

Schwab Fundamental US Small Company Index Fund

Investment objective

The Fund seeks investment results that correspond generally (before fees and expenses) to the total return of the Russell RAFI™ US Small Company Index.

Fund highlights

- Simple access to small U.S. companies based on fundamental measures
- A straightforward, low-cost fund with no investment minimum
- Offers contrarian investing and disciplined rebalancing through a systematic process based on indexes with established track records
- 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	\$1,862,725,556
Inception date	04/02/07
Expense ratio ¹	0.25%
Ticker symbol	SFSNX
Number of securities	1,004
Distribution frequency	Annual
CUSIP	808509418
Index name	Russell RAFI™ US Small Company Index
Portfolio turnover rate (1-year trailing)	38.57%
Minimum initial investment	None
Minimum balance	None
Loads/12b-1 fees	None

Morningstar Rating™ and Style Box²

Fund Category:

Small Blend

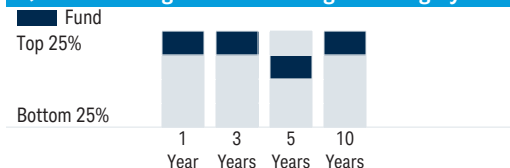
Rating

Overall ★★★★★
Three-Year ★★★★★
Five-Year ★★★★★
Ten-Year ★★★★★



Source: Morningstar, Inc. As of 03/31/22, the Morningstar Rating for the total number of Small Blend funds for the three-, five- and ten-year periods were 103/600, 138/541, and 66/358 respectively. The ratings reflect historical risk-adjusted performance and the Overall Rating is derived from a weighted average of the Fund's three-, five- and ten-year Morningstar Rating metrics.

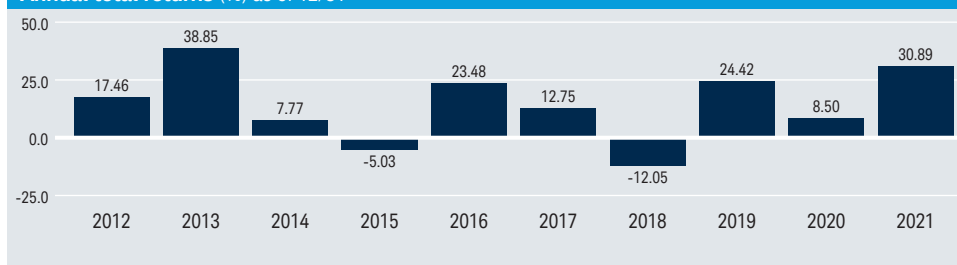
Quartile rankings within Morningstar category³



Rank within category is independently calculated and compares this Fund's total annual return to that of other funds in the same category and its figures are not adjusted for any fees and expenses, loads, sales charges, or taxes. As of 03/31/22, the quartile ranking of Small Blend funds for the One-, three-, five- and ten-year periods were 50/632, 103/600, 138/541, and 66/358, respectively.

Performance (%) as of 3/31/22	Cumulative		Annualized				
	3 Months	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception ⁴
Fund	-3.77	-3.77	6.87	14.38	10.60	11.83	9.30
Russell RAFI™ US Small Company Index ³	-3.66	-3.66	7.20	14.57	10.80	12.19	-
Fundamental U.S. Small Company Spliced Index ³	-3.66	-3.66	7.20	14.57	10.80	12.08	9.71
Russell 2000® Index ³	-7.53	-7.53	-5.79	11.74	9.74	11.04	7.99
Category Average ³	-6.27	-6.27	1.13	12.35	9.45	10.70	-

Annual total returns (%) 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.

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.

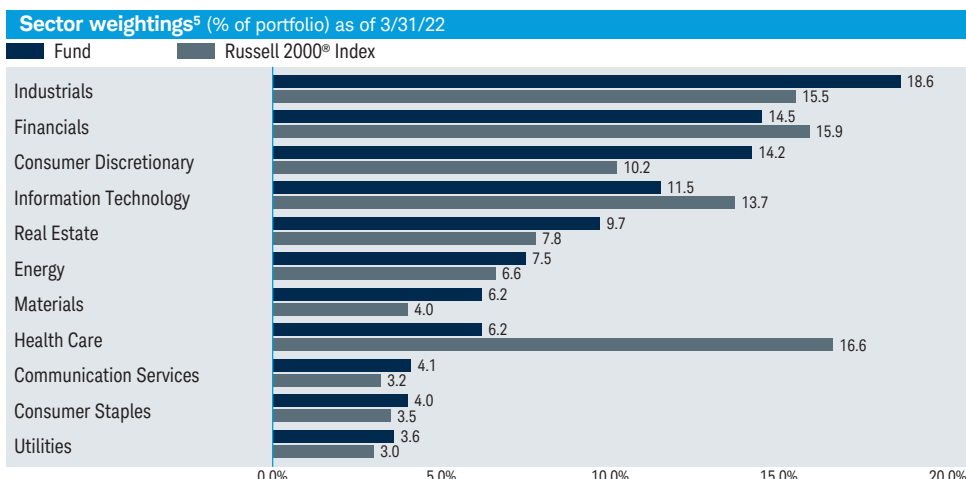
Statistical information (3 Yr.) as of 3/31/22

	Fund	Russell RAFI™ US Small Company Index	Russell 2000® Index
Sharpe ratio	0.54	0.55	0.46
Standard deviation	25.10%	25.11%	23.69%
Beta v. Benchmark	1.03	1.03	1.00
R-squared	95.04%	94.98%	100.00%

Source: Zephyr StyleADVISOR as of 03/31/22. Fund and Russell RAFI Index calculations use Russell 2000® Index as the comparative index.

Top 10 holdings ^{5, 6} (% of portfolio) as of 3/31/22	
Diamondback Energy, Inc.	0.62
Patterson-UTI Energy, Inc.	0.45
First Citizens BancShares, Inc. Class A	0.41
Nabors Industries Ltd.	0.40
Transocean Ltd.	0.40
Arch Resources, Inc. Class A	0.37
Sabre Corp.	0.36
SM Energy Company	0.33
CNX Resources Corporation	0.32
EQT Corporation	0.31
TOTAL	3.97

Portfolio characteristics ⁵ as of 3/31/22		
	Fund	Russell 2000 [®] Index
Wtd. avg. market capitalization (in millions)	\$5,435	\$3,355
Price-to-earnings ratio	15.88	14.32
Price-to-book ratio	1.92	2.15
Price-to-cash-flow ratio	8.92	9.59
Return on equity	12.04%	6.65%
5-year earnings growth	10.68%	15.53%



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.

For additional information about the indices and terms shown, please visit 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. Please read the prospectus carefully before investing.

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

Small company stocks are subject to greater volatility than many other asset classes.

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

² Morningstar proprietary ratings reflect historical risk-adjusted performance. For each fund with at least a 3-year history, Morningstar calculates a Morningstar Rating[™] based on a Morningstar risk-adjusted return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. (Each share class is counted as a fraction of 1 fund within this scale and rated separately, which may cause slight variations in the distribution percentages). The top 10% of the funds in an investment category receive 5 stars, 22.5% receive 4 stars, 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star.

³ Source: Morningstar, Inc. as of 03/31/22.

⁴ Since-inception performance of the indexes—with the exception of the Russell RAFI[™] US Small Company Index—is based on the inception date of the Fund.

⁵ Data provided by FactSet as of 03/31/22.

⁶ 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 inception date of the index is 2/24/11. The fund began tracking the index on 10/19/12.

Fundamental U.S. Small Company Spliced Index An internally calculated index comprised of the FTSE RAFI US Mid Small 1500 Index from inception of the Schwab Fundamental US Small Company Index Fund until the close of business on 10/18/12 and the Russell RAFI[™] US Small Company Index from 10/19/12 forward, when the Fund began tracking the index. The FTSE RAFI US Mid Small 1500 Index is composed of approximately 1,500 listed small and medium sized companies incorporated in the United States, ranked by fundamental value. The fundamentally weighted portfolio is rebalanced and reconstituted annually.

© 2022 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

The Schwab Fundamental U.S. Small Company 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[™] US Small Company 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., the investment adviser for Schwab Funds. Schwab Funds are distributed by Charles Schwab & Co., Inc. (Schwab), Member SIPC. Schwab Asset Management and Schwab are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation.

Not FDIC Insured - No Bank Guarantee - May Lose Value

©2022 Charles Schwab Investment Management, Inc. All rights reserved. SLS88537-26 (0422-2K0D) (04/22)