

# Schwab Short-Term U.S. Treasury ETF

## Investment objective

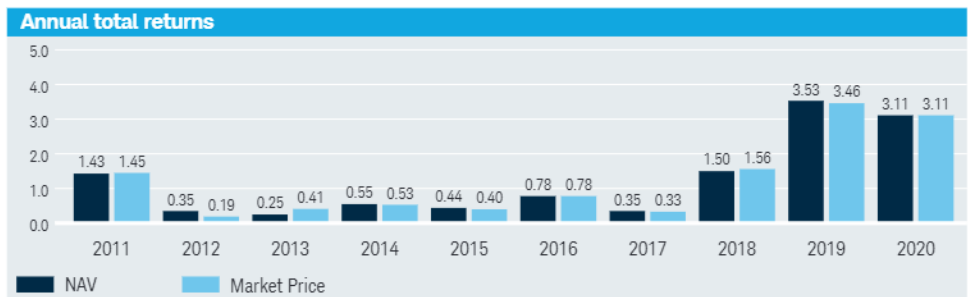
The fund's goal is to track as closely as possible, before fees and expenses, the total return of an index that measures the performance of the short-term U.S. Treasury bond market.

## Fund highlights

- A straightforward, low-cost fund offering potential tax-efficiency
- The Fund can serve as part of the core of a diversified portfolio
- Simple access to U.S. Treasury securities having a remaining maturity of between 1 and 3 years
- Provides income from the short-end of the Treasury bond yield curve

Fund details	
Total net assets	\$9,507,198,654
Inception date	08/05/10
Expense ratio <sup>1</sup>	0.05%
Ticker symbol	SCHO
Number of securities	89
Distribution frequency	Monthly
CUSIP	808524862
Index Bloomberg ticker	LT01TRUU
Index name	Bloomberg US Treasury 1-3 Year Index
Portfolio turnover rate	70.59%
Exchange	NYSE Arca

Performance (%) as of 9/30/21	Cumulative		Annualized				
	3 Months	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund (NAV Returns)	0.05	-0.06	-0.03	2.62	1.58	1.09	1.11
Fund (Market Price Returns)	0.03	-0.08	-0.01	2.61	1.57	1.08	1.10
Bloomberg US Treasury 1-3 Year Index <sup>2</sup>	0.07	-0.03	0.02	2.68	1.64	1.17	1.19
Category Average <sup>2</sup>	-0.07	-0.47	-0.38	2.51	1.44	1.09	-



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. Shares of ETFs are bought and sold at market price, which may be higher or lower than the net asset value (NAV). Brokerage commissions will reduce returns. 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](http://www.schwabassetmanagement.com).

**Market Price** is the price at which investors buy and sell ETF shares in the stock market. ETF Market Price determines investor returns. An ETF's Market Price may be higher or lower than the NAV at any given point in time. Market returns are based upon the Official Closing Price of the primary listing exchange (generally, 4:00 p.m. Eastern time) and may not represent the returns you would receive if shares were traded at other times.

**NAV (Net Asset Value)** is a per share valuation of the securities in an ETF officially calculated once per day. NAV price performance is primarily used to evaluate the fund and its managers and may not reflect the actual return for the investor.

Index figures do not include trading and management costs, which would lower performance. Indices are unmanaged and cannot be invested in directly.

Yields as of 9/30/21	
30-day SEC yield	0.20%
Distribution yield	0.59%
Average yield to maturity	0.29%

**30-day SEC yield** is the net investment income earned by a fund over a 30-day period and is expressed as an annual percentage rate based on the fund's share price. It is calculated by dividing the net investment income per share for the 30 days ended on the date of calculation by the maximum offering price per share on that date. **Distribution Yield** sums the trailing 12-month's income distributions from a fund and divides by the last month's ending Net Asset Value (NAV), excluding any capital gains distributed. **Average Yield to Maturity** is the internal rate of return of the security based on the given market price. It is the single discount rate that equates a security price (inclusive of accrued interest) with its projected cash flows. "Average" refers to the fact that yield to maturity is calculated at the holdings level and then a weighted average is used to get to the fund level yield to maturity. Average Yield to Maturity is gross of expenses and would be lower if expenses were taken into account.

Investors should consider carefully information contained in a 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](http://www.schwabassetmanagement.com/prospectus). Please read the prospectus carefully before investing.

**Portfolio characteristics** as of 9/30/21

Weighted average maturity	2.0 years
Weighted average coupon	1.23%
Weighted average duration <sup>3</sup>	2.0 years

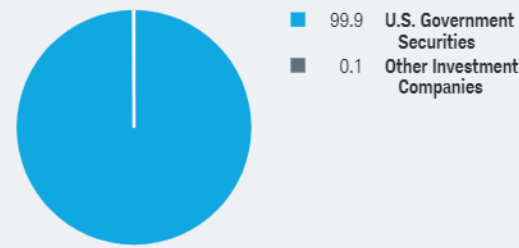
**Top 10 holdings<sup>4</sup>** (% of portfolio) as of 9/30/21

UNITED STATES TREASURY, 2.375%, 8/15/2024	2.02
UNITED STATES TREASURY, 2.50%, 5/15/2024	1.95
UNITED STATES TREASURY, 0.125%, 6/30/2023	1.83
UNITED STATES TREASURY, 0.25%, 9/30/2023	1.82
UNITED STATES TREASURY, 0.125%, 7/31/2023	1.82
UNITED STATES TREASURY, 0.125%, 8/31/2023	1.81
UNITED STATES TREASURY, 2.75%, 11/15/2023	1.77
UNITED STATES TREASURY, 0.125%, 1/31/2023	1.77
UNITED STATES TREASURY, 0.375%, 8/15/2024	1.76
UNITED STATES TREASURY, 0.125%, 4/30/2023	1.76
<b>TOTAL</b>	<b>18.31</b>

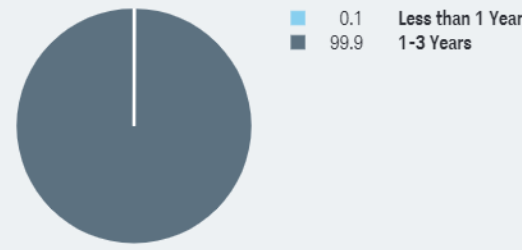
**Portfolio composition by credit rating<sup>4</sup>**  
(% of portfolio) as of 9/30/21

AAA	100.00
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Bloomberg Index Rating: Based on the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. In cases where explicit bond level ratings may not be available, other sources may be used to classify securities by credit quality. **Source: Bloomberg Index Service Ltd.**

**Portfolio composition by security type<sup>3,4</sup>**  
(% of portfolio) as of 9/30/21

**Other Investment Companies** represents the Fund's position in money market mutual funds registered under the Investment Company Act of 1940 and may include cash pending settlement.

**Portfolio composition by effective maturity<sup>4</sup>**  
(% of portfolio) as of 9/30/21

Maturity shown is the date the security matures, the date the interest rate on those securities is reset, or the date those securities can be redeemed through demand.

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For more information, please visit [www.schwabassetmanagement.com](http://www.schwabassetmanagement.com).

For additional information about the indices and terms shown, please visit [www.schwabassetmanagement.com/resources/glossary](http://www.schwabassetmanagement.com/resources/glossary).

Unlike mutual funds, shares of ETFs are not individually redeemable directly with the ETF. Fixed income securities are subject to increased loss of principal during periods of rising interest rates. Fixed-income investments are subject to various other risks including changes in credit quality, market valuations liquidity, prepayments, early redemption, corporate events, tax ramifications and other factors. Diversification strategies do not ensure a profit and do not protect against losses in declining markets. An investment in the Fund is not insured or guaranteed by any government agency. Government backing applies only to the government-issued bonds that make up the Fund, not the Fund itself.

<sup>1</sup> As stated in the prospectus. This figure may differ from that presented in the Fund's shareholder report.

<sup>2</sup> Source: Morningstar, Inc. as of 09/30/21.

<sup>3</sup> Data provided by CSIM as of 09/30/21, unless otherwise noted.

<sup>4</sup> % of portfolio is based on the market value of the Fund's total assets. Portfolio holdings and composition are as of the date shown and may not represent current or future holdings and are not a recommendation of individual securities.

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

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