

Schwab Core Equity Fund

Investment objective

The Fund seeks long-term capital growth.

Fund highlights

- An actively managed fund that can serve as part of the foundation of an investor's portfolio
- A convenient way to gain exposure to the broad U.S. equities market
- Seeks to deliver consistent, risk-adjusted excess return through a disciplined investment process that uses Schwab Equity Ratings® as one of several inputs*
- A high-conviction, fundamentally-driven approach within the domestic large cap equity universe

Fund details	
Total net assets	\$1,203,557,124
Number of fund holdings	53
Distribution frequency	Annual
Inception date	07/01/96
Loads/12b-1 fees	None
Total annual fund operating expenses ¹	0.73%
Minimum initial investment	None
Minimum balance	None

Portfolio managers

Bill McMahon, CFA, Managing Director
Chief Investment Officer, Active Equity Strategies

Iain Clayton, CFA, Senior Portfolio Manager

Brian Hillburn, CFA, Senior Portfolio Manager

Morningstar Rating™ and Style Box²

Fund Category:

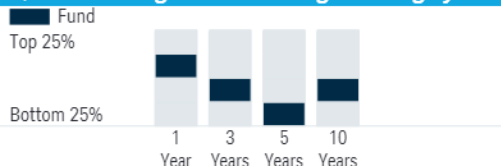
Large Blend

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



Source: Morningstar, Inc. As of 09/30/22, the Morningstar Rating for the total number of Large Blend funds for the three-, five- and ten-year periods were 854/1237, 873/1118, and 574/820 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



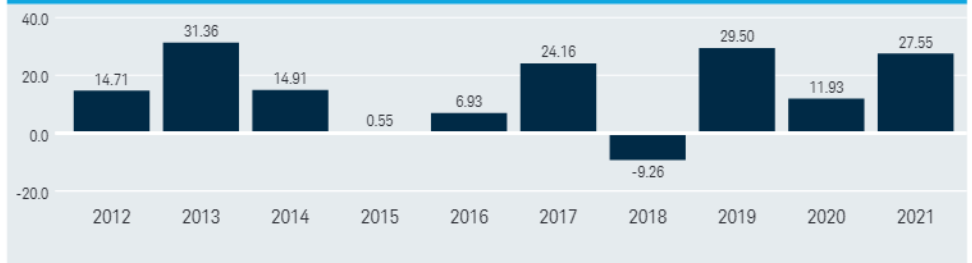
Rank within category is independently calculated and compares this Fund's total annual return to that of other funds in the same category and its figures are not adjusted for any fees and expenses, loads, sales charges, or taxes. As of 09/30/22, the quartile ranking of Large Blend funds for the one-, three-, five- and ten-year periods were 348/1366, 854/1237, 873/1118, and 574/820, respectively.

Important investment concerns

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

Performance (%) as of 9/30/22	Cumulative		Annualized				
	3 Months	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund⁴	-5.38	-23.14	-13.91	6.10	6.57	10.01	8.18
S&P 500® Index ³	-4.88	-23.87	-15.47	8.16	9.24	11.70	8.60
Category Average ³	-4.99	-23.28	-15.83	6.77	7.74	10.38	-

Annual total returns⁴ (%) 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.

Top holdings^{5, 6} (% of portfolio) as of 9/30/22

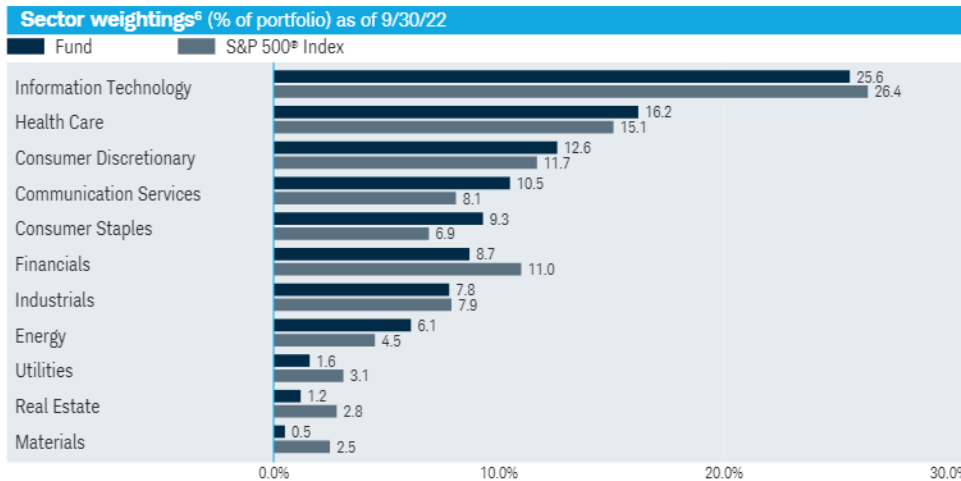
Microsoft Corporation	8.40
Apple Inc.	7.35
Alphabet Inc. Class A	5.16
Amazon.com, Inc.	3.70
EOG Resources, Inc.	3.32
CVS Health Corporation	2.78
Exxon Mobil Corporation	2.74
Bank of America Corp	2.51
Verizon Communications Inc.	2.51
PayPal Holdings, Inc.	2.48
TOTAL	40.95

Characteristics as of 9/30/22		
	Fund	S&P 500® Index
Number of securities	53	503
Wtd. avg. market capitalization (in millions)	\$538,792	\$468,654
Price-to-earnings ratio	17.59	18.08
Portfolio turnover rate (1-year trailing) ⁷	29.10%	—
Price-to-book ratio	3.57	3.39
Price-to-cash-flow ratio	11.84	12.59
Return on equity	29.22%	27.17%
5-year earnings growth	20.89%	20.12%

Data provided by FactSet as of 09/30/22, unless otherwise noted.

Statistical information (3 Yr.) as of 9/30/22		
	Fund	S&P 500® Index
Sharpe ratio	0.28	0.37
Information ratio	-0.76	0.00
Standard deviation	19.94%	20.30%
R-squared	98.20%	100.00%
Beta vs. Benchmark	0.97	1.00

Data provided by Zephyr StyleADVISOR as of 09/30/22.



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.
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.

*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).

¹ As stated in the prospectus. This figure may differ from that presented in the 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 09/30/22.

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

⁵ 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.

⁶ Data provided by FactSet as of 09/30/22.

⁷ Data provided by State Street Corporation as of 09/30/22.

© 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.

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.

©2022 Charles Schwab Investment Management, Inc. All rights reserved. SLS88595-28 (0422-2PUN) (10/22)