

# 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	\$120,882,967
Inception date	10/22/14
Expense ratio <sup>1</sup>	0.39%
Ticker symbol	SFREX
Number of securities	393
Distribution frequency	Quarterly
CUSIP	808509160
Index Bloomberg ticker	RUGGUREN
Index name	Russell RAFI™ Global Select Real Estate Index (Net)
Portfolio turnover rate (1-year trailing)	28.40%
Minimum initial investment	None
Minimum balance	None
Loads/12b-1 fees	None

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

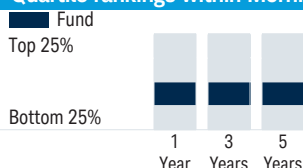
Fund Category:  
Global Real Estate

Rating  
Overall ★★  
Three-Year ★★  
Five-Year ★★



Source: Morningstar, Inc. As of 06/30/22, the Morningstar Rating for the total number of Global Real Estate funds for the three-, five- and ten-year periods were 149/188, 130/172, and N/A/109 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 Global Real Estate funds for the one-, three-, five- and ten-year periods were 107/189, 149/188, 130/172, and N/A/109, respectively.

Performance (%) as of 6/30/22	Cumulative		Annualized			
	3 Months	Year to Date	1 Year	3 Years	5 Years	Since Inception
Fund	-14.07	-15.41	-13.92	-1.55	1.84	3.88
Russell RAFI™ Global Select Real Estate Index (Net) <sup>3</sup>	-15.84	-16.79	-15.46	-2.28	1.27	3.42
Russell RAFI™ Global Select Real Estate Fair Value Index (Net) <sup>3,4</sup>	-15.44	-16.59	-15.27	-2.22	1.30	3.40
FTSE EPRA Nareit Global Index (Net) <sup>3</sup>	-17.01	-19.94	-14.16	-2.11	1.51	2.73
Category Average <sup>3</sup>	-16.87	-20.93	-14.67	-0.33	2.57	—

## Annual total returns<sup>5</sup> (%) as of 12/31

	2015	2016	2017	2018	2019	2020	2021
Fund	-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 6/30/22

	Fund	Russell RAFI™ Global Select Real Estate Index (Net)	FTSE EPRA Nareit Global Index (Net)
Sharpe ratio	-0.10	-0.13	-0.14
Standard deviation	21.29%	21.38%	20.08%
Beta v. Benchmark	1.02	1.03	1.00
R-squared	92.76%	93.46%	100.00%

Source: Zephyr StyleADVISOR as of 06/30/22. Fund and Russell RAFI Index calculations use FTSE EPRA Nareit Global Index (Net) as the comparative index.

## Portfolio characteristics<sup>6</sup> as of 6/30/22

	Fund	FTSE EPRA Nareit Global Index (Net)
Wtd. avg. market capitalization (in millions)	\$19,039	\$19,769
Price-to-earnings ratio	10.56	13.51
Price-to-book ratio	0.88	1.26
Price-to-cash-flow ratio	10.24	12.39
Return on equity	10.85%	10.42%
5-year earnings growth	3.74%	6.65%

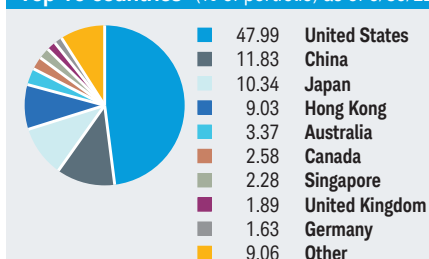
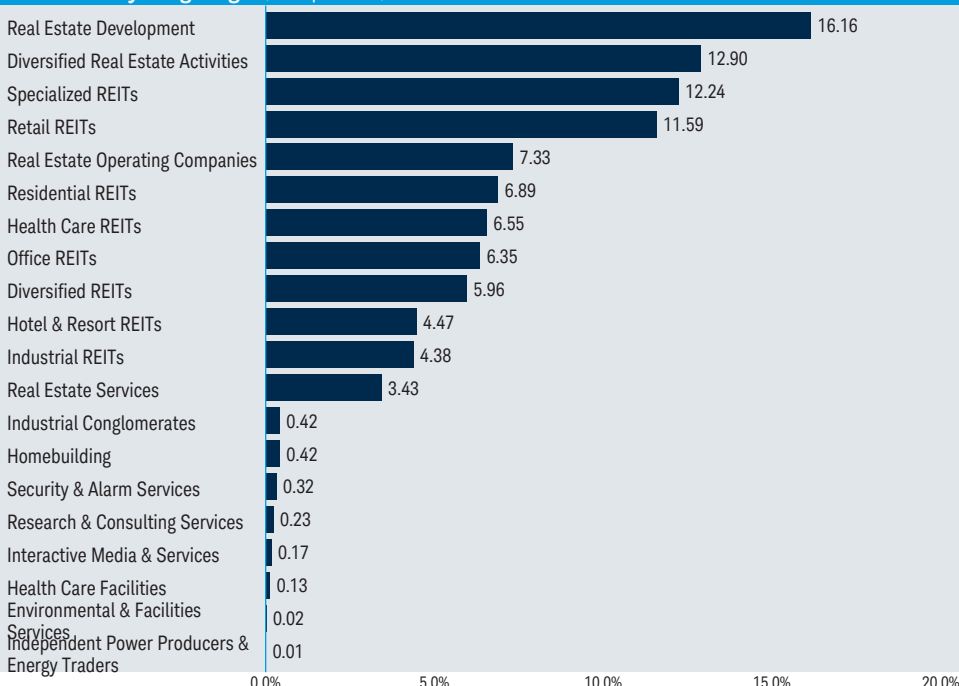
Investors should consider carefully information contained in the Fund's prospectus, or if available, the summary prospectus, including investment objectives, risks, charges and expenses. You can view and download a prospectus by visiting [www.schwabassetmanagement.com/prospectus](http://www.schwabassetmanagement.com/prospectus). Please read the prospectus carefully before investing.

**Yields<sup>7, 8</sup> as of 6/30/22**

<b>30-day SEC yield</b>	3.50%
<b>Distribution yield</b>	3.51%

**Top 10 holdings<sup>6, 9</sup> (% of portfolio) as of 6/30/22**

American Tower Corporation	2.39
China Overseas Land & Investment Limited	2.17
Mitsui Fudosan Co., Ltd.	2.09
Sun Hung Kai Properties Limited	1.97
Crown Castle International Corp	1.96
Welltower Inc	1.92
CK Asset Holdings Limited	1.81
Ventas, Inc.	1.68
Simon Property Group, Inc.	1.61
China Resources Land Limited	1.59
<b>TOTAL</b>	<b>19.19</b>

**Top 10 countries<sup>6</sup> (% of portfolio) as of 6/30/22****Sub-industry weightings<sup>6</sup> (% of portfolio) as of 6/30/22**

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. 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<sup>™</sup> 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> 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 06/30/22.

<sup>7</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>8</sup> 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.

<sup>9</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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