

# Schwab Small-Cap Equity Fund

## Investment objective

The Fund seeks long-term capital growth.

## Fund highlights

- An actively managed fund designed to offer potential for long-term performance that will exceed that of the Russell 2000® Index
- A convenient way to gain broad exposure to small-cap equity stocks
- Seeks to deliver consistent, risk-adjusted excess return through a disciplined investment process that uses Schwab Equity Ratings® as one of several inputs\*
- An experienced portfolio management team evaluates securities based on three components: fundamentals, valuation, and sentiment

## Fund details

Total net assets	\$525,794,270
Number of fund holdings	302
Distribution frequency	Annual
Inception date	07/01/03
Loads/12b-1 fees	None
Total annual fund operating expenses <sup>1</sup>	1.08%
Minimum initial investment	None
Minimum balance	None

## Portfolio managers

Iain Clayton, CFA, Senior Portfolio Manager  
Wei Li, Ph.D., CFA, Senior Portfolio Manager  
Holly Emerson, CFA, Portfolio Manager

## Morningstar Rating™ and Style Box<sup>2</sup>

### Fund Category:

Small Blend

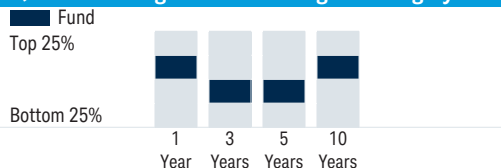
### Rating

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



Source: Morningstar, Inc. As of 06/30/22, the Morningstar Rating for the total number of Small Blend funds for the three-, five- and ten-year periods were 308/576, 333/528, and 104/350 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.

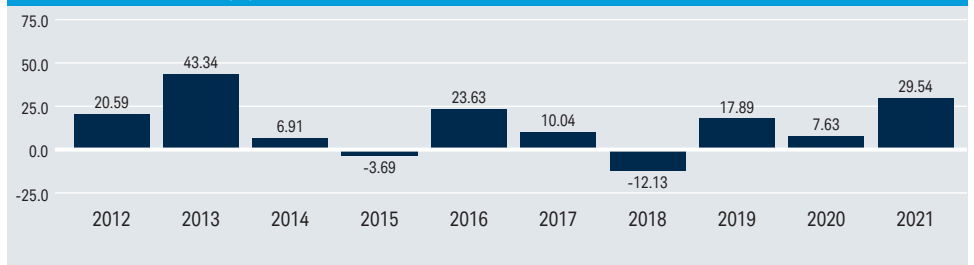
## Quartile rankings within Morningstar category<sup>3</sup>



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 06/30/22, the quartile ranking of Small Blend funds for the one-, three-, five- and ten-year periods were 155/605, 308/576, 333/528, and 104/350, respectively.

Performance (%) as of 6/30/22	Cumulative		Annualized				
	3 Months	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund <sup>4</sup>	-14.09	-18.45	-14.67	5.31	5.07	10.14	9.40
Russell 2000® Index <sup>3</sup>	-17.20	-23.43	-25.20	4.21	5.17	9.35	8.71
Category Average <sup>3</sup>	-14.72	-20.06	-17.27	5.65	5.58	9.40	-

## Annual total returns<sup>4</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>5, 6</sup> (% of portfolio) as of 6/30/22

International Bancshares Corporation	1.33
CommVault Systems, Inc.	1.21
Qualys, Inc.	1.18
Vishay Intertechnology, Inc.	1.13
Apple Hospitality REIT Inc	1.12
Lattice Semiconductor Corporation	1.11
Moog Inc. Class A	1.08
National Storage Affiliates Trust	1.08
Medpace Holdings, Inc.	1.05
Mueller Industries, Inc.	1.04
<b>TOTAL</b>	<b>11.33</b>

## Important investment concerns

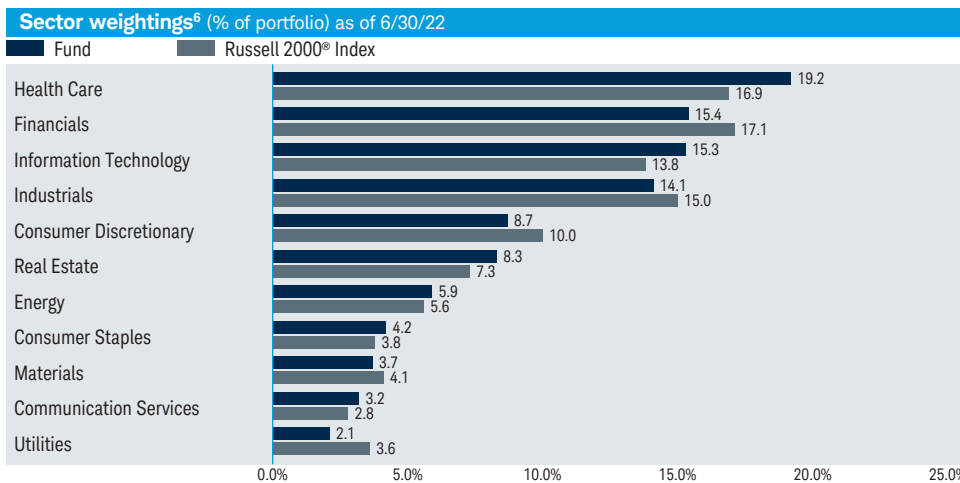
Small company stocks are subject to greater volatility than many other asset classes. Diversification strategies do not ensure a profit and do not protect against losses in declining markets.

Characteristics as of 6/30/22		
	Fund	Russell 2000® Index
Number of securities	302	1,991
Wtd. avg. market capitalization (in millions)	\$2,887	\$2,524
Portfolio turnover rate (1-year trailing) <sup>7</sup>	90.67%	—
Price-to-earnings ratio	10.46	11.48
Price-to-book ratio	1.88	1.78
Price-to-cash-flow ratio	6.80	7.91
Return on equity	14.70%	6.11%
5-year earnings growth	22.28%	14.03%

Data provided by FactSet as of 06/30/22, unless otherwise noted.

Statistical information (3 Yr.) as of 6/30/22		
	Fund	Russell 2000® Index
Sharpe ratio	0.20	0.15
Information ratio	0.23	0.00
Standard deviation	23.76%	24.26%
R-squared	96.01%	100.00%
Beta vs. Benchmark	0.96	1.00

Data provided by Zephyr StyleADVISOR as of 06/30/22.



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.

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

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

<sup>2</sup> 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.

<sup>3</sup> Source: Morningstar, Inc. as of 06/30/22.

<sup>4</sup> Fund expenses may have been partially absorbed by Schwab Asset Management. Without these reductions, the fund's returns would have been lower.

<sup>5</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>6</sup> Data provided by FactSet as of 06/30/22.

<sup>7</sup> Data provided by State Street Corporation as of 06/30/22.

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