

# Schwab U.S. REIT ETF

## Investment objective

The Fund's goal is to track as closely as possible, before fees and expenses, the total return of an index composed of U.S. real estate investment trusts classified as equities.

## Fund highlights

- A straightforward, low-cost fund offering potential tax-efficiency
- The Fund can serve as part of the core or complement in a diversified portfolio
- Simple access to REITs, excluding non-REIT stocks that may be included in other real estate indices
- Index excludes mortgage REITs and hybrid REITs

## Fund details

Total net assets	\$5,575,453,164
Inception date	01/13/11
Expense ratio <sup>1</sup>	0.07%
Ticker symbol	SCHH
Number of securities	130
Distribution frequency	Quarterly
CUSIP	808524847
Index Bloomberg ticker	DJERCUT
Index name	Dow Jones Equity All REIT Capped Index
Portfolio turnover rate (1-year trailing)	6.16%
Exchange	NYSE Arca

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

### Fund Category:

Real Estate

### Rating

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



Source: Morningstar, Inc. As of 12/31/22, the Morningstar Rating for the total number of Real Estate funds for the three-, five- and ten-year periods were 213/233, 186/210, and 123/152 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

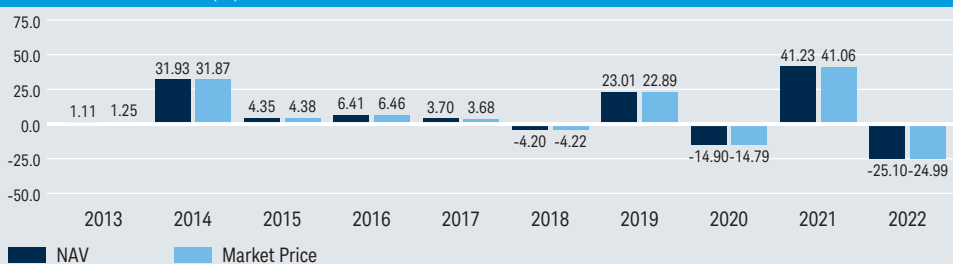
Top 25%



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 Real Estate funds for the one-, three-, five- and ten-year periods were 65/252, 213/233, 186/210, and 123/152, respectively.

Performance (%) as of 12/31/22	Cumulative		Annualized				
	3 Months	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund (NAV Returns)	4.21	-25.10	-25.10	-3.44	1.19	5.00	6.33
Fund (Market Price Returns)	4.09	-24.99	-24.99	-3.40	1.19	5.02	6.34
Dow Jones Equity All REIT Capped Index <sup>3,4</sup>	4.20	-25.04	-25.04	—	—	—	—
REIT Spliced Index <sup>5</sup>	4.20	-25.04	-25.04	-3.41	1.22	5.08	6.43
Category Average <sup>3</sup>	3.92	-25.67	-25.67	-0.91	2.93	5.80	—

## 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. Shares of ETFs are bought and sold at market price, which may be higher or lower than the net asset value (NAV). Brokerage commissions will reduce returns. 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).

**Market Price** is the price at which investors buy and sell ETF shares in the stock market. ETF Market Price determines investor returns. An ETF's Market Price may be higher or lower than the NAV at any given point in time. Market returns are based upon the Official Closing Price of the primary listing exchange (generally, 4:00 p.m. Eastern time) and may not represent the returns you would receive if shares were traded at other times.

**NAV (Net Asset Value)** is a per share valuation of the securities in an ETF officially calculated once per day. NAV price performance is primarily used to evaluate the fund and its managers and may not reflect the actual return for the investor.

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.

## Yields as of 12/31/22

### 30-day SEC yield

3.19%

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.

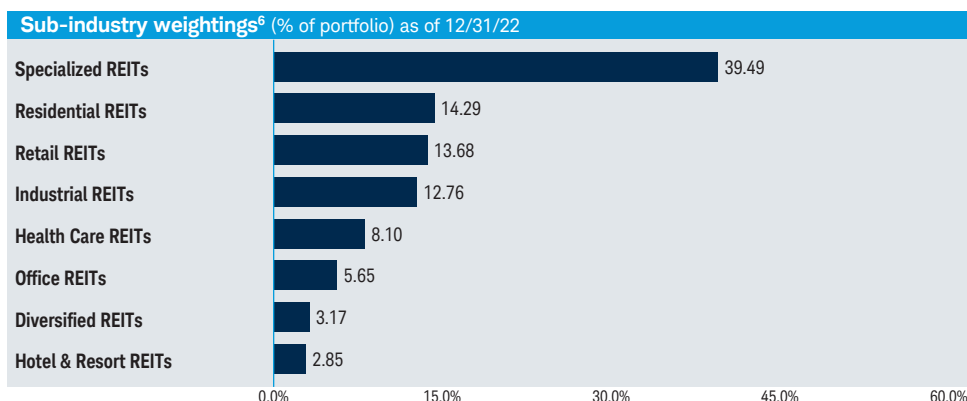
Investors should consider carefully information contained in a fund's prospectus, or if available, the summary prospectus including investment objectives, risks, charges and expenses. You can view and download a prospectus by visiting [www.schwabassetmanagement.com/prospectus](http://www.schwabassetmanagement.com/prospectus).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

Statistical information (3 Yr.) as of 12/31/22	
Sharpe ratio	-0.18
Standard deviation	23.61%

Data provided by Zephyr StyleADVISOR as of 12/31/22.

Portfolio characteristics <sup>6</sup> as of 12/31/22	
Wtd. avg. market capitalization (in millions)	\$35,187
Price-to-earnings ratio	25.00
Price-to-book ratio	2.30
Price-to-cash-flow ratio	16.13
Return on equity	15.61%
5-year earnings growth	10.79%

Top 10 holdings <sup>6, 7</sup> (% of portfolio) as of 12/31/22	
Prologis, Inc.	8.80
American Tower Corporation	8.34
Equinix, Inc.	5.12
Crown Castle Inc.	4.52
Public Storage	3.77
Realty Income Corporation	3.38
Simon Property Group, Inc.	3.27
VICI Properties Inc	2.65
Welltower Inc	2.63
SBA Communications Corp. Class A	2.57
<b>TOTAL</b>	<b>45.05</b>



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.

Find out more today
For more information, please visit <a href="http://www.schwabassetmanagement.com">www.schwabassetmanagement.com</a> .
For additional information about the indices and terms shown, please visit <a href="http://www.schwabassetmanagement.com/resources/glossary">www.schwabassetmanagement.com/resources/glossary</a> .

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 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>TM</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> The Dow Jones Equity All REIT Capped Index commenced operations on June 22, 2020.

<sup>5</sup> **REIT Spliced Index** An internally calculated index, comprised of the Dow Jones U.S. Select REIT Index from the inception of the Schwab U.S. REIT ETF until the close of business on June 19, 2020, and the Dow Jones Equity All REIT Capped Index thereafter. The REIT Spliced Index is published with the permission of S&P Dow Jones Indices LLC, but is not calculated, sponsored or endorsed by S&P Dow Jones Indices LLC.

<sup>6</sup> Data provided by FactSet as of 12/31/22.

<sup>7</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.

Unlike mutual funds, shares of ETFs are not individually redeemable with the ETF.

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

Securities information includes trades posted to the ETF as of trade date.

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

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