

# 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	\$143,450,088
Inception date	10/22/14
Expense ratio <sup>1</sup>	0.39%
Ticker symbol	SFREX
Number of securities	347
Distribution frequency	Quarterly
CUSIP	808509160
Index Bloomberg ticker	RUFGUREN
Index name	Russell RAFI™ Global Select Real Estate Index (Net)
Portfolio turnover rate (1-year trailing)	31.92%
Minimum initial investment	None
Minimum balance	None
Loads/12b-1 fees	None
Yields <sup>2</sup> as of 12/31/21	
30-day SEC yield	2.82%

Performance (%) as of 12/31/21	Cumulative		Annualized			
	3 Months	Year to Date	1 Year	3 Years	5 Years	Since Inception
<b>Fund</b>	4.65	18.59	18.59	8.93	7.51	6.60
Russell RAFI™ Global Select Real Estate Index (Net) <sup>3</sup>	4.38	18.50	18.50	8.66	7.17	6.35
Russell RAFI™ Global Select Real Estate Fair Value Index (Net) <sup>3,4</sup>	4.51	18.46	18.46	8.63	7.19	6.28
FTSE EPRA Nareit Global Index (Net) <sup>3</sup>	8.98	22.01	22.01	10.41	7.52	6.15
Category Average <sup>3</sup>	8.55	22.90	22.90	12.95	8.94	–

Annual total returns <sup>5</sup> (%) as of 12/31							
	2015	2016	2017	2018	2019	2020	2021
<b>Fund</b>	-0.83	6.83	21.08	-8.23	22.61	-11.10	18.59

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. 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 12/31/21			
	Fund	Russell RAFI™ Global Select Real Estate Index (Net)	FTSE EPRA Nareit Global Index (Net)
Sharpe ratio	0.37	0.36	0.48
Standard deviation	21.57%	21.44%	19.54%
Beta v. Benchmark	1.07	1.07	1.00
R-squared	94.21%	94.36%	100.00%

Source: Zephyr StyleADVISOR as of 12/31/21. Fund and Russell RAFI Index calculations use FTSE EPRA Nareit Global Index (Net) as the comparative index.

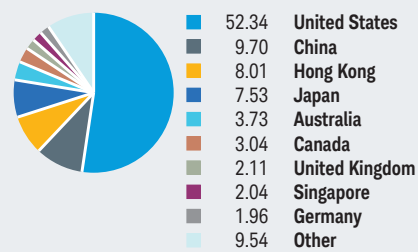
Portfolio characteristics <sup>6</sup> as of 12/31/21		
	Fund	FTSE EPRA Nareit Global Index (Net)
Wtd. avg. market capitalization (in millions)	\$22,053	\$25,221
Price-to-earnings ratio	11.54	17.86
Price-to-book ratio	1.04	1.54
Price-to-cash-flow ratio	12.37	19.16
Return on equity	6.21%	6.85%
5-year earnings growth	5.38%	5.67%

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.

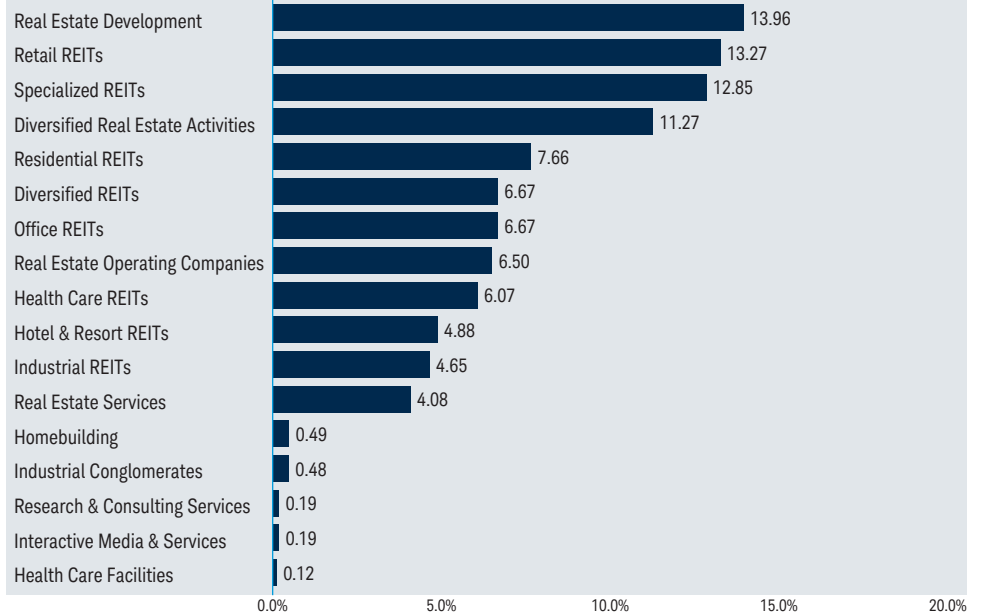
**Top 10 holdings<sup>6, 7</sup> (% of portfolio) as of 12/31/21**

Simon Property Group, Inc.	2.36
American Tower Corporation	2.13
Crown Castle International Corp	1.91
Welltower, Inc.	1.84
CBRE Group, Inc. Class A	1.60
CK Asset Holdings Limited	1.54
Mitsui Fudosan Co., Ltd.	1.53
China Overseas Land & Investment Limited	1.52
Sun Hung Kai Properties Limited	1.50
Prologis, Inc.	1.50
<b>TOTAL</b>	<b>17.43</b>

**Top 10 countries<sup>6</sup> (% of portfolio) as of 12/31/21**



**Sub-industry weightings<sup>6</sup> (% of portfolio) as of 12/31/21**



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.

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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).

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<sup>®</sup> 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. Investing in REITs may pose additional risks such as real estate industry risk, interest rate risk, risks related to the uncertainty of and compliance with certain tax regime rules, and liquidity risk. 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.

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

<sup>2</sup> 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.

<sup>3</sup> Source: Morningstar, Inc. as of 12/31/21.

<sup>4</sup> 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.

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

<sup>6</sup> Data provided by FactSet as of 12/31/21.

<sup>7</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.

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

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