

Schwab Fundamental Global Real Estate Index Fund

Investment objective

The Fund seeks investment results that correspond generally (before fees and expenses) to the total return of the Russell RAFI™ Global Select Real Estate Index.

Fund highlights

- Simple access to real estate companies, including real estate investment trusts (REITs), in U.S. and non-U.S. markets, including developed and emerging markets
- A straightforward, low-cost fund with no investment minimum
- Offers contrarian investing and disciplined rebalancing through a systematic process based on an index with an established track record
- Offers the potential for value and yield factor exposure
- The Fund can serve as part of the core or complement to market-cap indexing and active management in a diversified portfolio

Fund details

Total net assets	\$142,406,351
Inception date	10/22/14
Expense ratio ¹	0.39%
Ticker symbol	SFREX
Number of securities	359
Distribution frequency	Quarterly
CUSIP	808509160
Index Bloomberg ticker	RUGFUREN
Index name	Russell RAFI™ Global Select Real Estate Index (Net)
Portfolio turnover rate (1-year trailing)	24.28%
Minimum initial investment	None
Minimum balance	None
Loads/12b-1 fees	None

Yields² as of 6/30/21

30-day SEC yield	2.51%
------------------	-------

Performance (%) as of 6/30/21	Cumulative		Annualized			
	3 Months	Year to Date	1 Year	3 Years	5 Years	Since Inception
Fund	6.58	16.54	34.41	5.38	6.64	6.84
Russell RAFI™ Global Select Real Estate Index (Net) ³	6.71	16.62	34.65	5.07	6.42	6.59
Russell RAFI™ Global Select Real Estate Fair Value Index (Net) ^{3, 4}	6.62	16.61	34.18	5.08	6.35	6.52
FTSE EPRA Nareit Global Index (Net) ⁵	7.67	13.79	30.45	5.71	5.11	5.52
Category Average ³	8.73	14.32	32.33	7.75	6.57	—

Annual total returns⁵ (%) as of 12/31

	2015	2016	2017	2018	2019	2020
Fund	-0.83	6.83	21.08	-8.23	22.61	-11.10

Performance data quoted represents past performance and is no guarantee of future results. Returns are based on total return, which assumes reinvestment of dividends and distributions. Investment returns and principal value will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than performance data quoted. To obtain performance information current to the most recent month end, please visit www.schwabassetmanagement.com.

Index performance returns do not reflect any management fees, transaction costs or expenses, which would lower performance. They assume dividends and distributions were reinvested. Indices are unmanaged and cannot be invested in directly.

The first index listed for the fund is the fund's primary benchmark, as shown in the prospectus. Additional indices shown are provided for comparative purposes.

Statistical information (3 Yr.) as of 6/30/21

	Fund	Russell RAFI™ Global Select Real Estate Index (Net)	FTSE EPRA Nareit Global Index (Net)
Sharpe ratio	0.19	0.17	0.23
Standard deviation	21.80%	21.68%	19.36%
Beta v. Benchmark	1.10	1.10	1.00
R-squared	96.12%	96.42%	100.00%

Source: Zephyr StyleADVISOR as of 06/30/21. Fund and Russell RAFI Index calculations use FTSE EPRA Nareit Global Index (Net) as the comparative index.

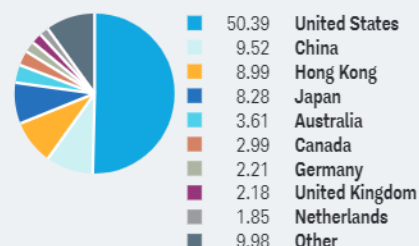
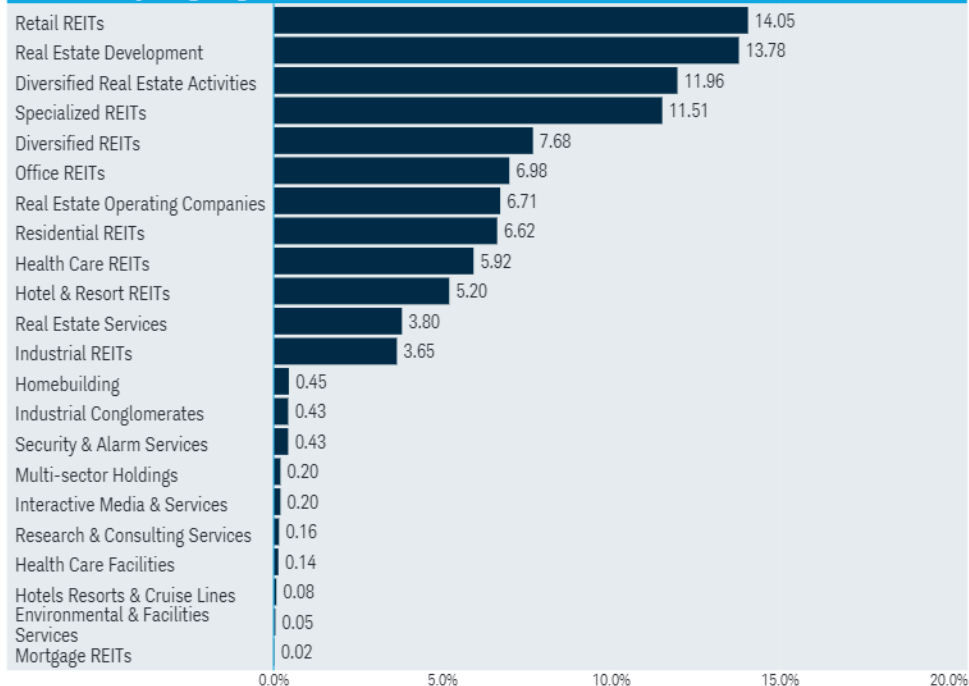
Portfolio characteristics⁶ as of 6/30/21

	Fund	FTSE EPRA Nareit Global Index (Net)
Wtd. avg. market capitalization (in millions)	\$18,778	\$19,016
Price-to-earnings ratio	15.71	20.29
Price-to-book ratio	1.16	1.44
Price-to-cash-flow ratio	12.48	17.30
Return on equity	5.05%	6.38%
5-year earnings growth	3.70%	4.81%

Investors should consider carefully information contained in the Fund's prospectus, or if available, the summary prospectus, including investment objectives, risks, charges and expenses. You can view and download a prospectus by visiting www.schwabassetmanagement.com/prospectus. Please read the prospectus carefully before investing.

Top 10 holdings^{6, 7} (% of portfolio) as of 6/30/21

Simon Property Group, Inc.	2.49
Welltower, Inc.	1.88
American Tower Corporation	1.82
Crown Castle International Corp	1.73
Mitsui Fudosan Co., Ltd.	1.72
Sun Hung Kai Properties Limited	1.68
Unibail-Rodamco-Westfield SE Stapled Secs Cons of 1 Sh Unibail Rodamco + 1 Sh WFD Unib Rod	1.59
CK Asset Holdings Limited	1.58
Ventas, Inc.	1.45
Host Hotels & Resorts, Inc.	1.44
TOTAL	17.38

Top 10 countries⁶ (% of portfolio) as of 6/30/21**Sub-industry weightings⁶ (% of portfolio) as of 6/30/21**

Sub-industry weightings for the Fund's portfolio are determined using the Global Industry Classification Standard (GICS). GICS was developed by and is the exclusive property of MSCI and Standard & Poor's (S&P). GICS is a service mark of MSCI and S&P and has been licensed for use by Charles Schwab & Co., Inc.

Find out more today

For more information, please visit www.schwabassetmanagement.com.

For additional information about the indices and terms shown, please visit www.schwabassetmanagement.com/resources/glossary.

Diversification strategies do not ensure a profit and do not protect against losses in declining markets.

There can be no assurance that the Fundamental Index[®] methodologies will achieve their desired outcomes. Each investing strategy involves its own set of unique risks and benefits.

International investments involve additional risks, which include differences in financial accounting standards, currency fluctuations, geopolitical risk, foreign taxes and regulations, and the potential for illiquid markets. Investing in emerging markets may accentuate these risks. Risks of investing in REITs are similar to those associated with direct ownership of real estate, such as changes in real estate values and property taxes, interest rates, cash flow of underlying real estate assets, supply and demand, and the management skill and credit worthiness of the issuer. Sector funds are not typically diversified and focus their investments on companies involved in a specific sector. The fund may involve a greater degree of risk than an investment in other funds with greater diversification.

¹ As stated in the prospectus. These figures may differ from those presented in a fund's shareholder report.

² 30-Day SEC Yield measures the income earned by a portfolio, less expenses, expressed as a rate of return on the Net Asset Value (NAV) for the past 30 days. Because the components of distributions (i.e., income, capital gains or return of capital) of the underlying REIT holdings the fund invests in are not known until after the end of the calendar year, Schwab calculates 30-Day SEC Yields reflecting a reduction in the income based on the previous year's return of capital distribution from the underlying REIT holdings.

³ Source: Morningstar, Inc. as of 06/30/21.

⁴ A fair value index measures returns adjusted to reflect price and foreign exchange rate changes for index securities in markets that have closed prior to the close of the New York Stock Exchange. Fair value index returns are calculated using fair value adjustment factors as of the close of the New York Stock Exchange provided by Interactive Data's (IDCo) Fair Value Information Service.

⁵ Fund performance does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

⁶ Data provided by FactSet as of 06/30/21.

⁷ Portfolio holdings are as of the date shown and may not represent current or future holdings and are not a recommendation of individual securities by the investment adviser.

Securities information includes trades posted to the Fund as of trade date.

The Schwab Fundamental Global Real Estate Index Fund is not in any way sponsored, endorsed, sold or promoted by Frank Russell Company (Russell), by the London Stock Exchange Group companies (LSEG), or by Research Affiliates LLC (RA) (collectively the Licensor Parties), and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the Russell RAFI[™] Global Select Real Estate Index (the Index) or otherwise. The Index is compiled and calculated by Russell in conjunction with RA. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any obligation to advise any person of any error therein. "Russell[®]" is a trademark of Russell. The trade names "Research Affiliates[®]", "Fundamental Index[®]" and "RAFI[®]" are registered trademarks of RA. Charles Schwab Investment Management, Inc. has obtained full license from Russell to use the Index. For full disclaimer please see the fund's statement of additional information.

Schwab Asset Management is the dba name for Charles Schwab Investment Management, Inc. (CSIM), the investment advisor for Schwab Funds. Schwab Asset Management is a part of the broader Schwab Asset Management Solutions organization (SAMS), a collection of business units of The Charles Schwab Corporation aligned by a common function—asset management-related services—under common leadership. Schwab Funds are distributed by Charles Schwab & Co., Inc. (Schwab) Member SIPC. CSIM and Schwab are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation.

Not FDIC Insured • No Bank Guarantee • May Lose Value

©2021 Charles Schwab Investment Management, Inc. All rights reserved. SLS88543-23 ((0721-1YPB)) (07/21)