

SECURITIES AND EXCHANGE COMMISSION

FORM NSAR-B

Annual report for management companies filed on Form N-SAR

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FILER

Schwab Strategic Trust

CIK: [1454889](#) | IRS No.: **000000000** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **NSAR-B** | Act: **40** | File No.: [811-22311](#) | Film No.: **12794806**

Mailing Address

211 MAIN STREET
CHARLES SCHWAB
INVESTMENT
MANAGEMENT, INC
SAN FRANCISCO CA 94105

Business Address

211 MAIN STREET
CHARLES SCHWAB
INVESTMENT
MANAGEMENT, INC
SAN FRANCISCO CA 94105
800-648-5300

PAGE 1

000 B000000 02/29/2012
000 C000000 0001454889
000 D000000 N
000 E000000 NF
000 F000000 Y
000 G000000 N
000 H000000 N
000 I000000 6.1
000 J000000 A
001 A000000 SCHWAB STRATEGIC TRUST
001 B000000 811-22311
001 C000000 4156367000
002 A000000 211 Main St
002 B000000 SAN FRANCISCO
002 C000000 CA
002 D010000 94105
003 000000 N
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007 B000000 15
007 C010100 1
007 C020100 Schwab U.S. REIT ETF
007 C030100 N
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011 A00AA01 SEI INVESTMENTS DISTRIBUTION CO.
011 B00AA01 8-27897
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011 C03AA01 19456
012 A00AA01 STATE STREET BANK & TRUST COMPANY
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013 A00AA01 PRICEWATERHOUSECOOPERS LLP
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 014 A00AA01 CHARLES SCHWAB & CO., INC.
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SIGNATURE JAMES D. PIERCE
TITLE ASSISTANT TREASURER

Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of:
Schwab U.S. REIT ETF

In planning and performing our audit of the financial statements of Schwab U.S. REIT ETF (one portfolio of Schwab Strategic Trust, hereafter referred to as the "Fund") as of and for the year ended February 29, 2012, in accordance with the standards of the Public Company Accounting Oversight Board (United States), we considered the Fund's internal control over financial reporting, including controls over safeguarding securities, as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements and to comply with the requirements of Form N-SAR, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control over financial reporting.

The management of the Fund is responsible for establishing and maintaining effective internal control over financial reporting. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls. A fund's internal control over financial reporting is a process designed 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. A fund's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

transactions and dispositions of the assets of the fund; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the fund are being made only in accordance with authorizations of management and trustees of the fund; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of a fund's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Fund's annual or interim financial statements will not be prevented or detected on a timely basis.

Our consideration of the Fund's internal control over financial reporting was for the limited purpose described in the first paragraph and would not necessarily disclose all deficiencies in internal

control over financial reporting that might be material weaknesses under standards established by the Public Company Accounting Oversight Board (United States). However, we noted no deficiencies in the Fund's internal control over financial reporting and its operation, including controls over safeguarding securities, that we consider to be material weaknesses as defined above as of February 29, 2012.

This report is intended solely for the information and use of management and the Board of Trustees and Shareholders of the Fund and the Securities and Exchange Commission and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP
San Francisco, California
April 12, 2012