

*Charles Schwab*  
*Worldwide Funds plc*

**Semiannual Report and  
Unaudited Financial Statements**

For the 6 month financial period ended 30 June 2018

Schwab U.S. Dollar Liquid Assets Fund

# *Charles Schwab Worldwide Funds plc*

## *Schwab U.S. Dollar Liquid Assets Fund*

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# General Information

The following information is derived from and should be read in conjunction with the full text and definitions section of the Prospectus for the Charles Schwab Worldwide Funds plc (the “Company”), and the Supplement for the Schwab U.S. Dollar Liquid Assets Fund dated 14 October 2016 (together the “Prospectus”). Capitalised terms used herein shall have the same meaning as in the Prospectus.

The Company was incorporated on 8 February 1999 as an open-ended investment company with variable capital and is constituted as an umbrella fund.

At 30 June 2018, the Company is composed of a single portfolio of assets, Schwab U.S. Dollar Liquid Assets Fund (the “Fund”), which consists of one class of shares called Class A. The Class A Shares were launched and admitted to the ISE (“Irish Stock Exchange”) on 19 July 1999.

With the consent of the Central Bank, the Company from time to time may create one or more additional funds, the investment policy and objectives for which shall be outlined in a Supplemental Prospectus. The Company may also create multiple classes of shares within each fund, which may be offered through separate Supplements.

These financial statements do not constitute and may not be treated as an offer or solicitation by or to anyone in any jurisdiction in which such an offer or solicitation is not lawful. Shares in the Company are not available to U.S. persons and are subject to country-specific restrictions.

## *Schwab U.S. Dollar Liquid Assets Fund (The “Fund”)*

### **Investment Objective**

The Fund seeks to provide current income while maintaining liquidity and a stable Net Asset Value (“NAV”) per Share of U.S. \$1.00. The Fund will seek to achieve this objective by investing principally in U.S. dollar-denominated, high-quality, short-term money market securities traded primarily in the U.S., such as securities backed by the full faith and credit of the U.S. government, securities issued by U.S. government agencies, or securities issued by corporations and financial institutions. There is no assurance that the Fund will be able to maintain a stable NAV per Share of U.S. \$1.00 or otherwise meet its investment objectives. Shares of the Fund are neither insured nor guaranteed by the U.S. government or any U.S. government agencies.

### **Prices**

Shares in the Fund are available for subscription on each Business Day at their NAV per Share, which the Company will seek to maintain at U.S. \$1.00 per Share.

### **Dividends**

All or substantially all of the Fund’s net investment income will be calculated and declared each Business Day as a dividend denominated in U.S. dollars. Dividends will be distributed to Shareholders as of the fifteenth day (or, if not a Business Day, on the next Business Day) of each month (except in December when dividends are paid on the last Business Day of the month) in the form of additional full and fractional Shares, unless a Shareholder has elected to receive dividends paid in cash to his securities brokerage account.

For subscription requests received by 10:00 a.m. (U.S. Eastern Time), and subscription monies received by the Dealing Deadline, Shares begin receiving dividends that day. For redemption requests received and accepted before 10:00 a.m. (U.S. Eastern Time), Shares will be redeemed the same Business Day but will not be entitled to that day's dividends, and proceeds will be distributed the same Business Day.

The Fund's net investment income consists of the aggregate of: a) accrued interest or discount (including both original issued and market discount on taxable securities) on portfolio securities; and b) any income of the Fund from sources other than capital gains, less (i) the amortisation of market premium on all portfolio securities and (ii) the estimated expenses of the Fund, including a proportionate share of the general expenses of the Company.

The Board may declare dividends in respect of any Shares out of net income (including interest income) and the excess of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the Company.

Although realised gains and losses on the assets of the Fund are reflected in its NAV, they are not expected to be of an amount that would affect the Fund's NAV per Share of U.S. \$1.00.

The Company will adhere to the policies of the ISE relating to distributions for so long as the Shares are admitted to the Official List and to trading on the Main Market of the ISE.

## **Dealing Deadline**

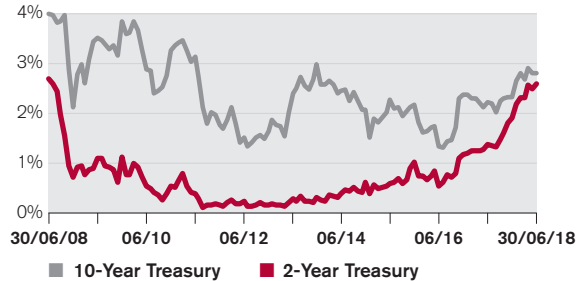
Dealing Deadline means 4:00 p.m. (U.S. Eastern Time), or such other time as the Board may from time to time determine. Applications and/or subscription monies received after that time will be treated as being received on the next Business Day. Business Day shall mean a day on which both the New York Stock Exchange is open for regular trading and the Federal Reserve Bank of New York is open or such other day or days (except Saturday, Sunday or any public holiday on the New York Stock Exchange) as may be determined by the Board.

Shares may be redeemed on any Business Day, provided that the relevant redemption request is received by the Administrator no later than 10:00 a.m. (U.S. Eastern Time) or such other time as the Board may from time to time determine, on the relevant Business Day. Redemption requests received after that time will be treated as being received on the following Business Day.

# Market Overview

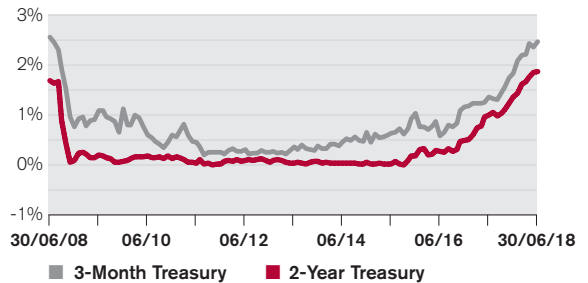
## Yields of U.S. Treasury Securities: Effective Yields of Two- and Ten-Year Treasuries

During the six-month financial period ended 30 June 2018, the spread between 2-year and 10-year U.S. Treasury yields narrowed slightly, beginning the period at 0.52% on 31 December 2017, and ending the period at 0.33%, its lowest point in the period. Yields in 2-year Treasuries rose from 1.89% to 2.53% and 10-year U.S. Treasury yields rose from 2.41% to 2.86% during the six-month financial period.



## Yields of U.S. Treasury Securities: Effective Yields of Three-Month and Two-Year Treasuries

The spread between 3-month and 2-year U.S. Treasury yields widened during the financial period, beginning the period at 50 basis points on 31 December 2017, and ending the period on 30 June 2018 at 61 basis points. Most of the increase of the spread was caused by a rise in the 2-year U.S. Treasury yields, which increased by 65 basis points, while the 3-month U.S. Treasury yields rose by 54 basis points during the six-month financial period.



# Manager's Perspective

## *Schwab U.S. Dollar Liquid Assets Fund*

**Schwab U.S. Dollar Liquid Assets Fund** (the “Fund”) seeks to provide current income while maintaining liquidity and a stable NAV per share of U.S. \$1.00. To pursue its goal, the Fund invests principally in U.S. Dollar denominated, high-quality short-term money market securities traded primarily in the U.S., such as securities backed by the full faith and credit of the U.S. government, securities issued by U.S. government agencies, or securities issued by corporations and financial institutions.

**Market Highlights.** Over the six-month reporting period ended 2018 June 30, yields on taxable money market funds rose. Following three 0.25% rate hikes in 2017, the U.S. Federal Reserve (“Fed”) instituted two more during the reporting period — in March and June — citing continued strength in the labor market and solid economic growth. Short term yields, which are directly influenced by central bank policy, rose in response. The federal funds rate ended the reporting period in a range of 1.75% to 2.00%.

In the minutes from its June meeting, however, the Fed noted that uncertainty and risks associated with trade policy had intensified, which could eventually have a negative effect on business sentiment and investment spending. As a result, the U.S. bond yield curve flattened, and yields remained low relative to historical averages. The yield on the benchmark 10-year U.S. Treasury note rose for a fourth straight quarter, briefly surpassing 3% before investors’

concerns drove them to the relative safety of government debt. Despite steady economic growth over the reporting period, inflation remained benign.

Outside the U.S., monetary policies mostly remained relatively accommodative amid low inflation, though some central banks did take steps toward tighter policies. At its March meeting, the Governing Council of the European Central Bank left interest rates unchanged, announcing that it expects key interest rates to remain at their present levels for an extended period of time and confirming that its net asset purchases are intended to run until at least the end of September 2018. During the reporting period, the Bank of Japan removed the timeframe for achieving its 2% inflation target and maintained its short-term interest rate target at -0.1%.

### **Performance, Positioning, and Strategies.**

Throughout the reporting period, the Fund’s investment adviser remained focused on liquidity and stability of capital as market conditions evolved, while all issuers and regions in which the Fund invests continue to undergo a rigorous credit review process and ongoing monitoring. In anticipation of and in response to the Fed’s short-term interest rate increases, the Fund’s weighted average maturity (WAM) remained relatively unchanged over the six-month reporting period, beginning the period at 27 days and ending at 25 days.

# *Portfolio Management Team*

**Linda Klingman**, Head of Taxable Money Market Strategies and a vice president of the Investment Adviser, has overall responsibility for the management of the Fund. She joined the firm in 1990 and has managed money market funds since 1988.

**Michael Lin**, a senior portfolio manager and managing director of the Investment Adviser, is responsible for the day-to-day co-management of the Fund. He joined the firm in 2000 and was named to his current position in 2015.

**Jonathan Roman**, a portfolio manager of the Investment Adviser, is responsible for the day-to-day co-management of the Fund. He joined the firm in 2005 and was named to his current position in 2010.

**Jonathan Feske, CFA**, a portfolio manager of the Investment Adviser, is responsible for the day-to-day co-management of the Fund. He joined the firm in 2011 and was named to his current position in 2015.

# *Fund Performance and Fund Facts*

## *Schwab U.S. Dollar Liquid Assets Fund*

### Performance as of 30 June 2018

#### Statistics

The yields of money market funds fluctuate and past performance is no guarantee of future results.

<b>Seven Day Yield</b>	1.44%
<b>Seven Day Effective Yield</b>	1.44%
<b>Average Yields</b> for the financial period ended 30/06/2018	
Last Seven Days	1.44%
Last Three Months	1.01%
Last Twelve Months	0.56%
<b>Weighted Average Maturity</b>	25 Days

### Performance as of 31 December 2017

#### Statistics

The yields of money market funds fluctuate and past performance is no guarantee of future results.

<b>Seven Day Yield</b>	0.48%
<b>Seven Day Effective Yield</b>	0.48%
<b>Average Yields</b> for the financial year ended 31/12/2017	
Last Seven Days	0.48%
Last Three Months	0.34%
Last Twelve Months <sup>1</sup>	0.19%
<b>Weighted Average Maturity</b>	27 Days

<sup>1</sup> Yield reflects the effect of the Manager's voluntary undertaking to limit the aggregate annual operating expenses of the Fund and the Manager's and Investment Adviser's voluntary yield waiver of additional fees and expenses to maintain a positive net yield for the Fund, if applicable. Without the foregoing, the Fund's yield would have been lower. Please see Note 2 in the Notes to the Financial Statements for additional details.



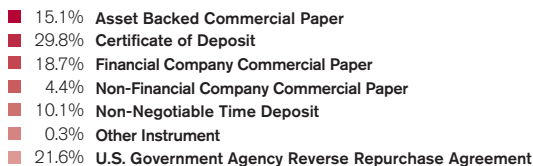
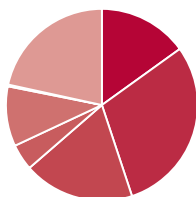
## *Schwab U.S. Dollar Liquid Assets Fund*

As of 30 June 2018

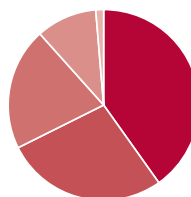
### Portfolio Composition

The Schwab U.S. Dollar Liquid Assets Fund invests in U.S. dollar-denominated, high-quality, short-term money market securities traded primarily in the U.S., such as commercial paper (including asset-backed commercial paper), certificates of deposit, variable and floating-rate debt securities, bank notes and reverse repurchase agreements. The charts below illustrate the composition of the Fund's portfolio as of 30 June 2018 and 31 December 2017 and are not indicative of its holdings after that date. A complete list of the securities in the Fund as of 30 June 2018 is provided in the Portfolio of Investments later in this report.

#### By Security Type % of Total Investments<sup>1</sup>

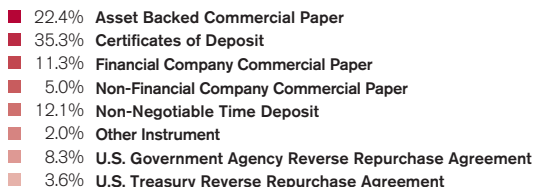
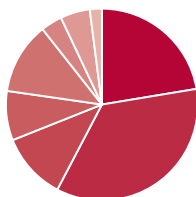


#### By Effective Maturity Date % of Total Investments<sup>1</sup>

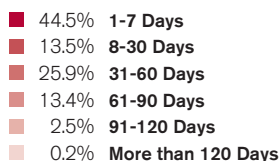
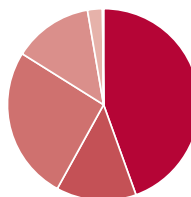


#### Comparative Figures for 31 December 2017

##### By Security Type % of Total Investments<sup>1</sup>



##### By Effective Maturity Date % of Total Investments<sup>1</sup>



<sup>1</sup> These percentages do not take into account other assets and liabilities of the Fund.

# Top Purchases and Sales/Maturities<sup>1</sup>

## Schwab U.S. Dollar Liquid Assets Fund

For the financial period ended 30 June 2018. All U.S. dollar amounts × 1,000.

### Purchases:

Security Description	Maturity Date	Rate	U.S.\$ Shares/Par	U.S.\$ Principal
Toronto Dominion Bank	16/01/2018	1.42%	67,000	67,000
Australia and New Zealand Banking Group Ltd	26/04/2018	1.78%	66,000	66,000
Australia and New Zealand Banking Group Ltd	22/03/2018	1.50%	64,000	64,000
Australia and New Zealand Banking Group Ltd	03/05/2018	1.76%	64,000	64,000
Australia and New Zealand Banking Group Ltd	29/03/2018	1.73%	63,000	63,000
Australia and New Zealand Banking Group Ltd	05/04/2018	1.73%	62,000	62,000
Australia and New Zealand Banking Group Ltd	12/04/2018	1.78%	61,000	61,000
Australia and New Zealand Banking Group Ltd	19/04/2018	1.78%	60,000	60,000
National Australia Bank Ltd	24/01/2018	1.40%	60,000	60,000
Svenska Handelsbanken AB	30/01/2018	1.42%	60,000	60,000
Automatic Data Processing	17/01/2018	1.40%	59,000	58,998
Automatic Data Processing	23/01/2018	1.41%	59,000	58,998
Automatic Data Processing	06/02/2018	1.41%	59,000	58,998
National Australia Bank Ltd	17/01/2018	1.40%	59,000	59,000
National Australia Bank Ltd	18/01/2018	1.40%	59,000	59,000
Svenska Handelsbanken AB	29/01/2018	1.42%	59,000	59,000
Svenska Handelsbanken AB	31/01/2018	1.42%	59,000	59,000
Australia and New Zealand Banking Group Ltd	15/03/2018	1.48%	58,000	58,000
Australia and New Zealand Banking Group Ltd	10/05/2018	1.76%	58,000	58,000
National Australia Bank Ltd	16/01/2018	1.40%	58,000	58,000
National Australia Bank Ltd	19/01/2018	1.40%	58,000	58,000
National Australia Bank Ltd	22/01/2018	1.40%	58,000	58,000
National Australia Bank Ltd	23/01/2018	1.40%	58,000	58,000
National Australia Bank Ltd	01/02/2018	1.33%	58,000	58,000

<sup>1</sup> All Purchases and Sales/Maturities are less than 1% of the composite purchases and sales. Therefore at a minimum the top 20 Purchases and Sales should be disclosed. In this instance Purchase and Sales/Maturities in excess of 20 are shown due to a number of transactions occurring of the same principal.

*Top Purchases and Sales/Maturities*<sup>1</sup> continued

*Schwab U.S. Dollar Liquid Assets Fund*

For the financial period ended 30 June 2018. All U.S. dollar amounts × 1,000.

**Sales/Maturities:**

Security Description	Maturity Date	Rate	U.S.\$ Shares/Par	U.S.\$ Principal
Toronto Dominion Bank	16/01/2018	1.42%	67,000	67,000
Australia and New Zealand Banking Group Ltd	26/04/2018	1.78%	66,000	66,000
Australia and New Zealand Banking Group Ltd	22/03/2018	1.50%	64,000	64,000
Australia and New Zealand Banking Group Ltd	03/05/2018	1.76%	64,000	64,000
Australia and New Zealand Banking Group Ltd	29/03/2018	1.73%	63,000	63,000
Toronto Dominion Bank	02/01/2018	1.42%	62,000	62,000
Australia and New Zealand Banking Group Ltd	05/04/2018	1.73%	62,000	62,000
Australia and New Zealand Banking Group Ltd	12/04/2018	1.78%	61,000	61,000
Australia and New Zealand Banking Group Ltd	19/04/2018	1.78%	60,000	60,000
National Australia Bank Ltd	24/01/2018	1.40%	60,000	60,000
Svenska Handelsbanken AB	30/01/2018	1.42%	60,000	60,000
Automatic Data Processing	17/01/2018	1.40%	59,000	59,000
Automatic Data Processing	23/01/2018	1.41%	59,000	59,000
Automatic Data Processing	06/02/2018	1.41%	59,000	59,000
National Australia Bank Ltd	18/01/2018	1.40%	59,000	59,000
National Australia Bank Ltd	17/01/2018	1.40%	59,000	59,000
Svenska Handelsbanken AB	29/01/2018	1.42%	59,000	59,000
Svenska Handelsbanken AB	31/01/2018	1.42%	59,000	59,000
Automatic Data Processing	10/01/2018	1.40%	58,000	58,000
Australia and New Zealand Banking Group Ltd	15/03/2018	1.48%	58,000	58,000
Australia and New Zealand Banking Group Ltd	10/05/2018	1.76%	58,000	58,000
National Australia Bank Ltd	16/01/2018	1.40%	58,000	58,000
National Australia Bank Ltd	19/01/2018	1.40%	58,000	58,000
National Australia Bank Ltd	22/01/2018	1.40%	58,000	58,000
National Australia Bank Ltd	23/01/2018	1.40%	58,000	58,000
National Australia Bank Ltd	01/02/2018	1.33%	58,000	58,000

<sup>1</sup> All Purchases and Sales/Maturities are less than 1% of the composite purchases and sales. Therefore at a minimum the top 20 Purchases and Sales should be disclosed. In this instance Purchase and Sales/Maturities in excess of 20 are shown due to a number of transactions occurring of the same principal.

# Portfolio of Investments

## Schwab U.S. Dollar Liquid Assets Fund

As of 30 June 2018. All U.S. dollar amounts × 1,000.

This section shows all the securities in the Fund's portfolio and their value, as of the report date.

For fixed-rate obligations and reverse repurchase agreements, the rate shown is the coupon rate (the rate established when the obligation was issued) and if the coupon rate is not available, the effective yield at the time of purchase is shown. For variable-rate obligations, the interest rate shown is the interest rate as of the report date. If the security's structure includes one of a number of maturity-shortening provisions, such as an interest rate reset, demand feature or put feature, the effective maturity date is disclosed. In addition, the second maturity date shown is either the date on which the principal amount must be paid or the date payment must be made pursuant to a demand feature. If the effective maturity and maturity date are the same, the date will appear in the maturity date column.

Issuer	Footnotes	Rate	Effective Maturity	Maturity Date	Face Amount	Value U.S.\$	% of Net Assets
<b>Fixed-Rate Obligations — 60.79% (31 December 2017: 70.69%) of net assets</b>							
<b>Asset Backed Commercial Paper — 13.96% (31 December 2017: 21.79%) of net assets</b>							
<b>Alpine Securitization LLC</b>	<i>a,b</i>	2.31%		05/09/2018	14,000	13,942	0.75%
<b>Atlantic Asset Securitization LLC</b>	<i>a,b</i>	2.29%		06/08/2018	16,000	15,965	0.86%
<b>Barton Capital SA</b>	<i>a,b</i>	2.29%		04/09/2018	16,000	15,935	0.86%
	<i>a,b</i>	2.31%		05/09/2018	1,000	996	0.05%
<b>Bennington Stark Capital Company LLC</b>	<i>a,b</i>	2.31%		10/09/2018	3,000	2,987	0.16%
	<i>a,b</i>	2.31%		17/09/2018	5,000	4,975	0.27%
<b>Cafco LLC</b>	<i>a,b</i>	2.28%		19/09/2018	3,000	2,985	0.16%
	<i>a,b</i>	2.25%		04/09/2018	10,500	10,458	0.57%
<b>Cancara Asset Securitisation LLC</b>	<i>a,b</i>	2.29%		14/08/2018	3,000	2,992	0.16%
	<i>a,b</i>	2.28%		15/08/2018	6,500	6,482	0.35%
<b>Charta LLC</b>	<i>a,b</i>	1.94%		23/07/2018	4,000	3,996	0.22%
	<i>a,b</i>	2.31%		27/07/2018	11,000	10,982	0.59%
	<i>a,b</i>	2.28%		26/09/2018	3,000	2,984	0.16%
<b>CRC Funding LLC</b>	<i>a,b</i>	2.31%		24/07/2018	11,500	11,484	0.62%
	<i>a,b</i>	2.33%		06/07/2018	9,000	8,998	0.49%
<b>Crown Point Capital Company LLC</b>	<i>a,b</i>	2.00%		02/07/2018	3,000	3,000	0.16%
<b>Fairway Finance Co LLC</b>	<i>a,b</i>	2.28%		02/08/2018	4,000	3,992	0.22%
<b>Kells Funding LLC</b>	<i>a,b</i>	2.24%		24/08/2018	3,000	2,991	0.16%
	<i>a,b</i>	2.24%		28/08/2018	1,000	997	0.05%
	<i>a,b</i>	2.28%		24/07/2018	3,000	2,997	0.16%
	<i>a,b</i>	2.25%		17/08/2018	8,000	7,979	0.43%
<b>Lexington Parker Capital Company LLC</b>	<i>a,b</i>	2.00%		02/07/2018	5,000	5,000	0.27%
<b>Lma Americas LLC</b>	<i>a,b</i>	2.31%		14/09/2018	18,900	18,810	1.02%
<b>Metlife Short Term Funding LLC</b>	<i>a,b</i>	2.26%		20/08/2018	20,000	19,938	1.08%
<b>Nieuw Amsterdam Receivables Corp</b>	<i>a,b</i>	1.92%		19/07/2018	10,000	9,991	0.54%
<b>Ridgefield Funding Company LLC</b>	<i>a,b</i>	2.36%		16/07/2018	17,000	16,984	0.92%
	<i>a,b</i>	2.36%		18/07/2018	2,000	1,998	0.11%

## Portfolio of Investments continued

As of 30 June 2018. All U.S. dollar amounts × 1,000.

Issuer	Footnotes	Rate	Effective Maturity	Maturity Date	Face Amount	Value U.S.\$	% of Net Assets
Sheffield Receivables Company LLC	<i>a,b</i>	2.33%		02/10/2018	3,750	3,728	0.20%
Thunder Bay Funding LLC	<i>a,b</i>	2.27%		16/08/2018	9,000	8,975	0.49%
Versailles Commercial Paper LLC	<i>a,b</i>	2.40%		02/07/2018	1,000	1,000	0.05%
	<i>a,b</i>	2.34%		04/09/2018	900	896	0.05%
Victory Receivables Corp	<i>a,b</i>	2.31%		15/08/2018	5,000	4,986	0.27%
	<i>a,b</i>	2.31%		02/08/2018	22,000	21,955	1.19%
	<i>a,b</i>	2.31%		19/09/2018	6,000	5,970	0.32%
						<b>258,348</b>	<b>13.96%</b>

### Financial Company Commercial Paper — 12.17% (31 December 2017: 10.19%) of net assets

BPCE SA	<i>b</i>	2.35%		06/08/2018	22,000	21,950	1.19%
DBS Bank Ltd	<i>b</i>	2.30%		16/08/2018	8,000	7,977	0.43%
Erste Abwicklungsanstalt	<i>b</i>	2.28%		26/07/2018	20,000	19,970	1.08%
Federation Des Caisses Desjardins Du Quebec	<i>b</i>	2.29%		16/07/2018	16,000	15,986	0.86%
ING US Funding LLC	<i>a</i>	1.94%		26/07/2018	5,000	4,994	0.27%
JP Morgan Securities LLC		2.33%		09/10/2018	9,000	8,943	0.48%
Macquarie Bank Ltd	<i>b</i>	2.30%		01/08/2018	8,500	8,484	0.46%
National Australia Bank Limited	<i>b</i>	1.92%		03/07/2018	46,000	45,998	2.49%
Nationwide Building Society	<i>b</i>	2.04%		23/07/2018	18,000	17,979	0.97%
	<i>b</i>	2.07%		02/07/2018	13,000	13,000	0.70%
NRW Bank	<i>b</i>	2.11%		17/08/2018	10,000	9,973	0.54%
		2.27%		18/07/2018	22,000	21,978	1.19%
Santander UK Plc		1.93%		26/07/2018	10,000	9,987	0.54%
Swedbank AB		2.25%		27/08/2018	18,000	17,937	0.97%
United Overseas Bank Ltd	<i>b</i>						
<b>Total Financial Company Commercial Paper</b>						<b>225,156</b>	<b>12.17%</b>

### Non-Financial Company Commercial Paper — 4.37% (31 December 2017: 4.82%) of net assets

Cargill Global Funding Plc	<i>a,b</i>	1.92%		03/07/2018	5,000	5,000	0.27%
	<i>a,b</i>	1.91%		05/07/2018	7,000	6,999	0.38%
	<i>a,b</i>	1.92%		06/07/2018	6,000	5,999	0.32%
Cargill Inc	<i>b</i>	1.91%		03/07/2018	1,000	1,000	0.05%
General Electric Co		1.92%		05/07/2018	3,000	3,000	0.16%
Total Capital Canada Ltd	<i>a,b</i>	1.92%		03/07/2018	19,000	18,999	1.03%

## Portfolio of Investments continued

As of 30 June 2018. All U.S. dollar amounts × 1,000.

Issuer	Footnotes	Rate	Effective Maturity	Maturity Date	Face Amount	Value U.S.\$	% of Net Assets
Toyota Motor Credit Corp		1.97%		19/07/2018	30,000	29,971	1.62%
		2.24%		22/08/2018	10,000	9,968	0.54%
<b>Total Non-Financial Company Commercial Paper</b>						<b>80,936</b>	<b>4.37%</b>

### Certificate of Deposit — 20.23% (31 December 2017: 20.55%) of net assets

Bank of Montreal		2.24%		29/08/2018	3,000	3,000	0.16%
Barclays Bank Plc		2.43%		03/08/2018	13,000	13,000	0.70%
		2.39%		08/08/2018	10,000	10,000	0.54%
Canadian Imperial Bank of Commerce		1.92%		26/07/2018	1,000	1,000	0.05%
Citibank NA		1.94%		01/08/2018	1,000	1,000	0.05%
Commonwealth Bank of Australia		2.23%		25/09/2018	17,000	17,000	0.92%
Cooperatieve Rabobank UA		1.98%		06/08/2018	13,000	13,000	0.70%
Credit Agricole Corporate And Investment Bank		2.32%		03/10/2018	11,000	11,000	0.59%
Danske Bank A/S		2.31%		24/07/2018	2,000	2,000	0.11%
DZ Bank AG Deutsche Zentral Genossenschaftsbank		2.26%		26/09/2018	15,000	15,000	0.81%
		1.90%		06/07/2018	2,000	2,000	0.11%
Landesbank Baden Wuerttemberg		2.10%		30/07/2018	19,000	19,000	1.03%
Landesbank Hessen Thueringen Girozentrale		1.94%		05/07/2018	8,000	8,000	0.43%
Mitsubishi UFJ Trust And Banking Corporation		2.02%		31/07/2018	16,000	16,000	0.86%
Mizuho Bank Ltd		2.28%		05/09/2018	5,225	5,225	0.28%
		2.34%		06/07/2018	1,000	1,000	0.05%
		2.34%		09/07/2018	3,500	3,500	0.19%
		2.25%		24/08/2018	27,000	27,000	1.47%
MUFG Bank Ltd		1.90%		18/07/2018	17,000	17,000	0.92%
		1.93%		26/07/2018	9,000	9,000	0.49%
		2.00%		16/08/2018	10,000	10,000	0.54%
		2.32%		19/07/2018	6,000	6,000	0.32%
		2.32%		20/07/2018	100	100	0.01%
Natixis		2.34%		31/08/2018	18,000	18,000	0.97%
Nordea Bank AB		1.91%		24/07/2018	1,000	1,000	0.05%
		2.00%		18/07/2018	17,000	17,000	0.92%
Oversea Chinese Banking Corporation Ltd		2.05%		02/07/2018	11,000	11,000	0.59%
Skandinaviska Enskilda Banken AB		1.91%		26/07/2018	12,000	12,000	0.65%

## Portfolio of Investments continued

As of 30 June 2018. All U.S. dollar amounts × 1,000.

Issuer	Footnotes	Rate	Effective Maturity	Maturity Date	Face Amount	Value U.S.\$	% of Net Assets
<b>State Street Bank And Trust Company</b>		2.22%		30/08/2018	27,000	27,000	1.47%
<b>Sumitomo Mitsui Banking Corp</b>		2.25%		23/08/2018	12,000	12,000	0.65%
<b>Sumitomo Mitsui Trust Bank Ltd</b>		2.25%		22/08/2018	3,000	3,000	0.16%
<b>Swedbank AB</b>		1.90%		05/07/2018	12,000	12,000	0.65%
<b>US Bank National Association</b>		2.16%		27/08/2018	22,000	22,000	1.20%
		2.16%		04/09/2018	9,500	9,500	0.51%
<b>Wells Fargo Bank NA</b>		1.94%		25/07/2018	6,000	6,000	0.32%
		2.05%		05/09/2018	14,000	14,000	0.76%
<b>Total Certificate of Deposit</b>						<b>374,325</b>	<b>20.23%</b>

### Non-Negotiable Time Deposit — 10.06% (31 December 2017: 12.12%) of net assets

<b>ABN Amro Bank NV</b>		1.92%		06/07/2018	26,000	26,000	1.41%
<b>Australia And New Zealand Banking Group Ltd</b>		1.95%		05/07/2018	44,000	44,000	2.38%
<b>Cooperatieve Rabobank UA</b>		1.90%		02/07/2018	12,000	12,000	0.65%
<b>DNB Bank ASA</b>		1.90%		06/07/2018	35,000	35,000	1.89%
<b>National Bank of Canada</b>		1.92%		03/07/2018	11,000	11,000	0.59%
		1.92%		05/07/2018	5,000	5,000	0.27%
<b>Nordea Bank AB</b>		1.90%		05/07/2018	9,000	9,000	0.49%
<b>Northern Trust Co</b>		1.87%		02/07/2018	22,000	22,000	1.19%
<b>Svenska Handelsbanken AB</b>		1.90%		03/07/2018	18,000	18,000	0.97%
<b>Toronto Dominion Bank</b>		1.91%		05/07/2018	4,000	4,000	0.22%
<b>Total Non-Negotiable Time Deposit</b>						<b>186,000</b>	<b>10.06%</b>

### Other Instrument — 0.00% (31 December 2017: 1.22%) of net assets

<b>Total Fixed-Rate Obligations</b>						<b>1,124,765</b>	<b>60.79%</b>
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### Variable-Rate Obligations — 17.61% (31 December 2017: 17.39%) of net assets

#### Asset Backed Commercial Paper — 1.13% (31 December 2017: 0.50%) of net assets

<b>Bedford Row Funding Corp</b>	<i>a,b</i>	2.27%	30/07/2018	30/07/2018	14,000	14,000	0.76%
<b>Collateralized Commercial Paper Co LLC</b>	<i>a</i>	2.17%	23/07/2018	23/07/2018	1,000	1,000	0.05%

## Portfolio of Investments continued

As of 30 June 2018. All U.S. dollar amounts × 1,000.

Issuer	Footnotes	Rate	Effective Maturity	Maturity Date	Face Amount	Value U.S.\$	% of Net Assets
<b>Collateralized Commercial Paper II Co LLC</b>	<i>a,b</i>	2.26%	11/07/2018	11/07/2018	6,000	6,000	0.32%
						<b>21,000</b>	<b>1.13%</b>
<b>Financial Company Commercial Paper — 6.51% (31 December 2017: 1.10%) of net assets</b>							
<b>HSBC Bank Plc</b>	<i>b</i>	2.52%	30/07/2018	28/09/2018	7,000	7,000	0.38%
<b>HSBC USA Inc</b>	<i>b</i>	2.28%	23/07/2018	22/08/2018	13,000	13,000	0.70%
<b>ING US Funding LLC</b>	<i>a</i>	2.18%		05/07/2018	6,000	6,000	0.32%
	<i>a</i>	2.33%	31/07/2018	31/08/2018	2,000	2,000	0.11%
<b>JP Morgan Securities LLC</b>	<i>b</i>	2.31%	23/07/2018	22/08/2018	12,000	12,000	0.65%
		2.29%		30/07/2018	16,000	16,000	0.86%
<b>Toronto-Dominion Bank</b>	<i>b</i>	2.26%		25/07/2018	42,500	42,500	2.30%
	<i>b</i>	2.26%		30/07/2018	22,000	22,000	1.19%
<b>Total Financial Company Commercial Paper</b>						<b>120,500</b>	<b>6.51%</b>
<b>Non-Financial Company Commercial Paper — 0.00% (31 December 2017: 0.23%) of net assets</b>							
<b>Certificate of Deposit — 9.70% (31 December 2017: 14.75%) of net assets</b>							
<b>Bank of Montreal</b>		2.43%	17/07/2018	17/10/2018	2,500	2,500	0.14%
<b>Canadian Imperial Bank of Commerce</b>		2.51%	20/07/2018	20/09/2018	13,000	13,000	0.70%
		2.45%	16/07/2018	16/10/2018	6,000	6,000	0.32%
<b>Citibank NA</b>		2.38%	12/07/2018	12/09/2018	18,000	18,000	0.97%
<b>ING Bank NV</b>		2.50%	10/07/2018	10/10/2018	5,000	5,000	0.27%
<b>Mitsubishi UFJ Trust And Banking Corporation</b>		2.26%		09/07/2018	14,000	14,000	0.76%
<b>National Bank of Canada</b>		2.29%	05/07/2018	05/11/2018	1,000	1,000	0.05%
<b>Royal Bank of Canada</b>		2.25%		13/07/2018	10,000	10,000	0.54%
		2.22%		10/07/2018	24,000	24,000	1.30%
		2.26%		16/07/2018	33,000	33,000	1.79%
<b>Sumitomo Mitsui Banking Corp</b>		2.25%		11/07/2018	8,000	8,000	0.43%
		2.30%		19/07/2018	15,000	15,000	0.81%
		2.30%		24/07/2018	3,000	3,000	0.16%
<b>Svenska Handelsbanken AB</b>		2.38%	23/07/2018	22/10/2018	10,000	10,000	0.54%
		2.32%	26/07/2018	26/09/2018	12,000	12,000	0.65%
<b>Wells Fargo Bank NA</b>		2.29%	30/07/2018	30/08/2018	5,000	5,000	0.27%
<b>Total Certificate of Deposits</b>						<b>179,500</b>	<b>9.70%</b>



## Portfolio of Investments continued

As of 30 June 2018. All U.S. dollar amounts × 1,000.

Issuer	Footnotes	Rate	Effective Maturity	Maturity Date	Face Amount	Value U.S.\$	% of Net Assets
<b>Other Instrument</b> — 0.27% (31 December 2017: 0.81%) of net assets							
<b>Bank of America NA</b>		2.27%	13/07/2018	13/08/2018	5,000	5,000	0.27%
<b>Total Other Instrument</b>						<b>5,000</b>	<b>0.27%</b>
<b>Total Variable-Rate Obligations</b>						<b>326,000</b>	<b>17.61%</b>
<b>Reverse Repurchase Agreements</b> — 21.58% (31 December 2017: 11.93%) of net assets							
<b>U.S. Government Agency Reverse Repurchase Agreement</b> — 21.58% (31 December 2017: 8.33%) of net assets							
<b>Bank of Nova Scotia</b>							
Tri Party Reverse Repurchase Agreement Collateralised by Government Agency Securities		2.12%		02/07/2018	183,237	183,237	9.91%
<b>Goldman Sachs &amp; Co LLC</b>							
Tri Party Reverse Repurchase Agreement Collateralised by Government Agency Securities		2.07%		02/07/2018	171,000	171,000	9.24%
<b>Wells Fargo Securities LLC</b>							
Tri Party Reverse Repurchase Agreement Collateralised by Government Agency Securities		2.12%		02/07/2018	45,000	45,000	2.43%
<b>Total U.S. Government Agency Reverse Repurchase Agreement</b>						<b>399,237</b>	<b>21.58%</b>
<b>U.S Treasury Reverse Repurchase Agreement</b> — 0.00% (31 December 2017: 3.60%) of net assets							
<b>Total Reverse Repurchase Agreements</b>						<b>399,237</b>	<b>21.58%</b>
<b>Total Investments (31 December 2017: 100.01%)</b>						<b>1,850,002</b>	<b>99.98%</b>
<b>Other Net Assets (31 December 2017: (0.01)%)</b>						<b>325</b>	<b>0.02%</b>
<b>Total Net Assets</b>						<b>1,850,327</b>	<b>100.00%</b>

a Credit-enhanced security

b 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 financial period end the value of these amounted to \$592,099 or 32.00% of net assets.

*Portfolio of Investments* continued

As of 30 June 2018. All U.S. dollar amounts × 1,000.

	Fair Value U.S.\$	% of Total Assets
<b>Analysis of Total Assets</b>		
Transferable securities dealt in on another regulated market	1,450,765	78.34%
Reverse repurchase agreements	399,237	21.56%
Other assets	1,914	0.10%
<b>Total Assets</b>	<b>1,851,916</b>	<b>100.00%</b>

# Statement of Financial Position

As of 30 June 2018. All U.S. dollar amounts and shares × 1,000, except NAV per Share.

	Schwab U.S. Dollar Liquid Assets Fund U.S.\$
<b>Current Assets</b>	
Financial assets at fair value through profit or loss (note 1 (f) and note 15)	1,450,765
Investments in reverse repurchase agreements (note 1 (g) and note 15)	399,237
Accrued income	1,914
<b>Total Assets</b>	<b>1,851,916</b>
<b>Current Liabilities Due Within One Year</b>	
Accrued expenses (Note 8)	1,589
<b>Total Liabilities</b>	<b>1,589</b>
<b>Net Assets Attributable to Holders of Redeemable Participating Shareholders</b>	<b>\$1,850,327</b>
Redeemable Participating Shares	1,850,244
<b>NAV per Share as of 30 June 2018</b>	<b>\$ 1.00</b>

The Notes 1 to 24 form part of these Financial Statements.

# Comparative Statement of Financial Position

As of 31 December 2017 All U.S. dollar amounts and shares × 1,000, except NAV per Share.

	Schwab U.S. Dollar Liquid Assets Fund U.S.\$
<b>Current Assets</b>	
Financial assets at fair value through profit or loss (Note 1 (f) and Note 15)	1,955,432
Investments in reverse repurchase agreements (Note 1 (g) and Note 15)	264,929
Accrued income	1,651
<b>Total Assets</b>	<b>2,222,012</b>
<b>Current Liabilities Due Within One Year</b>	
Accrued expenses (Note 8)	1,887
<b>Total Liabilities</b>	<b>1,887</b>
<b>Net Assets Attributable to Redeemable Participating Shareholders</b>	<b>\$2,220,125</b>
Redeemable Participating Shares	2,220,074
<b>NAV per Share as of 31 December 2017</b>	<b>\$ 1.00</b>

The Notes 1 to 24 form part of these Financial Statements.

# Statement of Comprehensive Income

For 1 January 2018 through 30 June 2018. All U.S. dollar amounts × 1,000.

	Schwab U.S. Dollar Liquid Assets Fund U.S.\$
<b>Income and Gains</b>	
Net gains including interest income on financial assets at fair value through profit or loss (Note 1 (d) and Note 1 (e))	19,114
<b>Total interest income and gains</b>	<b>19,114</b>
<b>Expenses</b>	
Management fees (Note 2)	10,510
<b>Total expenses</b>	<b>10,510</b>
Fees waived (Note 2)	—
<b>Net expenses</b> (Note 2)	<b>10,510</b>
<b>Increase in net assets resulting from operations</b>	<b>8,604</b>
<b>Distributions to Redeemable Participating Shareholders</b> (Note 1 (h))	<b>(8,572)</b>
<b>Net increase in net assets attributable to Redeemable Participating Shareholders resulting from operations</b>	<b>32</b>

All activities arose from continuing operations. There are no gains and losses other than those dealt with in the Statement of Comprehensive Income.

The Notes 1 to 24 form part of these Financial Statements.

# Comparative Statement of Comprehensive Income

For 1 January 2017 through 30 June 2017. All U.S. dollar amounts × 1,000.

	Schwab U.S. Dollar Liquid Assets Fund U.S.\$
<b>Income and Gains</b>	
Net gains including interest income on financial assets at fair value through profit or loss (Note 1 (d) and Note 1 (e))	12,016
<b>Total interest income and gains</b>	<b>12,016</b>
<b>Expenses</b>	
Management fees (Note 2)	11,345
<b>Total expenses</b>	<b>11,345</b>
Fees waived (Note 2)	(217)
<b>Net expenses</b> (Note 2)	<b>11,128</b>
<b>Increase in net assets resulting from operations</b>	<b>888</b>
<b>Distributions to Redeemable Participating Shareholders</b> (Note 1 (h))	<b>(885)</b>
<b>Net increase in net assets attributable to Redeemable Participating Shareholders resulting from operations</b>	<b>3</b>

All activities arose from continuing operations. There are no gains or losses other than those dealt with in the Statement of Comprehensive Income.

The Notes 1 to 24 form part of these Financial Statements.

# *Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders*

For 1 January 2018 through 30 June 2018. All U.S. dollar and shares amount × 1,000.

	Schwab U.S. Dollar Liquid Assets Fund U.S.\$
Net assets at start of financial period	2,220,125
Proceeds from Shares created	1,222,466
Proceeds from Shares reinvested	8,572
Payments for Shares redeemed	(1,600,868)
Net increase in net assets attributable to Redeemable Participating Shareholders resulting from operations	32
<b>Net asset value at the end of the financial period</b>	<b>1,850,327</b>
<b>Number of Redeemable Participating Shares</b>	
Redeemable Participating Shares in issue at start of financial period	2,220,074
Redeemable Participating Shares issued during the financial period	1,222,466
Redeemable Participating Shares reinvested during the financial period	8,572
Redeemable Participating Shares redeemed during the financial period	(1,600,868)
<b>Redeemable Participating Shares in issue at the end of the financial period</b>	<b>1,850,244</b>

The Notes 1 to 24 form part of these Financial Statements.

# *Comparative Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders*

For 1 January 2017 through 30 June 2017. All U.S. dollar and shares amount × 1,000.

	Schwab U.S. Dollar Liquid Assets Fund U.S.\$
Net assets at start of financial period	2,329,300
Proceeds from Shares issued	1,256,023
Proceeds from Shares reinvested	885
Payments for Shares redeemed	(1,328,639)
Net increase in net assets attributable to Redeemable Participating Shareholders resulting from operations	3
<b>Net asset value at the end of the financial period</b>	<b>2,257,572</b>
<b>Number of Redeemable Participating Shares</b>	
	Units
Redeemable Participating Shares in issue at start of financial period	2,329,254
Redeemable Participating Shares issued during the financial period	1,256,023
Redeemable Participating Shares reinvested during the financial period	885
Redeemable Participating Shares redeemed during the financial period	(1,328,639)
<b>Redeemable Participating Shares in issue at the end of the financial period</b>	<b>2,257,523</b>

The Notes 1 to 24 form part of these Financial Statements.



# Statement of Cashflows

For the period from 1 January 2018 through 30 June 2018. All U.S. dollar amounts x 1,000.

	Schwab U.S. Dollar Liquid Assets Fund U.S.\$
<b>Net increase in net assets attributable to Redeemable Participating Shareholders resulting from operations</b>	<b>32</b>
<b>Adjustment for:</b>	
Movement in financial assets at fair value through profit or loss	504,667
Movement in investments in reverse repurchase agreements	(134,308)
Movement in receivables	(263)
Movement in payables	(298)
<b>Net cash inflow from operating activities</b>	<b>369,830</b>
<b>Financing activities</b>	
Proceeds from Shares issued	1,222,466
Payments for Shares redeemed	(1,600,868)
Distributions reinvested by Redeemable Participating Shareholders	8,572
<b>Net cash outflow from financing activities</b>	<b>(369,830)</b>
<b>Net movement in cash and cash equivalents</b>	<b>—</b>
Cash and cash equivalents at the start of the financial period	—
<b>Cash and cash equivalent at the end of the financial period</b>	<b>—</b>
<b>Supplementary information:</b>	
Interest received	18,819

The Notes 1 to 24 form part of these Financial Statements.

# Comparative Statement of Cashflows

For the period from 1 January 2017 through 30 June 2017. All U.S. dollar amounts x 1,000.

	Schwab U.S. Dollar Liquid Assets Fund U.S.\$
<b>Net increase in net assets attributable to Redeemable Participating Shareholders resulting from operations</b>	<b>3</b>
<b>Adjustment for:</b>	
Movement in financial assets at fair value through profit or loss	22,115
Movement in investments in reverse repurchase agreements	49,039
Movement in receivables	317
Movement in payables	257
<b>Net cash inflow from operating activities</b>	<b>71,731</b>
<b>Financing activities</b>	
Proceeds from Shares issued	1,256,023
Payments for Shares redeemed	(1,328,639)
Distributions reinvested by Redeemable Participating Shareholders	885
<b>Net cash outflow from financing activities</b>	<b>(71,731)</b>
<b>Net movement in cash and cash equivalents</b>	<b>—</b>
Cash and cash equivalents at the start of the financial year	—
<b>Cash and cash equivalents at the end of the financial year</b>	<b>—</b>
<b>Supplementary Information:</b>	
Interest received	12,330

The Notes 1 to 24 form part of these Financial Statements.

# Notes to the Financial Statements

## 1. Significant Accounting Policies

### a. Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities held at fair value through profit or loss. The financial statements are prepared in U.S. Dollars (U.S.\$).

### b. Basis of preparation

These unaudited semiannual financial statements for the financial period ended 30 June 2018, have been prepared in accordance with International Accounting Standard 34, “Interim financial reporting” (“IAS 34”), the Companies Act, 2014, as amended, the UCITS Regulations and the Listing Rules of the ISE.

These financial statements should be read in conjunction with the annual audited financial statements for the year ended 31 December 2017, which have been prepared under International Financial Reporting Standards (“IFRS”) as adopted for use in the European Union (“EU”) issued by the International Accounting Standard Board (“IASB”).

The preparation of financial statements in conformity with IFRS requires the Company to make certain accounting estimates and assumptions. Actual results may differ from those estimates and assumptions. The Board believes that any estimates used in preparing the financial statements are reasonable and prudent.

### **New standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2018**

IFRS 9 “Financial Statements” was issued in July 2014 and became effective for periods beginning

on or after 1 January 2018. IFRS 9 largely retains the existing requirements of IAS 39 for the recognition, classification and measurement of financial instruments. However, as it specifically relates to financial assets, the following categories included in IAS 39 are no longer available under IFRS 9: held to maturity, loans and receivables, and available for sale. The adoption of IFRS 9 has not had a significant effect on the Company’s accounting policies related to financial liabilities. Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and on its contractual cash flow characteristics. Management has determined that in order for the financial statements to give a true and fair view it is necessary to fair value all financial instruments through profit or loss as permitted by IFRS 9, as all financial instruments are managed on a fair value basis. Therefore there is no change to classifications when compared to the most recent annual audited financial statements.

### c. Measurement basis

The NAV of the Fund is currently calculated using the amortised cost method, which values securities at their cost and thereafter assumes a constant amortisation to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the security or instrument. The investment portfolio has been valued at fair value for the preparation of the financial statements.

**d. Income recognition**

Interest and other income on securities at fair value through profit or loss is dealt with under the net profit and losses in the Statement of Comprehensive Income.

**e. Realised gains and losses on investments**

Realised gains and losses on sales of investments, if any, are calculated based on the identified cost of the securities involved.

**f. Recognition, derecognition and measurement**

The Fund classifies financial assets at fair value through profit or loss.

Regular-way purchases and sales of investments are recognised on trade date — the date on which the Company commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the date of the Statement of Financial Position.

Quoted market prices are available and are used to determine the value of financial assets and financial liabilities at fair value through profit or loss. No liquidity discount is recognised on these securities as the expected cash flows are not subject to liquidity issues.

The Company may from time to time invest in financial instruments that are not traded in an active market. The fair value of such instruments is based on quoted market prices, dealer quotations or alternative pricing sources.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value.

**g. Reverse repurchase agreements**

Securities purchased under agreements to resell (Reverse repurchase agreements) are reported as reverse repurchase agreements and carried in the Statement of Financial Position at fair value through profit or loss. Interest earned on reverse repurchase agreements is recognised as interest income over the life of the agreement using the effective interest method.

**h. Distributions payable to holders of redeemable participating shares**

The aggregate amount available for distribution to Redeemable Participating Shareholders in any accounting period in respect of a class of Shares is the aggregate of the accumulated reserves, net realised and unrealised capital gains and net income received whether in the form of dividends less expenses, interest, capital gains or otherwise, as calculated in accordance with the Prospectus valuation notes.

**i. Cash and other liquid assets**

Cash and other liquid assets will be valued at their face value with interest accrued, where applicable, at the close of the regular trading session of the New York Stock Exchange (“NYSE”) on the relevant business day (normally 4:00 p.m., U.S. Eastern time, Monday through Friday).

**j. Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Receivables are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition origination. They are subsequently measured at amortised cost using the effective interest yield method, less provision for impairment.

**k. Payables**

Payables are recognised initially at fair value and subsequently stated at amortised cost. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method.

Trade and other creditors are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms.

**l. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**m. Transaction Costs**

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value

through profit and loss. Transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability are included in net gains including interest income on financial assets at fair value through profit or loss in the Statement of Comprehensive Income. Transaction costs on the purchase of securities are included in net gains including interest income on financial assets at fair value through profit or loss in the Statement of Comprehensive Income. Depository transaction costs are included in management fees in the Statement of Comprehensive Income. The costs are separately identifiable transaction costs and the total costs incurred by the Company during the financial period are disclosed in note 16.

**n. Net Assets Attributable to Redeemable Participating Shareholders**

The liability to Redeemable Participating Shareholders is presented in the Statement of Financial Position as "Net Assets Attributable to Redeemable Participating Shareholders" and is determined based on the residual assets of the Company after deducting all liabilities.

**o. Foreign Exchange**

The functional and presentational currency of the Fund is U.S. dollars. All of the investments of the Fund are denominated in U.S. dollars.

**2. Management Fees**

The Manager may receive a management fee of up to 1.00% per annum of the Fund's average daily NAV attributable to the Class A Shares (plus value added tax, if any, thereon) accrued daily and payable monthly in arrears as of the last Business Day of each month. The Manager shall also be entitled to be reimbursed for all

reasonable out-of-pocket expenses incurred for the benefit of the Fund. The Manager shall be responsible for paying the fees and expenses (plus value added tax, if any, thereon) of the Administrator and the Investment Manager out of its own management fee.

The Directors of the Company are also Directors of the Manager. During the financial period ended 30 June 2018, the Manager accrued fees of U.S. \$35,252 (30 June 2017: U.S. \$16,138) to the Directors on behalf of the Company (including out of pocket expenses, if any) of which \$1,566 (30 June 2017: U.S. \$2,675) were prepaid as at 30 June 2018 and U.S. \$10,355 (30 June 2017: U.S. \$11,228) on behalf of the Manager (including out of pocket expenses, if any) of which \$895 were payable as at 30 June 2018. Under the disclosure requirements of Section 305 of the Companies Act 2014 there were no other payments made to the Directors during the financial periods ended 30 June 2018 and 30 June 2017.

During the financial period ended 30 June 2018, the Manager accrued fees of U.S. \$12,706 (30 June 2017: U.S. \$12,563) to the Company's Auditors (including out of pocket expenses) for the audit of the Company's financial statements. The Company's Auditors also received fees for assistance with FATCA returns, annual return of trading details and Value-Added Tax (the "VAT") work completed during the financial period ended 30 June 2018 amounting to U.S. \$3,232 (30 June 2017: U.S. \$2,566). The Company's Auditors received no other remuneration during the financial periods ended 30 June 2018 and 30 June 2017 in respect of other assurance services, tax advisory services or other non-audit services.

Effective from 10 July 2009, the Manager may waive and/or reimburse expenses to the extent necessary to maintain the Company's net yield at a level of 0.01%.

### **3. Taxation**

Through 30 June 2018, the Company was not liable for any Irish taxes on income or on realised and unrealised gains, nor to withhold any Irish tax on dividends distributed by the Company.

The Company is an investment undertaking within the meaning of Section 739B TCA 1997 and is not chargeable to Irish tax on its relevant income or relevant gains nor is it subject to withholding tax on dividends or distributions to Shareholders but may be required to deduct the tax chargeable from Irish Residents who are not Exempt Investors or any person in respect of which the Company is not in possession of a Declaration.

No stamp, documentary, transfer or registration tax is payable in Ireland by the Shareholders on the issue, sale, transfer, redemption, repurchase, cancellation of or subscription for Shares.

Distributions of income and capital gains on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The Company may not be able to benefit from a reduction in the rate of withholding tax by virtue of the double taxation treaties in operation between Ireland and other countries. The Company may not therefore be able to reclaim withholding tax suffered by it in particular countries.

Shareholders who are not Irish Residents and in respect of which the Company is in possession of a Declaration (and the Company is not in possession

of information which would reasonably suggest that the Declaration is no longer materially correct) will not be chargeable to Irish income tax, corporation tax or capital gains tax in respect of distributions made by the Company or in respect of disposals, transfers or redemptions of Shares.

#### **4. Share Capital**

The authorised share capital of the Company is 500,000,030,000 Shares of no par value divided into 30,000 Subscriber Shares of no par value and 500,000,000,000 Shares of no par value. The Subscriber Shares entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up. The Shares entitle the holders to attend and vote at general meetings of the Company and to participate equally (subject to any differences between fees, charges and expenses applicable to different classes of Shares) in the profits and assets of the Company on the terms and conditions set out in the Relevant Supplement. There are no pre-emption rights attaching to Shares. All Shares other than Subscriber Shares are Redeemable Participating Shares, which is disclosed in the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders.

The Subscriber Shares do not form part of the Net Asset Value of the Fund. There are two Subscriber Shares of no par value issued at EUR 1.269738 each. They are disclosed in the financial statements by way of this note only.

In the opinion of the Board, this disclosure reflects the nature of the Company's business as an investment fund.

#### **5. Capital Management**

The capital of the Company is represented by the net assets attributable to Redeemable Participating Shareholders. The amount of net assets attributable to Redeemable Participating Shareholders can change significantly on a daily basis, as the Company is subject to daily subscriptions and redemptions at the discretion of the Shareholders.

A redemption request by a significant Shareholder may have a significant impact on the liquidity of the Company and its ability to continue as a going concern. See liquidity risk note 13 for details of how this risk is mitigated.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to achieve its overall objective of providing income while maintaining liquidity and a stable Net Asset Value.

The Investment Manager monitors capital on the basis of the value of net assets attributable to Redeemable Participating Shareholders.

#### **6. Cash at Bank**

All cash balances are held with State Street Custodial Services (Ireland) Limited.

#### **7. Exchange Rates**

All of the investments of the Fund are denominated in U.S. dollars, the functional currency of the Fund.

## 8. Accrued Expenses

30 June 2018

	Schwab U.S. Dollar Liquid Assets Fund U.S.\$
Depository Fees	16,673
Professional Fees	1,572,558
<b>Total Management Fees</b>	<b>1,589,231</b>

Comparative figures for 31 December 2017

	Schwab U.S. Dollar Liquid Assets Fund U.S.\$
Depository Fees	19,578
Professional Fees	1,867,233
<b>Total Management Fees</b>	<b>1,886,811</b>

These accrued expenses are payable to the management company. The management company pays all fees on behalf of the Fund.

## 9. Portfolio Changes

A detailed schedule of securities purchased and sold during the financial period may be obtained, free of charge, by Shareholders from the Administrator.

## 10. Soft Commission Arrangements

There were no soft commission arrangements entered into by the Investment Adviser on behalf of the Company, during the financial period/year ended 30 June 2018 or 31 December 2017.

## 11. Contingent Liabilities

There were no contingent liabilities as at 30 June 2018 or as at 31 December 2017.

## 12. Related Party and Connected Party Transactions

During the financial period ended 30 June 2018, Charles Schwab Asset Management (Ireland) Limited, the Manager of the Fund, earned management fees of U.S. \$10,510,102 (30 June 2017 U.S. \$11,344,688).

As at 30 June 2018, the Manager was owed management fees of U.S. \$1,589,231 (31 December 2017 U.S. \$1,886,811).

The Manager waived fees during the financial year ended 30 June 2018 of U.S. \$Nil (30 June 2017 U.S. \$217,188)

The Manager shall be responsible for paying the fees and expenses of the Administrator, the Depository and Investment Adviser out of its own management fee.

As of 30 June 2018 and 31 December 2017, Charles Schwab & Co., Inc., on behalf of its customers, held of record 100% of the outstanding Shares of the Fund.

At 30 June 2018 the Fund held a certificate of deposit issued by State Street Bank and Trust Company of U.S. \$27,000,000 (31 December 2017: U.S. \$Nil). This was a connected party transaction as State Street Fund Services (Ireland) Limited is the Administrator for the Fund and State Street Custodial Services (Ireland) Limited is the Depository for the Fund.

## 13. Risk Factors

The Fund was established to provide investors with current income while maintaining liquidity and a stable Net Asset Value per Share of U.S. \$1.00 by investing principally in U.S. dollar-denominated,



high-quality, short-term money market securities traded primarily in the U.S.

Investing in the Fund may involve certain risks, as described in the Fund's Prospectus, including, but not limited to, those described below. The financial instruments held by the Fund are set out in the Portfolio of Investments.

Under the UCITS Regulations issued by the Central Bank, the Investment Adviser is required to employ a risk management process which enables it to accurately monitor and manage the Global Exposure to the Company from derivatives. The Investment Adviser uses a methodology known as the "Commitment Approach" to measure the Global Exposure of the Company. The Commitment Approach is a methodology that aggregates the underlying market or notional values of derivatives to determine the exposure of the Company to derivatives. In accordance with the UCITS Notices, global exposures for the Company to derivatives must not exceed 100% of the Company's Net Asset Value.

### **Market Price Risk**

Market price risk arises mainly from uncertainty about future prices for financial instruments held. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Company invests primarily in money market instruments which are short term in nature and its exposure to price risk is generally seen as low. The Investment Adviser considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Fund's investment objectives.

### **Currency Risk**

The Company's investments are denominated in U.S. dollars. The Company had no exposure to currency risk throughout the financial period ended 30 June 2018 and financial year ended 31 December 2017.

### **Liquidity Risk**

Liquidity risk exists when particular investments are difficult to purchase or sell. The market for certain investments may become illiquid due to specific adverse changes in the conditions of a particular issuer or under adverse market or economic conditions independent of the issuer. If an investment becomes illiquid, the Fund may incur significant trading costs and may even suffer losses when selling such instruments. The Fund's assets are mainly comprised of readily realisable securities.

### **Credit Risk**

The Fund invests in high quality short-term money market securities at the time of purchase. Upon the occurrence of a downgrade of a repurchase agreement counterparty below the second highest short-term rating category, the Board of the Fund shall reassess whether such counterparty continues to present minimal credit risk and shall cause the Fund to take such action as is determined to be in the best interest of the Fund and its Shareholders.

The Fund is exposed to credit risk on counterparties to reverse repurchase agreements into which it has entered. The fair value of the reverse repurchase agreements at 30 June 2018 was U.S. \$399,237,043 (31 December 2017: U.S. \$264,928,771). The collateral backing these

reverse repurchase agreements is in the form of U.S. government agency debt and U.S. Treasury debt. The market value of the collateral held at 30 June 2018 was U.S. \$399,306,863 (31 December 2017: U.S. \$264,973,653). The collateral represented at least 100% of the fair value of the reverse repurchase agreements. Bank of New York Mellon acts as sub-custodian for the collateral and had an S&P Rating of A at 30 June 2018 (31 December 2017: A).

### **Redemption Risk**

The Fund may experience periods of heavy redemptions that could cause the Fund to liquidate its assets at inopportune times or at a loss or depressed value, particularly during periods of declining or illiquid markets. Redemptions by a few large investors in the Fund may have a significant adverse effect on the Fund's ability to maintain a stable U.S. \$1.00 Net Asset Value per Share. In the event any money market fund fails to maintain a stable Net Asset Value, other money market funds, including the Fund, could face a market-wide risk of increased redemption pressures, potentially jeopardising the stability of their U.S. \$1.00 Net Asset Value per Share.

### **Interest Rate Risk**

Interest rate risk arises primarily from investments in fixed interest securities. The Fund monitors interest rate risk by calculating the weighted average maturity of the investment portfolio. The weighted average maturity is an indicator of the sensitivity of the current investment portfolio to changes in interest rates. The weighted average maturity of the Fund's investment portfolio as of 30 June 2018 is shown in the Fund Performance and Fund Facts report on page 6. Interest rate risk is managed by investing in fixed income securities of different

maturities. The sensitivity analysis for interest rate risk illustrates how the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

On 13 June 2018, the Fed raised the Federal Funds target range 0.25% to 1.75% - 2.00%, marking the third rate hike in six months. This rate hike was largely expected by the market and resulted in minimal impact to the Fund's marked-to-market Net Asset Value.

Though the Fed announced that it would reduce forward guidance as the U.S. enters a normal economy, it's communication regarding future interest rate increases continues to be clear. The Fed is projecting two additional rate hikes in 2018, and three in 2019. Whether or not the Fed can maintain its projected pace of rate hikes depends on many economic factors. One of which being the outcome of a potential trade war which many investors believe could lead to a global recession if not contained.

Management expects meaningful changes in money market interest rates during second half of 2018. The anticipated rate increases could result in an approximate increase in net income resulting from operations for the year of approximately U.S. \$1.3 million. These figures are calculated on the assumption that the portfolio of securities held by the Fund as of 29 June 2018 is held constant and there is no change in any other variables.

The Fund may employ fund investment techniques for efficient portfolio management purposes as described in the Prospectus. In particular, the Fund may enter into reverse repurchase agreements. The efficient portfolio management purposes for which the Fund intends to employ

fund investment techniques are reduction of risk, reduction of cost and the generation of additional capital or income for the Company with an appropriate level of risk, taking into account the risk profile of the Company and UCITS Regulations. The Fund will not enter into financial derivative instruments (“FDI”) transactions.

At 30 June 2018, the Company had entered into reverse repurchase agreements as detailed in the Portfolio of Investments. Collateral information is disclosed in credit risk on page 32. Revenue of U.S. \$1,947,006 (30 June 2017 U.S. \$788,739) on the reverse repurchase agreements is included within net gains including interest income on financial assets at fair value through profit or loss in the Statement of Comprehensive Income.

Please refer to the “Investment Risks” section of the Prospectus for the Umbrella Fund and the Supplement for the Fund for a more complete description of the principal risks of investing in the Fund.

## 14. Net Asset Value — Historical Information

The Net Asset Value of the Fund and the Net Asset Value per Share of the Fund as at the end of the last three financial periods were as follows:

	30 June 2018	31 December 2017	30 June 2017
Total Net Asset Value (U.S. \$ '000)	1,850,327	2,220,125	2,257,572
Net Asset Value per Share	1.00	1.00	1.00

## 15. Fair Value Estimation

IFRS 13 ‘Financial Instruments Disclosure’, requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement of the instrument in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement of the instrument in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement requires judgment, considering factors specific to the financial asset or liability.

The determination of what constitutes “observable” requires significant judgment by the Directors in consultation with the Investment Adviser. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

For each class of assets and liabilities not measured at fair value in the Statement of Financial Position but for which fair value is disclosed,

IFRS 13 requires the Company to disclose the level within the fair value hierarchy within which the fair value measurement would be categorised and a description of the valuation technique and inputs used in the technique.

Assets and liabilities, including reverse repurchase agreements, not carried at fair value are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

In the event that the Fund holds cash and cash equivalents including deposits held with banks and other short-term investments in an active market they would be categorised as Level 1. There were no cash or cash equivalents held by the Fund at 30 June 2018 or 31 December 2017.

Receivable for investments sold and other receivables include the contractual amounts for settlement of trades and other obligations due to the Fund.

Payable for investments sold and other payables represent the contractual amounts and obligations due by the Company for settlement of trades and expenses. All receivable and payable balances are categorised as Level 2.

The puttable value of Redeemable Participating Shares is calculated based on the net difference between total assets and all other liabilities of the Fund. These Shares are not traded on an active market. A demand feature is attached to these Shares, as they are redeemable at the holders' option and can be put back to the Fund at any dealing date for cash/assets equal to a proportionate share of the Fund's NAV attributable to the Share Class. The fair value is based on the amount payable on demand, discounted from the first date that the amount could be required to be

paid. The impact of discounting in this instance is not material. As such, Level 2 is deemed to be the most appropriate categorisation for net assets attributable to holders of Redeemable Participating Shareholders.

The following tables provide an analysis within the fair value hierarchy of the Company's financial assets and liabilities, measured at fair value at 30 June 2018 and 31 December 2017:

**Schwab U.S. Dollar Liquid Assets Fund — 30 June 2018**  
All U.S. dollar amounts x 1,000.

Description	Total U.S.\$	Level 1 U.S.\$	Level 2 U.S.\$	Level 3 U.S.\$
Financial Assets at Fair Value through profit or loss	1,450,765	—	1,450,765	—
Reverse Repurchase Agreements	399,237	—	399,237	—
Total	1,850,002	—	1,850,002	—

**Schwab U.S. Dollar Liquid Assets Fund — 31 December 2017**  
All U.S. dollar amounts x 1,000.

Description	Total U.S.\$	Level 1 U.S.\$	Level 2 U.S.\$	Level 3 U.S.\$
Financial Assets at Fair value through profit or loss	1,955,432	—	1,955,432	—
Reverse Repurchase Agreements	264,929	—	264,929	—
Total	2,220,361	—	2,220,361	—

There were no Level 3 investments held during the financial period ended 30 June 2018 and financial year ended 31 December 2017.

There were no transfers in or out of Level 3 or other Levels for the financial period ended 30 June 2018.

## 16. Transaction Costs

For the financial period ended 30 June 2018, the Company incurred transaction costs of U.S. \$2,755 (30 June 2017: U.S. \$2,745).

## 17. Interest in Unconsolidated Entities

IFRS 12 defines a structured entity as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to the administrative tasks only and the relevant activities are directed by means of contractual agreements. A structured entity often has some of the following features or attributes:

- (1) restricted activities;
- (2) narrow and well defined objectives;
- (3) insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and
- (4) financing in the form of contractually linked instruments that create concentration of credit or other risk.

IFRS 12 states that examples of structures entities include: securitisation vehicles, asset-backed financings and some investment funds.

The Fund currently invests in asset-backed securities. The nature and rationale behind each of these investments are in order to meet the Fund's investment objectives and policies.

Such individual holdings can be viewed in the Portfolio of Investments. The Portfolio of Investments shows the nominal and the fair value through profit and loss amounts of such holdings and the fair value through profit and loss of such assets can also be found on the Statement of

Financial Position with such gains and losses recognised in the Statement of Comprehensive Income.

On 30 June 2018, the nominal value of asset-backed securities was U.S. \$280,050,000 (31 December 2017 U.S. \$495,600,000) and the fair value of such holdings was U.S. \$279,348,186 (31 December 2017 U.S. \$494,761,114).

The Company confirms that the carrying value of each of the investments in asset backed securities is equivalent to the fair value and there is no potential exposure to the Fund over and above the fair value on the Statement of Financial Position. The Fund has not provided, and would not be required to provide any financial support in respect of these securities.

## 18. United States Generally Accepted Accounting Principles Reconciliation

The Investment Advisor of the Company is registered with the Securities Exchange Commission (the "SEC") as an investment adviser under the U.S. Investment Advisers Act of 1940. Section 203(b)(3) of the U.S. Investment Advisers Act of 1940 provides for an exemption from a "surprise examination", a requirement for the Investment Adviser to engage an independent public accountant to examine the books and records of the Company, subject to an annual financial statement audit by an independent public accountant (the "exemption").

As part of the requirements for this exemption, the Company may:

- a) present their annual audited financial statements prepared under United States Generally Accepted Accounting Principles ("U.S. GAAP"); or

b) non-U.S. pools may have their annual audited financial statements prepared in accordance with accounting standard other than U.S. GAAP so long as they contain information substantially similar to statements prepared in accordance with U.S. GAAP, with any material differences reconciled to U.S. GAAP.

As detailed in note 1, these financial statements have been prepared in accordance with IFRS and interpretations issued by the IASB, the UCITS regulations and the Listing Rules of the ISE.

The Investment Advisor is of the opinion that the information presented in the statement of comprehensive income, statement of financial position, statement of changes in net assets attributable to participating shareholders and the statement of cash flows has been presented in a manner that, with the exception of presentation, would not be materially different had these financial statements been prepared in accordance with U.S. GAAP.

The following table represents additional information that would have been provided had these financials been prepared in accordance with U.S. GAAP:

**FINANCIAL HIGHLIGHTS**

	01/01/2018 - 30/06/2018	01/01/2017 - 31/12/2017
<b>Per-Share Data</b>		
Net asset value at beginning of period	\$1.00	\$1.00
Income (loss) from investment operations:		
Increase in net assets resulting from operations <sup>1</sup>	0.00 <sup>2</sup>	0.00 <sup>2</sup>
Less Distributions:		
Distributions to redeemable participating shareholders	(0.00) <sup>2</sup>	(0.00) <sup>2</sup>
Net asset value at end of period	\$1.00	\$1.00

	01/01/2018 - 30/06/2018	01/01/2017 - 31/12/2017
Total Return	0.41% <sup>3</sup>	0.20%
<b>Ratios/Supplemental Data</b>		
Ratios to average net assets:		
Net operating expenses	1.00% <sup>4</sup>	0.99% <sup>5</sup>
Gross operating expenses	1.00% <sup>4</sup>	1.00%
Net investment income (loss)	0.82% <sup>4</sup>	0.19%
Net assets, end of period (x1,000)	\$1,850,327	\$2,220,125

<sup>1</sup> Calculated based on the average shares outstanding during the period.

<sup>2</sup> Per-share amount was less than \$0.005.

<sup>3</sup> Not Annualized.

<sup>4</sup> Annualized.

<sup>5</sup> Reflects the effect of a voluntary yield waiver.

**19. Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously. Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit and loss and foreign exchange gain and losses. The Company's financial assets and liabilities are not subject to offsetting, enforceable master netting arrangements and similar arrangements.

As discussed in the Credit Risk Section of note 13, the Fund invests into tri-party reverse repurchase agreements. These reverse repurchase agreements are held with a number of different counterparties as disclosed on the face of the Portfolio of Investments, whereas the collateral held against these reverse repurchase agreements is held with Bank of New York Mellon. In the event of default, Bank of New York Mellon will pay the collateral to the Fund.

## **20. Operating Segments**

IFRS 8 “Operating Segments” requires a “management approach”, under which segment information is presented on the same basis as that used for internal reporting purposes.

The Directors are charged with the overall governance of the Company in accordance with the Prospectus, Articles of Association and Memorandum of Association. The Directors have appointed Charles Schwab Asset Management (Ireland) Limited as the Manager and Charles Schwab Investment Management, Inc as the Investment Adviser. The Directors, the Manager and the Investment Adviser are considered the Chief Operating Decision Maker (“CODM”) for the purposes of IFRS 8.

For management purposes, the Company is organised into one main operating segment, which invests in money market securities. All of the Company’s activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

## **21. Significant Events During the Financial Period**

There have been no significant events during the financial period which in the opinion of the Board could have had a material impact on the financial statements for the financial period ended 30 June 2018.

## **22. Subsequent Events**

There have been no events subsequent to the financial period end, which in the opinion of the

Board may have had a material impact on the financial statements for the financial period ended 30 June 2018.

## **23. Prospectus**

There were no material changes to the Prospectus during the financial period ended 30 June 2018.

## **24. Approval of Financial Statements**

The Financial Statements were approved and authorised for issue by the Directors on 23 August 2018.



# Glossary

Words and phrases that appear in financial reports often have specific meanings that are different from their everyday meanings. The glossary below tells you what is meant by the following terms when they are used in this report.

**144A securities** These securities may be sold only to qualified institutional buyers under Securities Act Rule 144A.

**agency discount notes** Notes issued by federal agencies — known as Government Sponsored Enterprises, or GSEs — at a discount to their value at maturity. An agency discount note is a short-term investment offering a high degree of credit quality.

**asset-backed commercial paper** A short-term investment that is typically issued by a bank or other financial institution. The notes represent an interest in financial assets such as trade receivables, credit card receivables, auto receivables, etc. and are generally used for the short-term financing needs of companies. Asset-backed commercial paper is subject to credit risk.

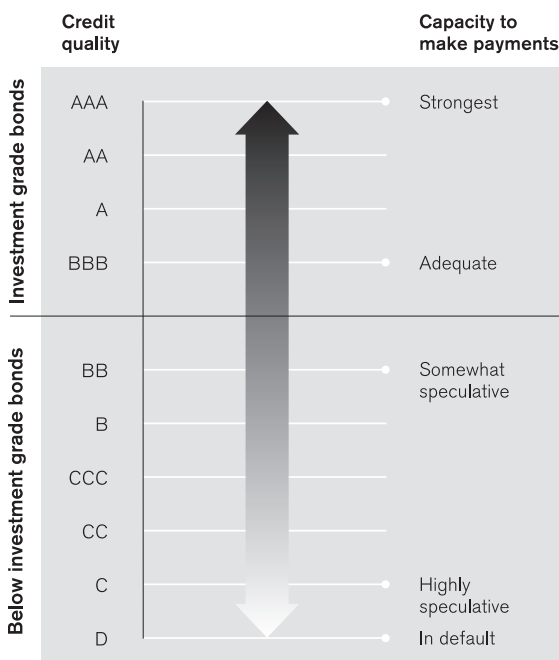
**capital gain, capital loss** The difference between the amount paid for an investment and its value at a later time. If the investment has been sold, the capital gain or loss is considered a realised gain or loss. If the investment is still held, the capital gain or loss is considered unrealised appreciation or depreciation.

**collateralised mortgage obligation (CMO)** A type of security that is collateralised by pools of mortgages backed by government agencies or private issuers (non-agency). The streams of principal and interest payments on the mortgages are distributed to the different classes of CMO interests, known as tranches. Each tranche may have different principal balances, coupon rates, prepayment risks, and maturity dates.

**commercial paper** Promissory notes issued by banks, corporations and other entities to finance short-term credit needs. These securities generally are structured on a discounted basis but sometimes may be interest-bearing notes. Commercial paper, which may be unsecured, is subject to credit risk.

## Credit ratings

Most major bond issuers arrange with a recognised independent rating organisation, such as Standard & Poor's (S&P) or Moody's Investors Service, to rate the credit-worthiness of their bonds. The spectrum of these ratings is divided into two major categories: investment grade and below investment grade (sometimes called "junk bonds"). Bonds rated below investment grade range from those that are considered to have some vulnerability to default to those that appear on the brink of default or are in default.





**corporate note** An unsecured debt security issued by a corporation that is subject to the credit risk of the issuer.

**credit-enhanced securities** Securities that are backed by the credit of an entity other than the issuer (such as a financial institution). Credit enhancements, which can equal up to 100% of the security's value, are designed to help lower the risk of default on a security and may also make the security more liquid.

**credit quality** The capacity of an issuer to make its interest and principal payments. See sidebar on previous page.

**credit risk** The risk that a debt issuer may be unable to pay interest or repay principal to its debt holders.

**dollar-weighted average maturity** See weighted average maturity.

**effective yield** A measurement of a fund's yield that assumes that all interest income is reinvested in additional shares of the fund.

**face value** The value of a bond, note, mortgage or other security as given on the certificate or instrument. Face value is also referred to as par value or nominal value.

**illiquid securities** A security is generally considered illiquid if it cannot be disposed of promptly (typically within seven days) and in the ordinary course of business at approximately the amount at which a fund has valued the instrument.

**maturity** The date a debt security is scheduled to be "retired" and its principal amount repaid. The Maturity of an investment will generally reflect the security's final maturity date unless the security's structure includes a maturity-shortening provision such as an interest rate reset, demand feature or put feature (the "Effective Maturity Date"). For those securities with a maturity-shortening provision, including variable-rate demand securities, the Maturity is determined by using the Effective Maturity Date.

**net asset value per share (NAV)** The value of one share of a mutual fund. NAV is calculated by taking the fund's total assets, subtracting liabilities, and dividing by

the number of shares outstanding. Certain money funds seek to maintain a steady NAV of U.S. \$1.00.

**repurchase agreement** (also known as a "repo") The sale of a security combined with a simultaneous agreement to repurchase it at a predetermined date and price.

**restricted securities** Securities that are subject to contractual restrictions on resale. These securities are often purchased in private placement transactions.

**reverse repurchase agreement** (also known as a "reverse repo") The purchase of a security combined with a simultaneous agreement to sell it at a predetermined date and price.

**variable rate demand obligations (VRDOs)** Securities that have long maturities but which, because of their structure, require them to repay principal plus accrued interest within a specified timeframe (usually one or seven days) upon the demand of the bond holder. Depending on their structure, the repayment may be made by the bond issuer or by a financial institution, such as a highly rated bank.

**weighted average maturity** The maturity date or Effective Maturity Date (see definition of maturity) of all the debt securities in its portfolio or the date the interest rate on those securities is reset or those securities that can be redeemed through demand, calculated as a weighted average. As a rule, the longer the Fund's weighted average maturity, the greater its interest rate risk.

**yield** The income paid out by an investment, expressed as a percentage of the investments market value.

# Organisation

## Directors

**Marie Chandoha (Nationality — United States)**

**George Pereira (Nationality — United States)**

**Gary Palmer\* (Chairperson) (Nationality — Irish)**

**Fiona Mulhall\* (Nationality — Irish)**

**Rory Mason\* (Nationality — Irish)**

**Barbara Healy\* (Nationality — Irish)**

\* Independent non-executive Directors.

## Manager

**Charles Schwab Asset Management (Ireland) Limited**  
78 Sir John Rogerson's Quay  
Dublin D02 HD32  
Ireland

## Investment Adviser

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211 Main Street  
San Francisco  
CA 94105  
USA

## Depository

**State Street Custodial Services (Ireland) Limited**  
78 Sir John Rogerson's Quay  
Dublin D02 HD32  
Ireland

## Administrator, Transfer Agent and Registrar

**State Street Fund Services (Ireland) Limited**  
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Ireland

## Sponsoring Irish Stock Exchange Broker

**Davy Stockbrokers**  
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## Legal Advisers

**Matheson**  
Solicitors  
70 Sir John Rogerson's Quay  
Dublin D02 R296  
Ireland

**Dechert LLP**  
27/F Henley Building  
5 Queen's Road Central  
Hong Kong

## Sub-Custodian for collateral on Repurchase Agreements

Bank of New York Mellon  
1 Wall Street  
New York  
NY 10286

## Independent Auditors

**Deloitte**  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House  
29 Earlsfort Terrace  
Dublin D02 AY28  
Ireland

## Secretary

**Matsack Trust Limited**  
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## Hong Kong Representative

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Suites 1607 - 1611  
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## United Kingdom Facilities Agent

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5<sup>th</sup> Floor, 20 St. Dunstan's Hill  
London EC3R 8HL  
United Kingdom

## Registered Office

70 Sir John Rogerson's Quay  
Dublin D02 R296  
Ireland

## Registered Number

300943

## Legal Form

Public Limited Company

# Securities Financing Transactions

Article 13 of Regulation (EU) 2015/2365 on transparency of securities financing transactions (SFTs) and of reuse and amending Regulation (EU) No 648/2012, requires UCITS investment companies to provide the following information on the use made of SFTs. The SFTs held by the fund at 30 June 2018 are reverse repurchase agreements.

## Reverse repurchase agreements

Below is the market value of assets engaged in reverse repurchase agreements analysed by counterparty at 30 June 2018.

U.S.\$'000	183,237
% of Net Assets	9.91
Counterparty Name	Bank Of Nova Scotia
Counterparty country of establishment	Canada
U.S.\$'000	171,000
% of Net Assets	9.24
Counterparty Name	Goldman Sachs & Co LLC
Counterparty country of establishment	United States
U.S.\$'000	45,000
% of Net Assets	2.43
Counterparty Name	Wells Fargo Securities LLC
Counterparty country of establishment	United States

The reverse repurchase agreements held on the fund are settled on a tri-party basis. The maturity tenor of the individual agreements as disclosed in the Portfolio of Investments and are all due to mature within 1 week of the period ended 30 June 2018.

The reverse repurchase agreements are collateralised by U.S. government agency debt and U.S. Treasury debt. All bonds have investment grade credit ratings, rated by S&P. The collateral is held in the same currency as the reverse repurchase agreements, U.S. dollars. Detailed in the table below is the maturity tenor of the collateral received in U.S.\$'000:

Less than 1 day	—
1 day to 1 week	—
1 week to 1 month	—
1 to 3 months	—
3 months to 1 year	—
Greater than 1 year	399,307
Open Maturity	—

## *Securities Financing Transactions* continued

### Collateral issuers

<b>1. Collateral Issuer</b>	U.S. Government Agencies
<b>Volume of collateral received U.S.\$'000</b>	399,307

The fund has no right to re-use the stock collateral received.

The depository of the collateral is State Street Custodial Services (Ireland) Limited. Bank of New York Mellon acts as sub-custodian for the collateral and is responsible for the safe-keeping of the collateral received in relation to each of the reverse repurchase agreements. At 30 June 2018, the fund received U.S.\$399,306,863 as collateral in relation to the reverse repurchase agreements.

The net returns to the fund from reverse repurchase agreements for the financial period ended 30 June 2018 amounted to U.S.\$1,947,006. The costs relating to the reverse repurchase agreements are not separately identifiable as they are embedded in the purchase/sale price of the transactions.

## Notes

## Notes



*Charles Schwab*  
*Worldwide Funds plc*

**Semiannual Report and  
Unaudited Financial Statements**

For the financial period ended 30 June 2018

Schwab U.S. Dollar Liquid Assets Fund