

Schwab Fundamental US Large 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 Large Company Index.

Fund highlights

- Simple access to the largest 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	\$6,503,085,136
Inception date	04/02/07
Expense ratio ¹	0.25%
Ticker symbol	SFLNX
Number of securities	724
Distribution frequency	Annual
CUSIP	808509442
Index name	Russell RAFI™ US Large Company Index
Portfolio turnover rate (1-year trailing)	11.34%
Minimum initial investment	None
Minimum balance	None
Loads/12b-1 fees	None

Morningstar Rating™ and Style Box²

Fund Category:

Large Value

Rating

Overall ★★★★★

Three-Year ★★★★★

Five-Year ★★★★★

Ten-Year ★★★★★



Source: Morningstar, Inc. As of 12/31/22, the Morningstar Rating for the total number of Large Value funds for the three-, five- and ten-year periods were 72/1155, 37/1099, and 25/819 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

■ Fund

Top 25%

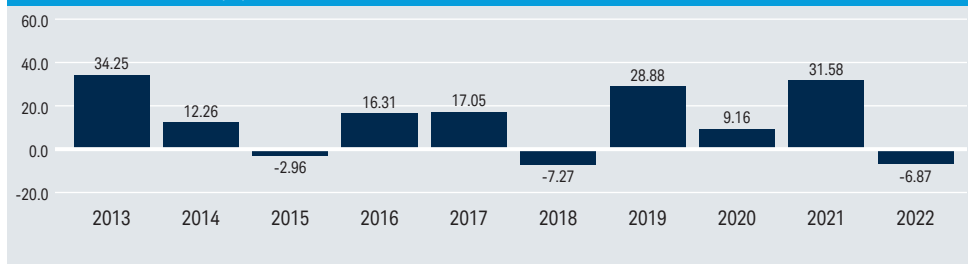
Bottom 25%

1 3 5 10
Year Years Years Years

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 Large Value funds for the one-, three-, five- and ten-year periods were 761/1229, 72/1155, 37/1099, and 25/819, respectively.

Performance (%) as of 12/31/22	Cumulative		Annualized				
	3 Months	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception ⁴
Fund	12.49	-6.87	-6.87	10.18	9.84	12.27	8.88
Russell RAFI™ US Large Company Index ³	12.62	-6.56	-6.56	10.44	10.09	12.61	-
Fundamental U.S. Large Company Spliced Index ³	12.62	-6.56	-6.56	10.44	10.09	12.61	9.14
Russell 1000® Index ³	7.24	-19.13	-19.13	7.35	9.13	12.37	8.64
Category Average ³	12.77	-5.90	-5.90	6.96	7.03	10.23	-

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.

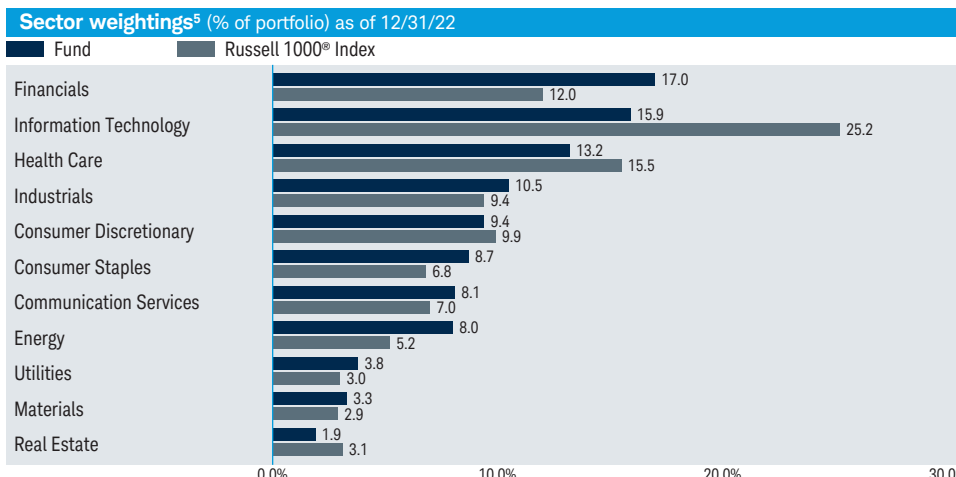
Statistical information (3 Yr.) as of 12/31/22

	Fund	Russell RAFI™ US Large Company Index	Russell 1000® Index
Sharpe ratio	0.42	0.44	0.31
Standard deviation	22.34%	22.37%	21.63%
Beta v. Benchmark	0.98	0.98	1.00
R-squared	90.36%	90.21%	100.00%

Source: Zephyr StyleADVISOR as of 12/31/22. Fund and Russell RAFI Index calculations use Russell 1000® Index as the comparative index.

Top 10 holdings ^{5, 6} (% of portfolio) as of 12/31/22	
Apple Inc.	3.50
Exxon Mobil Corporation	2.40
Microsoft Corporation	2.12
JPMorgan Chase & Co.	1.99
AT&T Inc.	1.74
Chevron Corporation	1.53
Berkshire Hathaway Inc. Class B	1.46
Walmart Inc.	1.30
UnitedHealth Group Incorporated	1.28
Verizon Communications Inc.	1.28
TOTAL	18.60

Portfolio characteristics ⁵ as of 12/31/22		
	Fund	Russell 1000® Index
Wtd. avg. market capitalization (in millions)	\$265,730	\$381,053
Price-to-earnings ratio	13.55	18.61
Price-to-book ratio	2.32	3.50
Price-to-cash-flow ratio	8.80	12.84
Return on equity	23.35%	26.21%
5-year earnings growth	13.50%	19.23%



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.

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 12/31/22.

⁴ Since-inception performance of the indexes—with the exception of the Russell RAFI™ US Large Company Index—is based on the inception date of the Fund.

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

⁶ 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. Large Company Spliced Index An internally calculated index comprised of the FTSE RAFI US 1000 Index from inception of the Schwab Fundamental US Large Company Index Fund until the close of business on 10/18/12 and the Russell RAFI™ US Large Company Index from 10/19/12 forward, when the Fund began tracking the index. FTSE RAFI US 1000 Index is designed to track the performance of the largest U.S. equities, selected based on the following four fundamental measures of firm size, book value, income, sales and dividends. The 1,000 equities with the highest fundamental strength are weighted by their fundamental scale. The fundamentally weighted portfolio is rebalanced and reconstituted annually.

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