

Schwab Fundamental International 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™ Developed ex US Small Company Index.

Fund highlights

- Simple access to small international developed 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	\$507,015,811
Inception date	01/31/08
Expense ratio¹	0.39%
Ticker symbol	SFILX
Number of securities	1,793
Distribution frequency	Annual
CUSIP	808509319
Index name	Russell RAFI™ Developed ex US Small Company Index (Net)
Portfolio turnover rate (1-year trailing)	35.06%
Minimum initial investment	None
Minimum balance	None
Loads/12b-1 fees	None

Morningstar Rating™ and Style Box²

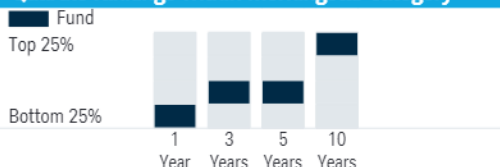
Fund Category:
Foreign Small/Mid Value

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



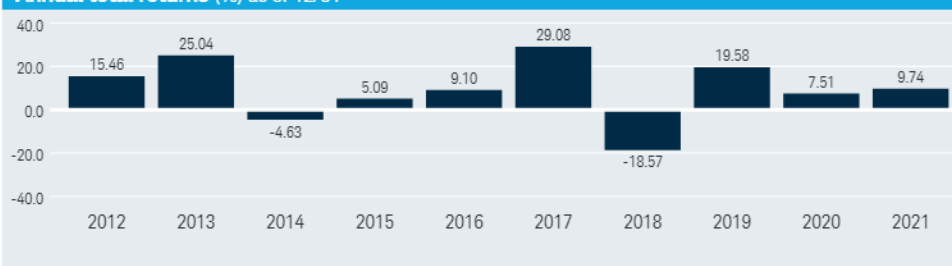
Source: Morningstar, Inc. As of 09/30/22, the Morningstar Rating for the total number of Foreign Small/Mid Value funds for the three-, five- and ten-year periods were 39/58, 27/54, and 4/21 respectively. The ratings reflect historical risk-adjusted performance and the Overall Rating is derived from a weighted average of the Fund's three-, five- and ten-year Morningstar Rating metrics.

Quartile rankings within Morningstar category³



Performance (%) as of 9/30/22	Cumulative		Annualized				
	3 Months	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception⁴
Fund	-10.52	-27.18	-28.18	-1.86	-2.51	4.65	3.71
Russell RAFI™ Developed ex US Small Company Index (Net)⁵	-9.69	-26.66	-27.94	-1.36	-2.14	5.09	—
Russell RAFI™ Developed ex US Small Company Fair Value Index (Net)⁵, ⁵	-10.35	-26.75	-27.86	-1.52	-2.24	—	—
Fundamental Developed ex-U.S. Small Company Spliced Index³	-9.69	-26.66	-27.94	-1.36	-2.14	5.06	4.59
S&P Developed ex-U.S. Small Cap Index (Net)³	-10.78	-32.75	-33.01	-2.29	-2.21	4.40	2.81
Category Average³	-9.41	-24.52	-23.87	-0.34	-2.15	3.80	—

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.

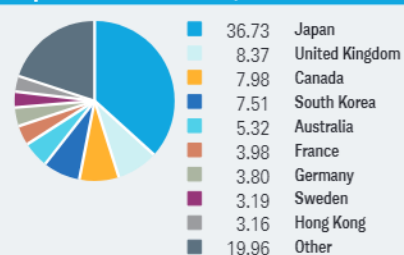
Statistical information (3 Yr.) as of 9/30/22

	Fund	Russell RAFI™ Developed ex US Small Company Index (Net)	S&P Developed ex-U.S. Small Cap Index (Net)
Sharpe ratio	-0.11	-0.09	-0.12
Standard deviation	21.51%	21.64%	23.46%
Beta v. Benchmark	0.90	0.91	1.00
R-squared	97.13%	97.68%	100.00%

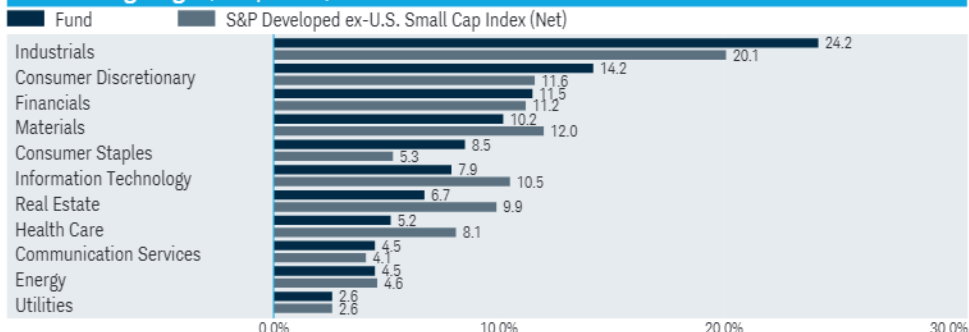
Source: Zephyr StyleADVISOR as of 09/30/22. Fund and Russell RAFI Index calculations use S&P Developed ex-U.S. Small Cap Index (Net) as the comparative index.

Top 10 holdings^{6,7} (% of portfolio) as of 9/30/22

Whitehaven Coal Limited	0.35
Aker BP ASA	0.26
ARC Resources Ltd.	0.24
Vermilion Energy Inc.	0.24
SARAS S.p.A. - Raffinerie Sarde	0.20
Galenica AG	0.18
Euronav NV	0.17
Bezeq The Israel Telecommunication Corp. Ltd.	0.17
Credit Saison Co., Ltd.	0.17
Sino Land Co. Ltd.	0.17
TOTAL	2.15

Top 10 countries⁶ (% of portfolio) as of 9/30/22**Portfolio characteristics⁶ as of 9/30/22**

	Fund	S&P Developed ex-U.S. Small Cap Index (Net)
Wtd. avg. market capitalization (in millions)	\$2,847	\$2,095
Price-to-earnings ratio	8.81	8.19
Price-to-book ratio	0.90	1.06
Price-to-cash-flow ratio	4.94	6.09
Return on equity	10.93%	10.96%
5-year earnings growth	5.01%	7.84%

Sector weightings⁶ (% of portfolio) as of 9/30/22

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.

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

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. 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 09/30/22.

⁴ Since-inception performance of the indexes—with the exception of the Russell RAFI™ Developed ex US Small Company Index (Net)—is based on the inception date of the Fund.

⁵ 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.

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

⁷ 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 Developed ex-U.S. Small Company Spliced Index An internally calculated index comprised of the FTSE RAFI Developed ex US Mid Small 1500 Index from inception of the Schwab Fundamental International Small Company Index Fund until the close of business on 10/18/12 and the Russell RAFI™ Developed ex US Small Company Index (Net) from 10/19/12 forward, when the Fund began tracking the index. The FTSE RAFI Developed ex US Mid Small 1500 Index is designed to track the performance of small and mid capitalization equities of companies domiciled in developed international markets (excluding the U.S.), selected based on the following four fundamental measures of firm size: book value, cash flow, sales and dividends. The equities with the highest fundamental strength are weighted according to their fundamental scores. The fundamentally weighted portfolio is rebalanced and reconstituted annually.

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