

# 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.

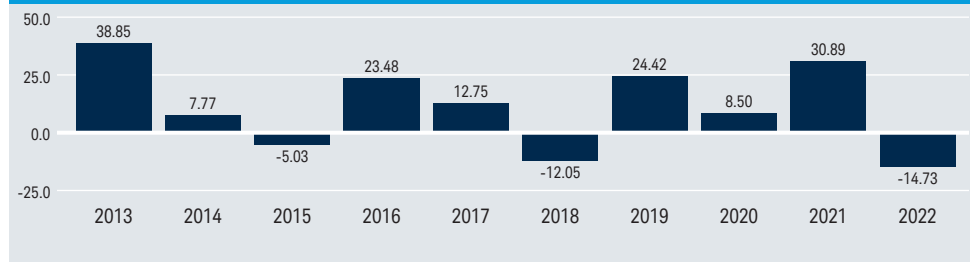
## Fund highlights

- 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	\$1,581,599,286
Inception date	04/02/07
Expense ratio <sup>1</sup>	0.25%
Ticker symbol	SFSNX
Number of securities	975
Distribution frequency	Annual
CUSIP	808509418
Index name	Russell RAFI™ US Small Company Index
Portfolio turnover rate (1-year trailing)	31.53%
Minimum initial investment	None
Minimum balance	None
Loads/12b-1 fees	None

Performance (%) as of 12/31/22	Cumulative		Annualized				
	3 Months	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception <sup>4</sup>
<b>Fund</b>	10.57	-14.73	-14.73	6.59	5.79	10.12	8.00
Russell RAFI™ US Small Company Index <sup>3</sup>	10.67	-14.58	-14.58	6.73	5.96	10.37	-
Fundamental U.S. Small Company Spliced Index <sup>3</sup>	10.67	-14.58	-14.58	6.73	5.96	10.37	8.39
Russell 2000® Index <sup>3</sup>	6.23	-20.44	-20.44	3.10	4.13	9.01	6.57
Category Average <sup>3</sup>	9.05	-16.24	-16.24	5.17	4.85	9.08	-

## 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](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 12/31/22

	Fund	Russell RAFI™ US Small Company Index	Russell 2000® Index
Sharpe ratio	0.21	0.22	0.09
Standard deviation	27.91%	27.91%	26.39%
Beta v. Benchmark	1.03	1.03	1.00
R-squared	95.38%	95.33%	100.00%

Source: Zephyr StyleADVISOR as of 12/31/22. Fund and Russell RAFI Index calculations use Russell 2000® Index as the comparative index.

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

### Fund Category:

Small Blend

### Rating

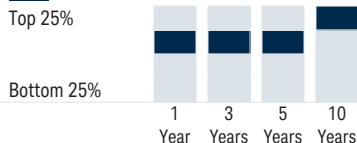
Overall ★★★★★  
Three-Year ★★★★★  
Five-Year ★★★★★  
Ten-Year ★★★★★



Source: Morningstar, Inc. As of 12/31/22, the Morningstar Rating for the total number of Small Blend funds for the three-, five- and ten-year periods were 137/585, 146/543, and 80/363 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>

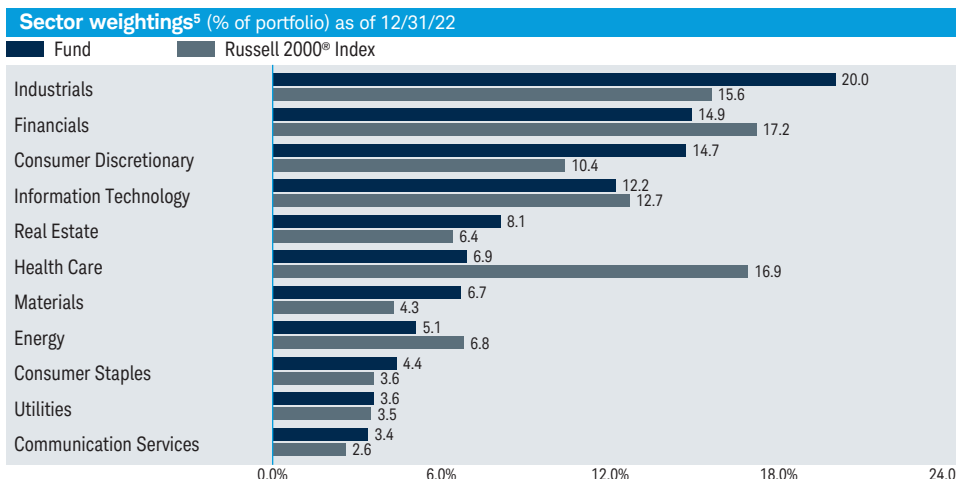
■ Fund



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 12/31/22, the quartile ranking of Small Blend funds for the one-, three-, five- and ten-year periods were 155/611, 137/585, 146/543, and 80/363, respectively.

Top 10 holdings <sup>5, 6</sup> (% of portfolio) as of 12/31/22	
First Solar, Inc.	0.40
GEO Group Inc	0.34
Valmont Industries, Inc.	0.28
American Equity Investment Life Holding Company	0.28
Tempur Sealy International Inc	0.27
Gartner, Inc.	0.26
Healthcare Realty Trust Incorporated Class A	0.26
Triton International Ltd. Class A	0.25
Super Micro Computer, Inc.	0.25
Weatherford International plc	0.25
<b>TOTAL</b>	<b>2.84</b>

Portfolio characteristics <sup>5</sup> as of 12/31/22		
	Fund	Russell 2000 <sup>®</sup> Index
Wtd. avg. market capitalization (in millions)	\$4,671	\$2,721
Price-to-earnings ratio	12.20	10.96
Price-to-book ratio	1.65	1.85
Price-to-cash-flow ratio	6.96	8.06
Return on equity	12.84%	6.39%
5-year earnings growth	13.13%	14.59%



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.**

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.

<sup>1</sup> As stated in the prospectus. These figures may differ from those presented in a 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 12/31/22.

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

<sup>5</sup> Data provided by FactSet as of 12/31/22.

<sup>6</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.

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<sup>™</sup> 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.

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**Not FDIC Insured - No Bank Guarantee - May Lose Value**

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