Creek Services District) Series 2012	0.00%	11/01/36 (b)(g)	500,000	<u>201,410</u>
				<b>9,623,751</b>
<b>WASHINGTON 3.4%</b>				
<b>Bellevue</b>				
Limited Tax GO Refunding Bonds Series 2012B	4.00%	12/01/43 (b)	1,000,000	1,070,940
<b>Camas SD No. 117</b>				
Unlimited Tax GO Refunding Bonds 2012	2.00%	12/01/13 (a)	1,950,000	1,980,576
Unlimited Tax GO Refunding Bonds 2012	5.00%	12/01/17 (a)	2,850,000	3,435,817
<b>Clark Cnty SD No. 122 (Ridgefield)</b>				
Unlimited Tax GO Bonds 2012	3.00%	12/01/20 (a)	1,520,000	1,681,393
<b>Energy Northwest</b>				
Electric Refunding RB (Project No. 3) Series 1989B	7.13%	07/01/16	4,150,000	5,085,742
Electric Refunding RB (Project No. 3) Series 2009A	5.25%	07/01/18	1,000,000	1,238,340
<b>Washington</b>				
GO Bonds Series 1990A	6.75%	02/01/15	640,000	685,984
<b>Washington Health Care Facilities Auth</b>				
RB (Providence Health & Services) Series 2012A	5.00%	10/01/20	700,000	868,511
RB (Providence Health & Services) Series 2012A	5.00%	10/01/22	1,800,000	2,241,180
<b>Washougal SD No. 112-6</b>				
Unlimited Tax GO Refunding Bonds 2012	5.00%	12/01/15 (a)	830,000	934,854
Unlimited Tax GO Refunding Bonds 2012	5.00%	12/01/18 (a)	2,390,000	2,927,248
Unlimited Tax GO Refunding Bonds 2012	5.00%	12/01/19 (a)	1,280,000	1,601,242
<b>Yakima Cnty SD No. 119 (Selah)</b>				
Unlimited Tax GO Bonds 2012	3.00%	12/01/21 (a)	845,000	<u>926,602</u>
				<b>24,678,429</b>
<b>WISCONSIN 1.2%</b>				
<b>Kaukauna Area SD</b>				
GO Refunding Bonds	3.00%	03/01/13	1,000,000	1,006,200
GO Refunding Bonds	3.00%	03/01/14	495,000	509,701
<b>Wisconsin Health &amp; Educational Facilities Auth</b>				
RB (Aurora Health Care) Series 2009B1	4.75%	08/15/25 (b)	475,000	504,184
RB (Aurora Health Care) Series 2009B2	5.13%	08/15/27 (b)	1,250,000	1,407,425
RB (Aurora Health Care) Series 2012A	5.00%	07/15/26 (b)	2,000,000	2,331,220
RB (Children' s Hospital of Wisconsin) Series 2008B	4.20%	08/15/18	450,000	504,050
RB (Children' s Hospital of Wisconsin) Series 2008B	5.38%	08/15/24 (b)	805,000	980,160
RB (Gundersen Lutheran) Series 2011A	2.50%	10/15/13	750,000	762,090
Refunding RB (Hospital Sisters Services) Series 2012B	4.00%	08/15/15	1,100,000	<u>1,190,563</u>
				<b>9,195,593</b>
<b>Total Fixed-Rate Obligations</b>				
<b>(Cost \$665,875,061)</b>				<b>710,103,180</b>
<b>Variable-Rate Obligations 4.7% of net assets</b>				
<b>CONNECTICUT 2.2%</b>				
<b>Connecticut</b>				
GO Bonds Series 2011A	1.08%	05/15/18	5,275,000	5,354,863
GO Bonds Series 2011C	1.26%	05/15/19	5,000,000	5,087,950
GO Bonds Series 2012A	1.41%	04/15/20 (b)(f)	1,000,000	1,020,370
GO Bonds Series 2012D	0.93%	09/15/18 (b)	1,000,000	1,005,850
<b>Connecticut HFA</b>				
Housing Mortgage Finance Program Series 2009A2	0.18%	05/15/39 (a)(b)	4,000,000	<u>4,000,000</u>
				<b>16,469,033</b>
<b>DISTRICT OF COLUMBIA 0.5%</b>				
<b>District of Columbia</b>				
Income Tax Secured Refunding RB Series 2011E	0.91%	12/01/17 (b)	3,240,000	<b>3,256,913</b>



## Portfolio Holdings (Unaudited) continued

Issuer Type of Security, Series	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>GEORGIA 0.3%</b>				
<b>Burke Cnty Development Auth</b> Pollution Control RB (Georgia Power Plant Vogtle) First Series 2009	0.20%	07/01/49 (b)	2,500,000	<b>2,500,000</b>
<b>LOUISIANA 0.4%</b>				
<b>St. James Parish</b> RB (Nucor Steel) Series 2010B1	0.44%	11/01/40 (b)	3,000,000	<b>3,000,000</b>
<b>MASSACHUSETTS 0.3%</b>				
<b>Massachusetts</b> GO Refunding Bonds Series 2010A	0.54%	02/01/13 (b)	1,500,000	1,500,495
GO Refunding Bonds Series 2011A	0.82%	02/01/15 (b)	1,000,000	1,006,580
				<b>2,507,075</b>
<b>NEW YORK 0.8%</b>				
<b>New York City</b> GO Bonds Fiscal 1995 Series B5	0.19%	08/15/22 (a)(b)	4,600,000	4,600,000
GO Bonds Fiscal 1995 Series B7	0.19%	08/15/18 (a)(b)	1,000,000	1,000,000
				<b>5,600,000</b>
<b>PENNSYLVANIA 0.2%</b>				
<b>Allegheny Cnty Hospital Development Auth</b> RB (Univ of Pittsburgh Medical Center) Series 2010F	1.21%	05/15/38 (b)(f)	1,500,000	<b>1,501,890</b>
<b>Total Variable-Rate Obligations</b> (Cost \$34,615,074)				<b>34,834,911</b>

## End of Investments.

At 11/30/12, the tax basis cost of the fund's investments was \$700,474,401 and the unrealized appreciation and depreciation were \$44,503,390 and (\$39,700), respectively, with a net unrealized appreciation of \$44,463,690.

- (a) Credit-enhanced or liquidity-enhanced.
- (b) The effective maturity may be shorter than the final maturity shown because the security is subject to a put, demand or call feature.
- (c) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registrations, normally to qualified institutional buyers. At the period end, the value of these amounted to \$2,686,068 or 0.4% of net assets.
- (d) Illiquid security. At the period end, the value of these amounted to \$613,650 or 0.1% of net assets.
- (e) Delayed-delivery security.
- (f) All or a portion of this security is designated as collateral for delayed-delivery securities.
- (g) Zero Coupon Bond.
- (h) Refunded bond.

COP – Certificate of participation  
CSD – Central school district  
GO – General obligation  
HFA – Housing finance agency/authority  
HSD – High school district  
IDA – Industrial development agency/authority  
IDB – Industrial development board  
ISD – Independent school district  
RAN – Revenue anticipation note  
RB – Revenue bond  
SD – School district  
S/F – Single-family  
TRAN – Tax and revenue anticipation note  
UFSD – Union free school district  
UHSD – Union high school district  
USD – Unified school district



**Portfolio Holdings** (Unaudited) continued

Under procedures approved by the fund's Board of Trustees (the "Board"), the investment adviser has formed a Pricing Committee to administer the pricing and valuation of portfolio securities and other assets and to ensure that prices used for internal purposes or provided by third parties reasonably reflect fair market value. Among other things, these procedures allow the fund to utilize independent pricing services, quotations from securities and financial instrument dealers and other market sources to determine fair value.

The fund values the securities in its portfolio every business day. The fund uses the following policies to value various types of securities:

**Bonds and notes:** valued at halfway between the most recent bid and asked quotes or, if such quotes are unavailable, at prices for securities of comparable maturity, credit quality and type. Valuations for bonds and notes are provided by an independent bond-pricing service.

**Securities for which no quoted value is available:** The Board has adopted procedures to fair value the fund's securities when market prices are not "readily available" or are unreliable. For example, a fund may fair value a security when it is de-listed or its trading is halted or suspended; when a security's primary pricing source is unable or unwilling to provide a price; or when a security's primary trading market is closed during regular market hours. The fund makes fair value determinations in good faith in accordance with the fund's valuation procedures. The Pricing Committee considers a number of factors, including unobservable market inputs when arriving at fair value. The Pricing Committee may employ techniques such as the review of related or comparable assets or liabilities, related market activities, recent transactions, market multiples, book values, transactional back-testing, disposition analysis and other relevant information. The Pricing Committee regularly reviews these inputs and assumptions to calibrate the valuations. The Board convenes on a regular basis to review fair value determinations made by the fund pursuant to the procedures.

**Futures Contracts:** valued at their settlement prices as of the close of their exchanges.

**Short-term securities (60 days or less to maturity):** valued at amortized cost, which approximates market value.

**Underlying funds:** valued at their respective net asset values.

In accordance with the authoritative guidance on fair value measurements and disclosures under generally accepted accounting principles in the United States of America (GAAP), the fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). If the fund determines that either the volume and/or level of activity for an asset or liability has significantly decreased (from normal conditions for that asset or liability) or price quotations or observable inputs are not associated with orderly transactions, increased analysis and management judgment will be required to estimate fair value.

The three levels of the fair value hierarchy are as follows:

Level 1 – quoted prices in active markets for identical securities – Investments whose values are based on quoted market prices in active markets, and whose values are therefore classified as Level 1 prices, include active listed equities and futures contracts.

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) – Investments that trade in markets that are not considered to be active, but whose values are based on quoted market prices, dealer quotations or valuations provided by alternative pricing sources supported by observable inputs are classified as Level 2 prices. These generally include U.S. government and sovereign obligations, most government agency securities, investment-grade corporate bonds, certain mortgage products, less liquid listed equities, and state, municipal and provincial obligations. As investments whose values are classified as Level 2 prices include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Level 3 – significant unobservable inputs (including the fund’s own assumption in determining the fair value of investments) – Investments whose values are classified as Level 3 prices have significant unobservable inputs, as they may trade infrequently or not at all. When observable prices are not available for these securities, the fund uses one or more valuation techniques for which sufficient and reliable data is available. The inputs used by the fund in estimating the value

**Portfolio Holdings** (Unaudited) continued

of Level 3 prices may include the original transaction price, quoted prices for similar securities or assets in active markets, completed or pending third-party transactions in the underlying investment or comparable issuers, and changes in financial ratios or cash flows. Level 3 prices may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the fund in the absence of market information. Assumptions used by the fund due to the lack of observable inputs may significantly impact the resulting fair value and therefore the fund's results of operations.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the fund's investments as of November 30, 2012:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total <sup>2</sup>
Fixed-Rate Obligations <sup>1</sup>	\$-	\$710,103,180	\$-	\$710,103,180
Variable-Rate Obligations <sup>1</sup>	-	34,834,911	-	34,834,911
<b>Total</b>	<u>\$-</u>	<u>\$744,938,091</u>	<u>\$-</u>	<u>\$744,938,091</u>

<sup>1</sup> As categorized in Portfolio Holdings.

<sup>2</sup> The fund had no Other Financial Instruments.

The fund's policy is to recognize transfers between Level 1, Level 2 and Level 3 as of the beginning of the fiscal year. There were no transfers between Level 1, Level 2 and Level 3 for the period ended November 30, 2012.

REG406022NOV12

# Schwab Investments

## Schwab California Tax-Free Bond Fund™

### Portfolio Holdings as of November 30, 2012 (Unaudited)

The following are the portfolio holdings as of the report date. For more information, please refer to the fund's semiannual or annual shareholder reports.

For fixed rate obligations, the rate shown is the interest rate (the rate established when the obligation was issued). For variable-rate obligations, the rate shown is the rate as of the report date. The maturity date shown for all the securities is the final legal maturity.

Holdings by Category	Cost (\$)	Value (\$)
95 .1% Fixed-Rate Obligations	402,977,857	435,503,418
5 .9% Variable-Rate Obligations	26,975,000	27,022,117
101.0% Total Investments	429,952,857	462,525,535
(1 .0)% Other Assets and Liabilities, Net		(4,467,406 )
100.0% Net Assets		458,058,129

Issuer Type of Security, Series	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Fixed-Rate Obligations 95.1% of net assets</b>				
<b>CALIFORNIA 93.3%</b>				
<b>ABAG Finance Auth</b>				
RB (Casa de las Campanas) Series 2010	5.13%	09/01/20 (a)(e)	3,500,000	4,145,400
RB (Odd Fellows Home of California) Series 2012A	5.00%	04/01/17 (a)	2,000,000	2,290,960
RB (Sharp HealthCare) Series 2009B	6.00%	08/01/24 (b)(e)	875,000	1,066,459
RB (Sharp HealthCare) Series 2011A	6.00%	08/01/30 (b)(e)	2,000,000	2,511,580
RB (Sharp HealthCare) Series 2012A	5.00%	08/01/28 (b)(e)	535,000	612,709
<b>Alhambra USD</b>				
Refunding GO Bonds Series 2012A	5.00%	08/01/21	500,000	617,765
Refunding GO Bonds Series 2012A	5.00%	08/01/22	500,000	620,680
Refunding GO Bonds Series 2012A	5.00%	08/01/24 (b)	675,000	826,733
<b>Anaheim Public Financing Auth</b>				
Electric System Distribution Facilities RB Series 2011A	5.00%	10/01/25 (b)(e)	2,000,000	2,432,180
Lease Refunding RB Series 2008	4.50%	08/01/17 (e)	565,000	656,123
<b>Bay Area Toll Auth</b>				
Toll Bridge RB Series 2012F1	4.00%	04/01/18	850,000	986,629
<b>Berkeley Joint Powers Financing Auth</b>				
Refunding Lease RB Series 2012 (1999 & 2003 Refinancing)	4.00%	10/01/16	750,000	835,357
<b>Beverly Hills Public Finance Auth</b>				
Lease RB Series 2010A	4.00%	06/01/16 (e)	100,000	111,428
<b>Bret Harte UHSD</b>				
GO BAN 2012	3.00%	03/15/15 (e)	2,500,000	2,614,025
<b>California</b>				
Economic Recovery Bonds Series 2004A	5.25%	07/01/13 (g)	165,000	169,762
Economic Recovery Bonds Series 2004A	5.25%	07/01/13	275,000	282,890
GO Bonds	4.00%	09/01/17	1,500,000	1,714,485
GO Bonds	5.00%	09/01/17	2,000,000	2,378,540
GO Bonds	5.63%	05/01/18 (b)	50,000	50,200
GO Bonds	4.00%	09/01/18	1,500,000	1,744,890
GO Bonds	5.00%	09/01/18	3,000,000	3,656,370
GO Bonds	5.50%	04/01/19	1,000,000	1,263,810
GO Bonds	5.00%	11/01/19	3,000,000	3,746,550
GO Bonds	5.00%	09/01/20	2,560,000	3,235,789
GO Bonds	5.00%	11/01/24 (b)	2,000,000	2,469,600
GO Bonds	5.00%	11/01/25 (b)(e)	2,090,000	2,563,469
GO Bonds	5.25%	12/01/28 (b)(g)	525,000	563,577
GO Bonds	6.50%	04/01/33 (b)	1,425,000	1,831,353
GO Bonds	6.00%	11/01/35 (b)	1,440,000	1,826,770
GO Refunding Bonds	5.00%	02/01/14	500,000	526,430
GO Refunding Bonds	5.00%	09/01/16	5,000,000	5,775,950

## Portfolio Holdings (Unaudited) continued

Issuer	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Type of Security, Series</b>				
GO Refunding Bonds	5.00%	10/01/17	435,000	518,520
GO Refunding Bonds	5.00%	09/01/21	1,455,000	1,852,841
GO Refunding Bonds	5.25%	10/01/22	2,785,000	3,625,986
GO Refunding Bonds	5.25%	10/01/32 (b)(e)	4,350,000	5,215,432
GO Refunding Bonds	5.00%	10/01/41 (b)	1,000,000	1,151,470
RAN 2012-2013 Series A2	2.50%	06/20/13	3,330,000	3,370,593
<b>California Dept of Veterans Affairs</b>				
Home Purchase RB Series 2011A	3.00%	12/01/19	500,000	522,805
Home Purchase RB Series 2012A	2.75%	12/01/20	1,625,000	1,673,295
Home Purchase RB Series 2012A	3.00%	12/01/21 (b)	3,105,000	3,249,724
<b>California Dept of Water Resources</b>				
Power Supply RB Series 2008H	4.50%	05/01/17	1,550,000	1,807,284
Power Supply RB Series 2010M	4.00%	05/01/19	750,000	891,825
Water System RB (Central Valley) Series AI	5.00%	12/01/16	2,000,000	2,346,340
<b>California Educational Facilities Auth</b>				
RB (Pepperdine Univ) Series 2012	5.00%	09/01/27 (b)	600,000	747,720
RB (Pomona College) Series 2011	4.00%	01/01/13 (e)	320,000	320,890
RB (Pomona College) Series 2011	4.00%	01/01/14 (e)	395,000	410,851
RB (Pomona College) Series 2011	4.00%	01/01/15 (e)	280,000	299,034
RB (Pomona College) Series 2011	4.00%	01/01/16 (e)	400,000	440,948
RB (Pomona College) Series 2011	4.00%	01/01/17 (e)	200,000	225,162
RB (Univ of San Francisco) Series 2011	5.00%	10/01/21 (e)	575,000	693,714
RB (Univ of Southern California) Series 2009C	5.25%	10/01/24 (e)	2,000,000	2,721,580
Refunding RB (Univ of San Diego) Series 2011	4.50%	10/01/17 (e)	1,230,000	1,392,434
Refunding RB (Univ of San Diego) Series 2011	5.00%	10/01/18 (e)	680,000	801,808
Refunding RB (Univ of San Diego) Series 2011	5.00%	10/01/21 (e)	500,000	608,115
<b>California Health Facilities Financing Auth</b>				
RB (Adventist Health/West) Series 2009C	5.00%	03/01/14 (e)	750,000	789,510
RB (Catholic Healthcare West) Series 2009F	5.00%	07/01/27 (b)(e)	1,500,000	1,592,145
RB (Chinese Hospital Assoc) Series 2012	4.00%	06/01/18 (a)	860,000	964,198
RB (Chinese Hospital Assoc) Series 2012	5.00%	06/01/37 (a)(b)	500,000	570,075
RB (City of Hope) Series 2012A	5.00%	11/15/21	700,000	864,745
RB (City of Hope) Series 2012A	5.00%	11/15/22	750,000	928,327
RB (Community Program for Persons with Developmental Disabilities) Series 2011A	5.25%	02/01/20 (a)(e)	1,000,000	1,151,530
RB (Memorial Health Services) Series 2012A	4.00%	10/01/17 (e)	750,000	842,475
RB (Memorial Health Services) Series 2012A	5.00%	10/01/17 (e)	1,000,000	1,169,830
RB (NCROC Paradise Valley Estates) Series 2005	4.25%	12/01/12 (a)(e)	100,000	100,000
RB (NCROC Paradise Valley Estates) Series 2005	4.38%	12/01/13 (a)(e)	170,000	173,800
RB (NCROC Paradise Valley Estates) Series 2005	4.63%	12/01/15 (a)(e)	150,000	166,394
RB (NCROC Paradise Valley Estates) Series 2005	4.75%	12/01/16 (a)(e)	340,000	389,735
RB (NCROC Paradise Valley Estates) Series 2005	4.88%	12/01/17 (a)(e)	200,000	236,446
RB (NCROC Paradise Valley Estates) Series 2005	5.00%	12/01/18 (a)(e)	175,000	213,204
RB (Rady Children's Hospital) Series 2011	5.50%	08/15/26 (b)(e)	3,935,000	4,636,610
RB (Scripps Health) Series 2008A	5.00%	10/01/16 (e)	3,285,000	3,775,188
RB (St. Joseph Health) Series 2009C	5.00%	07/01/34 (b)(e)	3,000,000	3,212,910
Refunding RB (Marshall Medical Center) Series 2012A	3.00%	11/01/13 (a)	270,000	275,570
Refunding RB (Marshall Medical Center) Series 2012A	4.00%	11/01/16 (a)	1,330,000	1,468,985
<b>California HFA</b>				
Limited Obligation M/F Housing RB (Woolf House Apts) Series 2011B	1.05%	01/01/14 (b)(e)	5,950,000	5,968,326
<b>California Infrastructure &amp; Economic Development Bank</b>				
RB (California ISO) Series 2009A	5.25%	02/01/21 (b)(e)	1,925,000	2,084,794
RB (Sanford Consortium) Series 2010A	4.00%	05/15/17	315,000	359,075
RB (Sanford Consortium) Series 2010A	4.00%	05/15/18	775,000	901,922
RB (Sanford Consortium) Series 2010A	5.00%	05/15/20	245,000	310,312
RB (USC-Soto St. Health Sciences Building) Series 2010	5.00%	12/01/19	470,000	593,704
RB (USC-Soto St. Health Sciences Building) Series 2010	3.25%	12/01/21 (b)	750,000	848,467
RB (USC-Soto St. Health Sciences Building) Series 2010	5.00%	12/01/23 (b)	720,000	890,122
Refunding RB (Pepperdine Univ) Series 2010	5.00%	11/01/26 (b)	400,000	471,664
Refunding RB (Pepperdine Univ) Series 2010	5.00%	11/01/27 (b)	200,000	234,852
<b>California Municipal Finance Auth</b>				
Refunding RB (Univ of San Diego) Series 2012A	5.00%	10/01/31 (b)	1,000,000	1,180,210
<b>California Public Works Board</b>				
Lease RB (California State Univ) Series 2009J	6.00%	11/01/29 (b)	400,000	490,840
Lease RB (Dept of Corrections & Rehabilitation) Series 2011C	5.75%	10/01/31 (b)	1,000,000	1,216,050
Lease RB (Dept of Corrections) Series 1993E	5.50%	06/01/15	350,000	371,046

## Portfolio Holdings (Unaudited) continued

Issuer	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Type of Security, Series</b>				
Lease RB (Judicial Council of California) Series 2011D	5.00%	12/01/22 (b)	1,000,000	1,218,120
Lease RB (Univ of California) Series 2011G	5.00%	12/01/25 (b)	3,000,000	3,745,470
Lease RB (Univ of California) Series 2011G	5.25%	12/01/26 (b)	1,000,000	1,255,870
Lease RB Series 200911	6.63%	11/01/34 (b)	2,735,000	3,486,222
Lease RB Series 2012A	5.00%	04/01/23 (b)	3,000,000	3,606,300
Lease RB Series 2012G	4.00%	11/01/16	1,000,000	1,111,770
Lease RB Series 2012G	4.00%	11/01/17	1,000,000	1,127,900
Lease RB Series 2012G	5.00%	11/01/18	1,990,000	2,384,677
Lease Refunding RB (Dept of Corrections & Rehabilitation) Series 2012C	5.00%	06/01/18	1,500,000	1,780,845
<b>California Statewide Communities Development Auth</b>				
Health Facility RB (Monterey Peninsula Community Hospital) Series 2011A	6.00%	06/01/33 (b)	1,000,000	1,207,530
M/F Housing RB (740 S Olive St Apts) Series 2009L	2.10%	07/20/14 (a)	330,000	331,211
RB (Cottage Health) Series 2010	5.00%	11/01/16	225,000	252,848
RB (Cottage Health) Series 2010	5.00%	11/01/17	475,000	543,172
RB (Cottage Health) Series 2010	5.00%	11/01/18	600,000	697,242
RB (Enloe Medical Center) Series 2008A	5.50%	08/15/13 (a)	250,000	256,595
RB (Kaiser Permanente) Series 2009A	5.00%	04/01/14	4,340,000	4,586,338
RB (Kaiser Permanente) Series 2009A	4.63%	04/01/19	100,000	118,118
RB (Proposition 1A Receivables) Series 2009	5.00%	06/15/13	5,095,000	5,222,018
RB (St. Joseph Health) Series 2000	4.50%	07/01/18	4,520,000	4,852,627
RB (Sutter Health) Series 2011A	6.00%	08/15/42 (b)	875,000	1,064,866
Refunding RB Series 2012	5.00%	05/15/20 (d)	605,000	715,261
Refunding RB Series 2012	5.00%	05/15/21 (d)	300,000	355,767
Refunding RB Series 2012	5.00%	05/15/24 (b)(d)	620,000	722,982
Refunding RB Series 2012	5.00%	05/15/42 (b)(d)	1,000,000	1,112,080
Sr Living RB (Southern California Presbyterian Homes) Series 2009	5.25%	11/15/14	435,000	461,309
<b>Carson Redevelopment Agency</b>				
Tax Allocation Sub Bonds (Merged & Amended Area) Series 2003D	6.00%	01/01/35 (b)(g)	500,000	530,315
<b>Centralia SD</b>				
2012 GO Refunding Bonds	4.00%	08/01/20	205,000	244,055
2012 GO Refunding Bonds	4.00%	08/01/21	350,000	418,576
2012 GO Refunding Bonds	4.00%	08/01/24 (b)	575,000	679,937
<b>Cerritos CCD</b>				
GO Bonds Series 2012D	0.00%	08/01/26 (f)	1,000,000	599,680
<b>Chula Vista</b>				
Industrial Development Refunding RB Series 2006A	1.65%	07/01/18 (b)	2,000,000	2,034,920
<b>Citrus Heights Water District</b>				
Revenue Refunding COP Series 2010	3.00%	10/01/13	200,000	204,348
Revenue Refunding COP Series 2010	4.00%	10/01/20	120,000	134,525
<b>Contra Costa CCD</b>				
GO Refunding Bonds 2012	4.00%	08/01/16	1,690,000	1,903,988
GO Refunding Bonds 2012	4.00%	08/01/17	625,000	720,550
GO Refunding Bonds Series 2011	5.00%	08/01/22 (b)	1,000,000	1,271,930
<b>Convention Center Expansion Financing Auth</b>				
Lease Refunding RB Series 2012A	4.00%	04/15/17	575,000	633,408
Lease Refunding RB Series 2012A	4.00%	04/15/18	1,000,000	1,115,190
Lease Refunding RB Series 2012A	5.00%	04/15/19	1,000,000	1,179,640
<b>Cupertino Public Facilities Corp</b>				
COP (Refinancing) Series 2012	3.00%	07/01/20	2,265,000	2,497,072
COP (Refinancing) Series 2012	3.00%	07/01/21 (b)	1,605,000	1,744,314
<b>Cupertino Union SD</b>				
GO Refunding Bonds Series 2011A	5.00%	08/01/23 (b)	240,000	300,638
GO Refunding Bonds Series 2011A	5.00%	08/01/24 (b)	600,000	746,166
GO Refunding Bonds Series 2011A	5.00%	08/01/26 (b)	325,000	396,643
<b>East Bay Municipal Utility District</b>				
Water System Refunding RB Series 2013A	5.00%	06/01/20 (d)	2,000,000	2,493,980
Water System Refunding RB Series 2013A	5.00%	06/01/21 (d)	3,000,000	3,792,270
<b>East Bay Regional Park District</b>				
GO Refunding Bonds Series 2008	5.00%	09/01/13	135,000	139,689
<b>El Camino CCD</b>				
GO Refunding Bonds Series 2012	5.00%	08/01/23 (b)	1,500,000	1,911,435
<b>Emery USD</b>				
GO Bonds Series 2011A	6.50%	08/01/31 (b)	2,500,000	3,269,325
<b>Foothill-DeAnza CCD</b>				
GO Refunding Bonds Series 2012	5.00%	08/01/22	1,380,000	1,806,848



## Portfolio Holdings (Unaudited) continued

Issuer Type of Security, Series	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Forestville Union SD</b>				
GO Bonds Series 2011	6.25%	08/01/32 (b)	835,000	1,086,393
<b>Franklin-McKinley SD</b>				
GO Bonds Series 2012B	4.00%	08/01/16	325,000	358,183
GO Bonds Series 2012B	4.00%	08/01/17	150,000	168,453
GO Bonds Series 2012B	4.00%	08/01/18	500,000	566,080
<b>Glendale Redevelopment Agency</b>				
Tax Allocation Bonds Series 2002	5.25%	12/01/19 (b)	3,275,000	3,368,599
<b>Golden State Tobacco Securitization Corp</b>				
Tobacco Settlement Asset-Backed Bonds Series 2003A1	6.25%	06/01/33 (b)(g)	4,545,000	4,678,168
<b>Golden West Schools Financing Auth</b>				
GO RB (Rowland USD) Series 2005	5.25%	09/01/24	1,675,000	2,205,003
<b>Grossmont UHSD</b>				
GO Refunding Bonds Series 2012	4.00%	08/01/20	2,500,000	2,998,375
<b>Guerneville Elementary SD</b>				
GO Bonds Series 2012A	6.13%	08/01/42 (b)	1,105,000	1,371,592
<b>Healdsburg Redevelopment Agency</b>				
Tax Allocation Bonds (Sotoyome) Series 2010	5.00%	08/01/25 (b)	575,000	674,578
Tax Allocation Bonds (Sotoyome) Series 2010	5.25%	08/01/30 (b)	1,000,000	1,166,980
<b>Huntington Beach Public Finance Auth</b>				
Lease Refunding RB Series 2011A	2.50%	09/01/13	750,000	762,502
<b>Imperial Irrigation District</b>				
Electric System Refunding RB Series 2011C	5.00%	11/01/14	200,000	217,046
Electric System Refunding RB Series 2011C	5.00%	11/01/15	365,000	409,501
Electric System Refunding RB Series 2011C	5.00%	11/01/17	600,000	712,392
Electric System Refunding RB Series 2011C	5.00%	11/01/18	425,000	516,804
Electric System Refunding RB Series 2011D	5.00%	11/01/19	720,000	883,656
Electric System Refunding RB Series 2011D	5.00%	11/01/20	750,000	931,725
Electric System Refunding RB Series 2011D	5.00%	11/01/21	1,235,000	1,543,836
<b>Kern Cnty</b>				
Refunding COP 2011 Series A	5.00%	11/01/17	1,460,000	1,698,535
Refunding COP 2011 Series A	5.00%	11/01/18	1,235,000	1,471,465
<b>Lodi Public Financing Auth</b>				
Wastewater Refunding RB Series 2012A	4.00%	10/01/16	300,000	331,167
Wastewater Refunding RB Series 2012A	4.00%	10/01/17	325,000	363,620
Wastewater Refunding RB Series 2012A	4.00%	10/01/18	500,000	564,965
Wastewater Refunding RB Series 2012A	4.00%	10/01/19	750,000	852,375
Wastewater Refunding RB Series 2012A	4.00%	10/01/20	450,000	512,415
Wastewater Refunding RB Series 2012A	4.00%	10/01/21	725,000	820,410
<b>Long Beach CCD</b>				
GO Bonds Series 2012B	5.00%	08/01/24 (b)(d)	770,000	968,814
GO Bonds Series 2012B	3.25%	08/01/42 (b)(d)	500,000	481,510
<b>Los Angeles</b>				
Airport Sr RB Series 2010A	4.00%	05/15/20	225,000	266,393
Judgment Obligation Bonds Series 2010A	5.00%	06/01/20	5,690,000	7,077,506
Wastewater System Sub Refunding RB Series 2012A	4.00%	06/01/16	575,000	641,131
Wastewater System Sub Refunding RB Series 2012A	5.00%	06/01/17	2,500,000	2,965,700
Wastewater System Sub Refunding RB Series 2012B	4.00%	06/01/18	250,000	291,853
Wastewater System Sub Refunding RB Series 2012B	5.00%	06/01/19	250,000	312,678
Wastewater System Sub Refunding RB Series 2012B	5.00%	06/01/20	500,000	635,695
Wastewater System Sub Refunding RB Series 2012B	4.00%	06/01/22	490,000	590,754
Wastewater System Sub Refunding RB Series 2012B	4.00%	06/01/24 (b)	1,075,000	1,259,975
Wastewater System Sub Refunding RB Series 2012C	5.00%	06/01/21	225,000	289,204
<b>Los Angeles CCD</b>				
GO Bonds Series 2009A	6.00%	08/01/33 (b)	1,545,000	1,952,463
<b>Los Angeles Cnty</b>				
Refunding COP 2012	5.00%	09/01/22	2,250,000	2,724,817
<b>Los Angeles Dept of Airports</b>				
Airport Sub RB (Los Angeles Int'l Airport) Series 2010B	5.00%	05/15/21 (b)	430,000	522,123
<b>Los Angeles Dept of Water &amp; Power</b>				
Power System RB Series 2009B	5.25%	07/01/23 (b)	1,700,000	2,099,942
Power System RB Series 2011A	4.00%	07/01/16	515,000	576,208
Power System RB Series 2011A	5.00%	07/01/18	3,350,000	4,100,936
Power System RB Series 2012C	4.00%	01/01/16 (b)	1,925,000	2,112,418
Power System RB Series 2012C	5.00%	01/01/16 (b)	770,000	866,512
Water System RB Series 2011A	5.00%	07/01/19	125,000	156,456

## Portfolio Holdings (Unaudited) continued

Issuer Type of Security, Series	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Los Angeles Harbor Dept</b> Refunding RB Series 2011B	5.00%	08/01/24 (b)	1,000,000	1,246,320
<b>Los Angeles Municipal Improvement Corp</b> Lease RB (Capital Equipment) Series 2007A	5.00%	08/01/14	175,000	186,853
Lease RB (Capital Equipment) Series 2010A	4.00%	11/01/16	170,000	185,858
Lease RB (Capital Equipment) Series 2012A	4.00%	03/01/16	1,200,000	1,299,636
Lease RB (Capital Equipment) Series 2012A	5.00%	03/01/16	2,500,000	2,786,500
Lease RB (Real Property) Series 2012B	4.00%	03/01/24 (b)	560,000	611,016
<b>Los Angeles USD</b> Refunding COP (Headquarters Building) Series 2012A	5.00%	10/01/20	2,375,000	2,824,112
Refunding COP (Headquarters Building) Series 2012A	5.00%	10/01/21	2,000,000	2,397,100
Refunding COP (Headquarters Building) Series 2012A	5.00%	10/01/22	3,000,000	3,588,840
Refunding COP (Headquarters Building) Series 2012B	4.00%	10/01/17	285,000	315,358
<b>Los Gatos</b> COP (Library) 2010	5.00%	08/01/21 (b)	500,000	598,100
<b>M-S-R Public Power Agency</b> Sub Lien RB Series 2008L	5.00%	07/01/16	830,000	940,581
Sub Lien RB Series 2008L	5.00%	07/01/17	855,000	994,981
<b>Malibu</b> COP (City Hall) Series 2009A	4.00%	07/01/14	70,000	73,968
COP (City Hall) Series 2009A	4.00%	07/01/17	100,000	110,215
COP (City Hall) Series 2009A	4.00%	07/01/18	75,000	83,500
COP (City Hall) Series 2009A	5.00%	07/01/20 (b)	75,000	88,235
COP (City Hall) Series 2009A	5.00%	07/01/21 (b)	110,000	128,018
COP (City Hall) Series 2009A	5.00%	07/01/22 (b)	100,000	115,983
<b>Midpeninsula Regional Open Space District</b> RB Series 2011	6.00%	09/01/41 (b)	3,000,000	3,628,140
<b>Modesto Irrigation District</b> Electric System Refunding RB Series 2011A	5.00%	07/01/14	500,000	534,455
Electric System Refunding RB Series 2011A	5.00%	07/01/15	945,000	1,045,586
Electric System Refunding RB Series 2012A	5.00%	07/01/16	200,000	228,004
Electric System Refunding RB Series 2012A	5.00%	07/01/17	100,000	117,002
Electric System Refunding RB Series 2012A	5.00%	07/01/18	250,000	299,118
Electric System Refunding RB Series 2012A	5.00%	07/01/19	200,000	243,234
<b>Mountain View Shoreline Regional Park Community</b> RB Series 2011A	5.00%	08/01/19	420,000	476,557
RB Series 2011A	5.00%	08/01/20	200,000	227,464
RB Series 2011A	5.00%	08/01/21	550,000	624,310
RB Series 2011A	5.75%	08/01/40 (b)	700,000	795,417
<b>Mt. Diablo Hospital District</b> Hospital RB Series 1993A	5.00%	12/01/13 (g)	935,000	953,466
<b>Newport Beach</b> RB (Hoag Memorial Hospital Presbyterian) Series 2009D	5.00%	12/01/38 (b)	2,500,000	2,520,425
<b>Newport-Mesa USD</b> GO Refunding Bonds Series 2012	5.00%	08/01/26 (b)	900,000	1,127,007
GO Refunding Bonds Series 2012	5.00%	08/01/27 (b)	1,220,000	1,525,293
<b>North City West School Facilities Financing Auth CFD No. 1</b> Sub Special Tax RB Series 2012A	4.00%	09/01/18	730,000	813,381
Sub Special Tax RB Series 2012A	4.00%	09/01/19	755,000	845,185
<b>Northern California Transmission Agency</b> RB (California-Oregon Transmission) Series 1990A	7.00%	05/01/13	355,000	364,766
<b>Novato Redevelopment Agency</b> Tax Allocation Bonds (Hamilton Field Redevelopment) Series 2011	6.75%	09/01/40 (b)	1,000,000	1,157,870
<b>Oakland</b> GO Refunding Bonds Series 2012	5.00%	01/15/24 (b)	710,000	848,194
<b>Oakland State Building Auth</b> Lease Refunding RB (Elihu M. Harris State Office Building) Series 2005A	4.50%	04/01/13	750,000	758,535
<b>Palo Alto</b> Limited Obligation Refunding Bonds (Univ Ave Area Off-St Parking Assessment District) Series 2012	5.00%	09/02/27 (b)	570,000	646,021
Limited Obligation Refunding Bonds (Univ Ave Area Off-St Parking Assessment District) Series 2012	5.00%	09/02/30 (b)	440,000	489,069
<b>Palomar Health</b> COP 2009	5.50%	11/01/19	3,000,000	3,440,400
<b>Pasadena Area CCD</b> GO Bonds Series 2009D	5.00%	08/01/21 (b)	130,000	155,981

## Portfolio Holdings (Unaudited) continued

Issuer Type of Security, Series	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Pasadena Public Financing Auth</b> Lease RB (Rose Bowl Renovation) Series 2010A	5.00%	03/01/25 (b)	200,000	242,652
<b>Placentia-Yorba Linda USD</b> GO Refunding Bonds 2012	4.00%	08/01/16	950,000	1,064,408
GO Refunding Bonds 2012	5.00%	08/01/19	500,000	625,535
<b>Pomona</b> S/F Mortgage Refunding RB Series 1990B	7.50%	08/01/23 (g)	900,000	1,181,421
<b>Riverside Cnty Palm Desert Financing Auth</b> Lease RB (Cnty Facilities) Series 2008A	5.50%	05/01/18	1,790,000	2,116,496
<b>Roseville</b> Special Tax Refunding RB Series 2010	3.00%	09/01/14	2,200,000	2,260,236
<b>Roseville City SD</b> GO Refunding Bonds Series 2011	4.00%	08/01/14	500,000	530,440
GO Refunding Bonds Series 2011	5.00%	08/01/25 (b)	780,000	961,623
GO Refunding Bonds Series 2011	5.00%	08/01/28 (b)	1,000,000	1,212,530
<b>Ross Valley SD</b> GO Bonds Series A	5.00%	08/01/31 (b)	1,000,000	1,188,320
<b>San Bernardino CCD</b> GO Bonds Series A	6.25%	08/01/23 (b)	1,275,000	1,591,978
<b>San Diego CCD</b> GO Bonds Series 2011	5.00%	08/01/36 (b)	2,000,000	2,390,360
<b>San Diego Public Facilities Financing Auth</b> Lease Refunding RB Series 2010A	5.00%	09/01/19	1,010,000	1,207,849
Lease Refunding RB Series 2010A	4.25%	03/01/20	950,000	1,085,109
Lease Refunding RB Series 2010A	5.00%	09/01/20	795,000	951,957
<b>San Diego Regional Building Auth</b> Lease RB Series 2009A	3.00%	02/01/13	25,000	25,092
Lease RB Series 2009A	4.00%	02/01/16	415,000	450,873
Lease RB Series 2009A	4.00%	02/01/17	890,000	985,746
<b>San Diego USD</b> GO Refunding Bonds Series 2005C2	5.50%	07/01/21	2,570,000	3,329,281
<b>San Francisco</b> COP Series 2009A	5.00%	04/01/15	550,000	601,166
COP Series 2009A	5.00%	04/01/17	950,000	1,100,290
COP Series 2009A	5.00%	04/01/21 (b)	4,225,000	5,001,682
Refunding COP (Moscone Center South) Series 2011A	5.00%	09/01/24 (b)	2,340,000	2,827,211
<b>San Francisco Airport Commission</b> Second Series RB Series 2009E	5.25%	05/01/24 (b)	300,000	366,408
Second Series Refunding RB Series 2009D	4.00%	05/01/24 (b)(d)	1,625,000	1,874,437
Second Series Refunding RB Series 2011B	5.50%	05/01/21	750,000	968,940
Second Series Refunding RB Series 2012A	5.00%	05/01/26 (b)	450,000	544,181
<b>San Francisco Bay Area Rapid Transit District</b> GO Bonds Series 2007B	5.00%	08/01/35 (b)	2,565,000	2,939,798
Sales Tax RB Series 2012B	5.00%	07/01/31 (b)	3,505,000	4,327,448
<b>San Francisco CCD</b> GO Bonds Series 2004B	4.38%	06/15/23 (b)	2,700,000	2,761,371
<b>San Francisco Public Utilities Commission</b> Water RB Series 2010F	4.00%	11/01/19	2,535,000	2,980,146
Water RB Series 2011A	5.00%	11/01/20	2,360,000	3,024,175
<b>San Francisco Redevelopment Financing Auth</b> Tax Allocation RB Series 2011B	6.63%	08/01/41 (b)	1,190,000	1,435,937
Tax Allocation Refunding RB Series 2007B	5.00%	08/01/15	1,000,000	1,085,850
<b>San Jose</b> Airport RB Series 2011A2	5.00%	03/01/19	610,000	722,319
Airport RB Series 2011A2	5.00%	03/01/21	1,110,000	1,329,125
<b>San Lorenzo Valley USD</b> GO Bonds Series 2008A	0.00%	08/01/28 (f)	500,000	268,550
GO Bonds Series 2008A	0.00%	08/01/30 (f)	250,000	121,475
<b>San Mateo Cnty Jt Powers Financing Auth</b> Lease Refunding RB (Youth Services Campus) Series 2008A	4.00%	07/15/17	425,000	472,562
Lease Refunding RB (Youth Services Campus) Series 2008A	5.00%	07/15/20 (b)	350,000	408,699
<b>San Mateo-Foster City SD</b> GO Refunding Bonds Series 2012	2.00%	09/01/13	1,635,000	1,656,353
GO Refunding Bonds Series 2012	4.00%	09/01/17	1,840,000	2,120,674
GO Refunding Bonds Series 2012	4.00%	09/01/19	1,960,000	2,307,273

## Portfolio Holdings (Unaudited) continued

Issuer Type of Security, Series	Rate	Maturity	Face Amount (\$)	Value (\$)
<b>Santa Clara Cnty Financing Auth</b>				
Lease RB (VMC Refunding) Series 2008A	5.00%	11/15/22 (b)	1,600,000	1,858,016
RB (El Camino Hospital) Series 2007A	5.00%	02/01/17	230,000	259,139
RB (El Camino Hospital) Series 2007B	5.00%	02/01/16 (e)	50,000	55,129
RB (El Camino Hospital) Series 2007B	5.00%	02/01/17	115,000	129,569
RB (El Camino Hospital) Series 2007C	5.00%	02/01/17	300,000	338,007
<b>Santa Cruz Cnty Redevelopment Agency</b>				
Tax Allocation Bonds Series 2009A	7.00%	09/01/36 (b)	900,000	1,075,644
<b>Santa Cruz HSD</b>				
GO Refunding Bonds Series 2005	5.00%	08/01/29 (b)	5,680,000	5,849,662
<b>Santa Monica Public Financing Auth</b>				
Lease RB Series 2011A	5.00%	06/01/28 (b)	1,195,000	1,441,505
Lease RB Series 2011A	5.00%	06/01/30 (b)	2,420,000	2,890,375
<b>Santa Monica Redevelopment Agency</b>				
Tax Allocation Bonds (Earthquake Recovery) Series 2011	5.88%	07/01/36 (b)	1,125,000	1,375,470
<b>Santa Monica-Malibu USD</b>				
GO Bonds Series B	5.00%	08/01/17	115,000	135,241
GO Bonds Series B	5.00%	08/01/18	100,000	120,777
GO Bonds Series B	5.00%	08/01/19	75,000	92,475
<b>Sonoma-Marina Area Rail Transit District</b>				
Sales Tax RB Series 2011A	5.00%	03/01/18	500,000	597,030
Sales Tax RB Series 2011A	5.00%	03/01/20	500,000	617,680
Sales Tax RB Series 2011A	5.00%	03/01/29 (b)	500,000	605,285
<b>South Orange Cnty Public Financing Auth</b>				
Facility Lease Refunding RB (Juvenile Justice Center) Series 2012	2.00%	06/01/14	600,000	610,722
Facility Lease Refunding RB (Juvenile Justice Center) Series 2012	4.00%	06/01/16	1,500,000	1,643,085
<b>Southern California Metropolitan Water District</b>				
Water Refunding RB Series 1993A	5.75%	07/01/21	5,195,000	6,527,673
Water Refunding RB Series 2012F	5.00%	07/01/27 (b)	2,000,000	2,560,420
<b>Tamalpais UHSD</b>				
GO Refunding Bonds Series 2011	5.00%	08/01/27 (b)	1,000,000	1,256,310
<b>Tuolumne Wind Project Auth</b>				
RB Series 2009A	5.00%	01/01/22 (b)	475,000	550,497
<b>Tustin USD</b>				
GO Bonds 2008 Election Series B	6.00%	08/01/36 (b)	950,000	1,230,468
<b>Univ of California</b>				
General RB Series 2009Q	5.25%	05/15/26 (b)	3,980,000	4,736,240
General RB Series 2011AB	3.00%	05/15/18	845,000	941,457
<b>Upland</b>				
COP (San Antonio Community Hospital) Series 2011	5.50%	01/01/19	1,165,000	1,355,757
COP (San Antonio Community Hospital) Series 2011	6.50%	01/01/41 (b)	1,500,000	1,825,800
<b>Washington Township Health Care District</b>				
RB Series 2009A	4.50%	07/01/13	250,000	254,733
RB Series 2009A	5.00%	07/01/14	300,000	316,638
RB Series 2009A	5.00%	07/01/15	300,000	325,284
RB Series 2009A	5.00%	07/01/16 (e)	75,000	83,156
RB Series 2009A	5.13%	07/01/17	200,000	225,496
RB Series 2009A	5.25%	07/01/18	250,000	288,078
RB Series 2009A	5.50%	07/01/19	300,000	352,440
RB Series 2009A	6.00%	07/01/29 (b)	1,000,000	1,165,390
<b>West Basin Municipal Water District</b>				
Refunding RB Series 2012A	5.00%	08/01/28 (b)	2,330,000	2,853,108
<b>West Kern Water District</b>				
Revenue COP Series 2011	4.00%	06/01/18	70,000	77,474
Revenue COP Series 2011	4.00%	06/01/19	500,000	557,990
Revenue COP Series 2011	5.00%	06/01/20	500,000	593,520
Revenue COP Series 2011	5.00%	06/01/28 (b)	900,000	1,037,655
<b>Westlands Water District</b>				
Refunding RB Series 2012A	2.00%	09/01/13	250,000	252,763
Refunding RB Series 2012A	3.00%	09/01/14	575,000	597,914
Refunding RB Series 2012A	4.00%	09/01/17	250,000	281,780
Refunding RB Series 2012A	4.00%	09/01/18	250,000	285,423
Refunding RB Series 2012A	4.00%	09/01/19	270,000	310,489
<b>Whittier</b>				
Health Facility RB (Presbyterian Intercommunity Hospital) Series 2009D	5.00%	06/01/15	700,000	761,250
Health Facility RB (Presbyterian Intercommunity Hospital) Series 2009D	5.00%	06/01/16	2,100,000	2,333,772

## Portfolio Holdings (Unaudited) continued

Issuer	Type of Security, Series	Rate	Maturity	Face Amount (\$)	Value (\$)
	Health Facility RB (Presbyterian Intercommunity Hospital) Series 2009D	5.00%	06/01/17	2,050,000	2,325,028
<b>Woodland Finance Auth</b>	Water RB Series 2011	3.85%	03/01/18	145,000	157,673
	Water RB Series 2011	4.15%	03/01/19	180,000	201,132
	Water RB Series 2011	4.45%	03/01/20	100,000	113,972
	Water RB Series 2011	4.65%	03/01/21	115,000	133,210
					<u>427,227,212</u>
<b>PUERTO RICO 1.8%</b>					
<b>Puerto Rico</b>	GO Public Improvement Refunding Bonds Series 2012A	5.25%	07/01/23 (b)	1,500,000	1,619,355
<b>Puerto Rico Electric Power Auth</b>	Power RB Series NN	5.00%	07/01/32 (b)(g)	925,000	950,326
	Power RB Series ZZ	5.25%	07/01/18	3,000,000	3,375,060
<b>Puerto Rico Industrial, Tourist, Educational, Medical &amp; Environmental Control Facilities Fincg Auth</b>	Higher Education & Refunding RB (Inter American Univ of Puerto Rico) Series 2012	5.00%	10/01/16	500,000	552,585
	Higher Education & Refunding RB (Inter American Univ of Puerto Rico) Series 2012	5.00%	10/01/17	500,000	556,680
<b>Puerto Rico Sales Tax Financing Corp</b>	Sales Tax RB Sr Series 2011C	5.00%	08/01/22 (b)	1,000,000	1,222,200
					<u>8,276,206</u>
<b>Total Fixed-Rate Obligations</b> (Cost \$402,977,857)					<u>435,503,418</u>

## Variable-Rate Obligations 5.9% of net assets

<b>CALIFORNIA 4.8%</b>					
<b>California</b>	Economic Recovery Bonds Series 2004C3	0.16%	07/01/23 (a)(b)	1,000,000	1,000,000
	Economic Recovery Bonds Series 2004C4	0.14%	07/01/23 (a)(b)	3,485,000	3,485,000
	GO Bonds Series 2004A5	0.18%	05/01/34 (a)(b)	1,000,000	1,000,000
	GO Bonds Series 2004B3	0.16%	05/01/34 (a)(b)	2,000,000	2,000,000
	GO Refunding Bonds 2012B	1.06%	05/01/18 (b)	1,000,000	1,005,160
	GO Refunding Bonds 2012B	1.31%	05/01/20 (b)	1,000,000	1,007,000
<b>California Educational Facilities Auth</b>	Refunding RB (Loyola Marymount Univ) Series 2010B	0.96%	10/01/15 (b)(e)	4,190,000	4,211,537
<b>California Statewide Communities Development Auth</b>	RB (Kaiser Permanente) Series 2012B	1.11%	04/01/52 (b)	2,000,000	2,011,160
<b>Irvine Ranch Water District</b>	Consolidated Bonds Series 2009B	0.17%	10/01/41 (a)(b)	800,000	800,000
<b>Los Angeles Dept of Water &amp; Power</b>	Power System RB Series 2001B3	0.17%	07/01/34 (a)(b)	1,200,000	1,200,000
<b>Southern California Metropolitan Water District</b>	Water RB Series 2000B3	0.14%	07/01/35 (a)(b)	1,300,000	1,300,000
	Water Refunding RB Series 2012B1	0.51%	07/01/27 (b)	2,000,000	2,002,260
<b>Univ of California</b>	Medical Center Pooled RB Series 2007B1	0.16%	05/15/32 (a)(b)	1,000,000	1,000,000
					<u>22,022,117</u>
<b>PUERTO RICO 1.1%</b>					
<b>Puerto Rico Sales Tax Financing Corp</b>	First Sub Sales Tax RB Series 2010A	0.41%	02/01/34 (a)(b)(c)	5,000,000	5,000,000
<b>Total Variable-Rate Obligations</b> (Cost \$26,975,000)					<u>27,022,117</u>

End of Investments.

**Portfolio Holdings** (Unaudited) continued

At 11/30/12, the tax basis cost of the fund's investments was \$429,940,605 and the unrealized appreciation and depreciation were \$32,598,417 and (\$13,487), respectively, with a net unrealized appreciation of \$32,584,930.

- (a) Credit-enhanced or liquidity-enhanced.
- (b) The effective maturity may be shorter than the final maturity shown because the security is subject to a put, demand or call feature.
- (c) Securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registrations, normally to qualified institutional buyers. At the period end, the value of these amounted to \$5,000,000 or 1.1% of net assets.
- (d) Delayed-delivery security.
- (e) All or a portion of this security is designated as collateral for delayed-delivery securities.
- (f) Zero Coupon Bond.
- (g) Refunded bond.

BAN –	Bond anticipation note
CCD –	Community college district
CFD –	Community facilities district
COP –	Certificate of participation
GO –	General obligation
HFA –	Housing finance agency/authority
HSD –	High school district
M/F –	Multi-family
RAN –	Revenue anticipation note
RB –	Revenue bond
SD –	School district
S/F –	Single-family
UHSD –	Union high school district
USD –	Unified school district

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Under procedures approved by the fund's Board of Trustees (the "Board"), the investment adviser has formed a Pricing Committee to administer the pricing and valuation of portfolio securities and other assets and to ensure that prices used for internal purposes or provided by third parties reasonably reflect fair market value. Among other things, these procedures allow the fund to utilize independent pricing services, quotations from securities and financial instrument dealers and other market sources to determine fair value.

The fund values the securities in its portfolio every business day. The fund uses the following policies to value various types of securities:

**Bonds and notes:** valued at halfway between the most recent bid and asked quotes or, if such quotes are unavailable, at prices for securities of comparable maturity, credit quality and type. Valuations for bonds and notes are provided by an independent bond-pricing service.

**Securities for which no quoted value is available:** The Board has adopted procedures to fair value the fund's securities when market prices are not "readily available" or are unreliable. For example, a fund may fair value a security when it is de-listed or its trading is halted or suspended; when a security's primary pricing source is unable or unwilling to provide a price; or when a security's primary trading market is closed during regular market hours. The fund makes fair value determinations in good faith in accordance with the fund's valuation procedures. The Pricing Committee considers a number of factors, including unobservable market inputs when arriving at fair value. The Pricing Committee may employ techniques such as the review of related or comparable assets or liabilities, related market activities, recent transactions, market multiples, book values, transactional back-testing, disposition analysis and other relevant information. The Pricing Committee regularly reviews these inputs and assumptions to calibrate the valuations. The Board convenes on a regular basis to review fair value determinations made by the fund pursuant to the procedures.

**Futures Contracts:** valued at their settlement prices as of the close of their exchanges.

**Short-term securities (60 days or less to maturity):** valued at amortized cost, which approximates market value.

**Underlying funds:** valued at their respective net asset values.

In accordance with the authoritative guidance on fair value measurements and disclosures under generally accepted accounting principles in the United States of America (GAAP), the fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). If

**Portfolio Holdings** (Unaudited) continued

the fund determines that either the volume and/or level of activity for an asset or liability has significantly decreased (from normal conditions for that asset or liability) or price quotations or observable inputs are not associated with orderly transactions, increased analysis and management judgment will be required to estimate fair value.

The three levels of the fair value hierarchy are as follows:

Level 1 – quoted prices in active markets for identical securities – Investments whose values are based on quoted market prices in active markets, and whose values are therefore classified as Level 1 prices, include active listed equities and futures contracts.

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) – Investments that trade in markets that are not considered to be active, but whose values are based on quoted market prices, dealer quotations or valuations provided by alternative pricing sources supported by observable inputs are classified as Level 2 prices. These generally include U.S. government and sovereign obligations, most government agency securities, investment-grade corporate bonds, certain mortgage products, less liquid listed equities, and state, municipal and provincial obligations. As investments whose values are classified as Level 2 prices include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Level 3 – significant unobservable inputs (including the fund's own assumption in determining the fair value of investments) – Investments whose values are classified as Level 3 prices have significant unobservable inputs, as they may trade infrequently or not at all. When observable prices are not available for these securities, the fund uses one or more valuation techniques for which sufficient and reliable data is available. The inputs used by the fund in estimating the value of Level 3 prices may include the original transaction price, quoted prices for similar securities or assets in active markets, completed or pending third-party transactions in the underlying investment or comparable issuers, and changes in financial ratios or cash flows. Level 3 prices may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the fund in the absence of market information. Assumptions used by the fund due to the lack of observable inputs may significantly impact the resulting fair value and therefore the fund's results of operations.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the fund's investments as of November 30, 2012:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total <sup>2</sup>
Fixed-Rate Obligations <sup>1</sup>	\$–	\$435,503,418	\$–	\$435,503,418
Variable-Rate Obligations <sup>1</sup>	–	<u>27,022,117</u>	–	<u>27,022,117</u>
<b>Total</b>	<u>\$–</u>	<u>\$462,525,535</u>	<u>\$–</u>	<u>\$462,525,535</u>

<sup>1</sup> As categorized in Portfolio Holdings.

<sup>2</sup> The fund had no Other Financial Instruments.

The fund's policy is to recognize transfers between Level 1, Level 2 and Level 3 as of the beginning of the fiscal year. There were no transfers between Level 1, Level 2 and Level 3 for the period ended November 30, 2012.

REG406024NOV12



**Item 2. Controls and Procedures.**

Based on their evaluation of Registrant's disclosure controls and procedures, as of a date within 90 days of the filing date, Registrant's Chief Executive Officer, Marie Chandoha and Registrant's Principal Financial Officer, George Pereira, have concluded that Registrant's disclosure controls and procedures are:

- (a) be disclosed in this report is appropriately communicated to Registrant's officers to allow timely decisions regarding disclosures required in this report; (ii) reasonably designed to ensure that information required to be disclosed in this report is recorded, processed, summarized and reported in a timely manner; and (iii) are effective in achieving the goals described in (i) and (ii) above.

- (b) During Registrant's last fiscal quarter, there have been no changes in Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d))) that the above officers believe to have materially affected, or to be reasonably likely to materially affect, Registrant's internal control over financial reporting.

**Item 3. Exhibits.**

Separate certifications for Registrant's principal executive officer and principal financial officer, as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2(a)), are attached.

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant ) Schwab Investments

By: /s/ Marie Chandoha  
Marie Chandoha  
Chief Executive Officer

Date: 1/24/2013

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Marie Chandoha  
Marie Chandoha  
Chief Executive Officer

Date: 1/24/2013

By: /s/ George Pereira  
George Pereira  
Principal Financial Officer

Date: 1/24/2013

## CERTIFICATIONS

I, Marie Chandoha, certify that:

1. I have reviewed this report on Form N-Q of Schwab Investments;  
Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report, based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: 1/24/13

/s/ Marie Chandoha

Marie Chandoha  
President and Chief Executive Officer

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## CERTIFICATIONS

I, George Pereira, certify that:

1. I have reviewed this report on Form N-Q of Schwab Investments;  
Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;
4. The registrant' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report, based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and
5. The registrant' s other certifying officer(s) and I have disclosed to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize, and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

Date: 1/24/13

/s/ George Pereira  
George Pereira  
Treasurer and Principal Financial Officer