

# Schwab Health Care Fund

## Investment objective

The Fund seeks long-term capital growth.

## Fund highlights

- An actively managed fund that offers convenient access to the health care sector
- Provides exposure to a range of health care companies, such as pharmaceuticals and biotechnology companies and medical product manufacturers and suppliers
- Seeks to deliver consistent, risk-adjusted excess return through a disciplined investment process that uses Schwab Equity Ratings® and Schwab Equity Ratings International® as part of several inputs\*
- An experienced portfolio management team evaluates securities based on three components: fundamentals, valuation, and sentiment

## Fund details

Total net assets	\$867,535,071
Number of fund holdings	93
Distribution frequency	Annual
Inception date	07/03/00
Loads/12b-1 fees	None
Total annual fund operating expenses <sup>1</sup>	0.80%
Minimum initial investment	None
Minimum balance	None

## Portfolio managers

**Jonas Svallin, CFA**, Managing Director  
Head of Active Equities

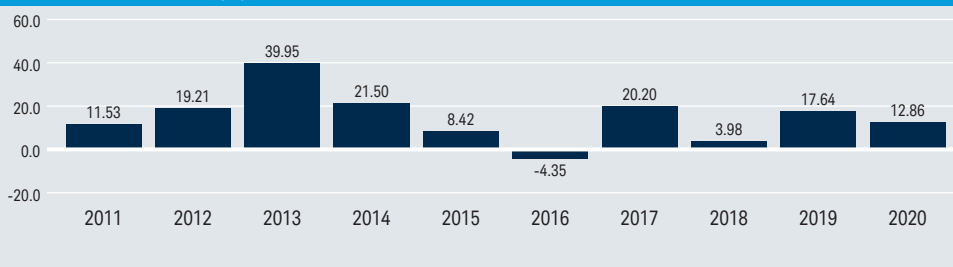
**Wei Li, Ph.D., CFA**, Senior Portfolio Manager

**Iain Clayton, CFA**, Senior Portfolio Manager

## Performance (%) as of 9/30/21

	Cumulative		Annualized				
	3 Months	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception
<b>Fund<sup>2</sup></b>	1.00	12.35	19.35	10.65	12.25	15.47	9.89
Dow Jones Global Health Care Index <sup>3</sup>	-0.16	9.58	18.07	11.95	13.08	14.95	7.99
Category Average <sup>3</sup>	-2.11	5.69	20.86	11.46	13.75	16.95	–

## Annual total returns<sup>2</sup> (%) as of 12/31



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](http://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.

## Top holdings<sup>4, 5</sup> (% of portfolio) as of 9/30/21

Johnson & Johnson	6.77
UnitedHealth Group Incorporated	5.15
Pfizer Inc.	4.83
Abbott Laboratories	4.08
Thermo Fisher Scientific Inc.	3.77
AbbVie, Inc.	3.65
Eli Lilly and Company	3.54
Merck & Co., Inc.	3.37
Bristol-Myers Squibb Company	3.04
Gilead Sciences, Inc.	2.67
<b>TOTAL</b>	<b>40.87</b>

\*To aid its stock selection, the fund uses Schwab Equity Ratings® and Schwab Equity Ratings International®, proprietary stock research produced by the Schwab Center for Financial Research (SCFR). SCFR is a division of Charles Schwab & Co., Inc. (Schwab).

## Important investment concerns

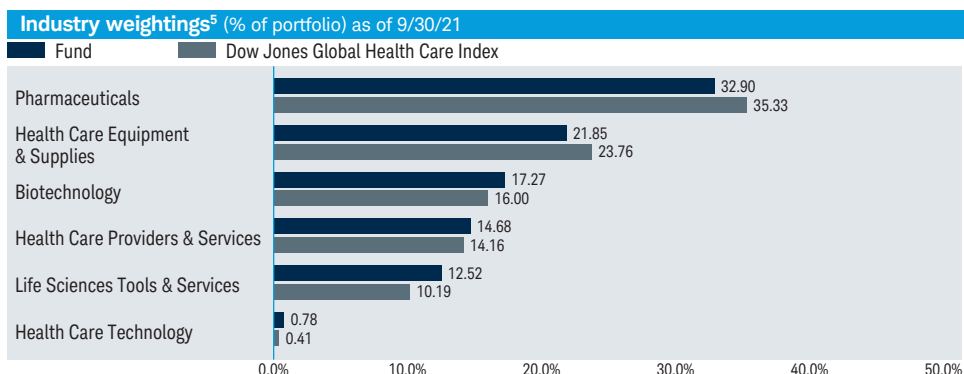
Sector funds are not typically diversified and focus their investments on companies involved in a specific sector. The fund may involve a greater degree of risk than an investment in other funds with greater diversification. International investments involve additional risks, which include differences in financial accounting standards, currency fluctuations, geopolitical risk, foreign taxes and regulations, and the potential for illiquid markets. Diversification strategies do not ensure a profit and do not protect against losses in declining markets.

Characteristics as of 9/30/21		
	Fund	Dow Jones Global Health Care Index
Number of securities	93	771
Wtd. avg. market capitalization (in millions)	\$151,547	\$132,617
Portfolio turnover rate (1-year trailing) <sup>6</sup>	70.30%	—
Price-to-earnings ratio	26.43	27.07
Price-to-book ratio	5.60	4.62
Price-to-cash-flow ratio	17.66	18.57
Return on equity	18.30%	16.39%
5-year earnings growth	14.14%	13.74%

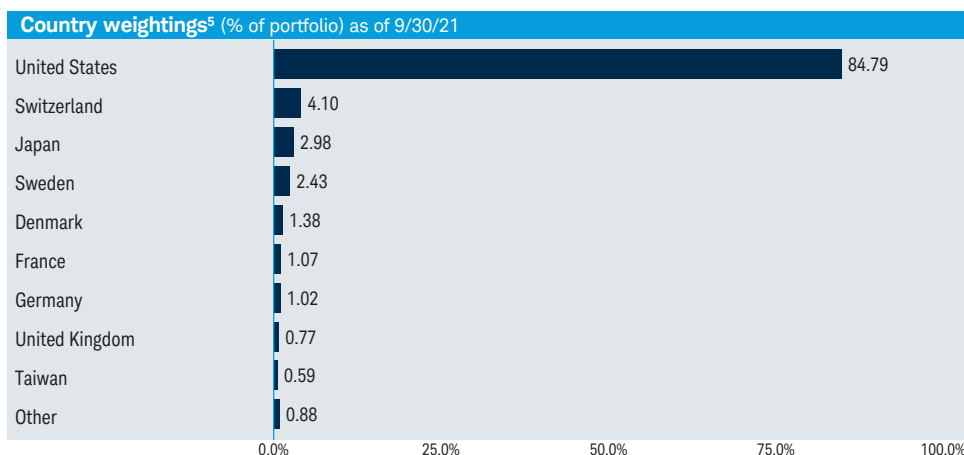
Data provided by FactSet as of 09/30/21, unless otherwise noted.

Statistical information (3 Yr.) as of 9/30/21		
	Fund	Dow Jones Global Health Care Index
Sharpe ratio	0.62	0.70
Information ratio	-0.50	0.00
Standard deviation	15.37%	15.33%
R-squared	97.15%	100.00%
Beta vs. Benchmark	0.99	1.00

Data provided by Zephyr StyleADVISOR as of 09/30/21.



Sector and/or industry weightings for the 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](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).

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](http://www.schwabassetmanagement.com/prospectus). Please read the prospectus carefully before investing.

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

<sup>2</sup> Fund expenses may have been partially absorbed by Charles Schwab Investment Management, Inc. (CSIM). Without these reductions, the fund's returns would have been lower.

<sup>3</sup> Source: Morningstar, Inc. as of 09/30/21.

<sup>4</sup> 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.

<sup>5</sup> Data provided by FactSet as of 09/30/21.

<sup>6</sup> Data provided by State Street Corporation as of 09/30/21.

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.

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