

Schwab U.S. Dividend Equity ETF

Investment objective

The Fund's goal is to track as closely as possible, before fees and expenses, the total return of the Dow Jones U.S. Dividend 100™ Index.

Fund highlights

- A straightforward, low-cost fund offering potential tax-efficiency
- The Fund's focused approach can complement a diversified portfolio
- Tracks an index focused on the quality and sustainability of dividends
- Invests in stocks selected for fundamental strength relative to their peers, based on financial ratios.

Fund details

Total net assets	\$10,335,299,640
Inception date	10/20/11
Expense ratio ¹	0.06%
Ticker symbol	SCHD
Number of securities	100
Distribution frequency	Quarterly
CUSIP	808524797
Index Bloomberg ticker	DJUSDIVT
Index name	Dow Jones U.S. Dividend 100™ Index
Portfolio turnover rate (1-year trailing)	23.73%
Intra-day indicative value	SCHD.IV
Exchange	NYSE Arca

Morningstar Rating™ and Style Box²

Fund Category:

Large Value

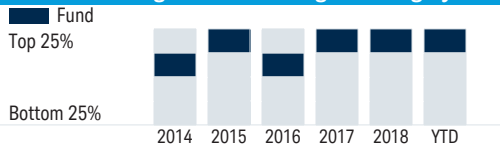
Rating

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



Source: Morningstar, Inc. As of 09/30/19 the total number of Large Value funds for the Overall, three-, five- and ten-year periods were 1090, 1090, 944, and 693, 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 10-year Morningstar Rating metrics.

Quartile rankings within Morningstar category³

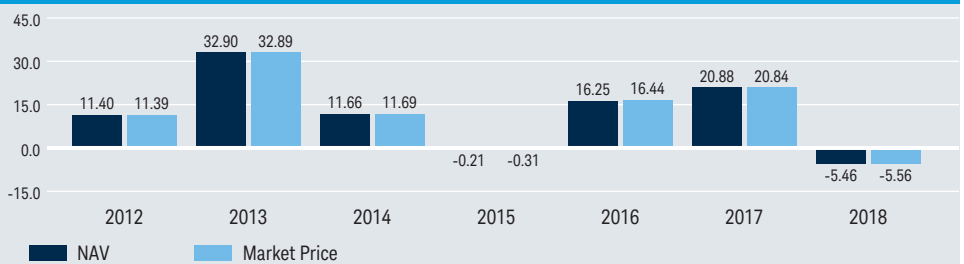


Yields as of 9/30/19

30-day SEC yield	3.26%
Distribution yield	3.04%

Performance (%) as of 9/30/19	Cumulative		Annualized			
	Year to Date	3 Months	1 Year	3 Years	5 Years	Since Inception
Fund (NAV Returns)	19.37	4.07	6.72	12.26	10.49	13.64
Fund (Market Price Returns)	19.41	4.14	6.70	12.30	10.48	13.64
Dow Jones U.S. Dividend 100™ Index ³	19.44	4.08	6.80	12.36	10.60	13.78
Category Average	16.43	1.52	1.93	9.43	7.30	–

Annual total returns (%) as of 12/31



Performance data quoted represents past performance and is no guarantee of future results. 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.schwabfunds.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.

Statistical information (3 Yr.) as of 9/30/19

Sharpe ratio	0.88
Standard deviation	12.24%

Data provided by Zephyr StyleADVISOR as of 09/30/19.

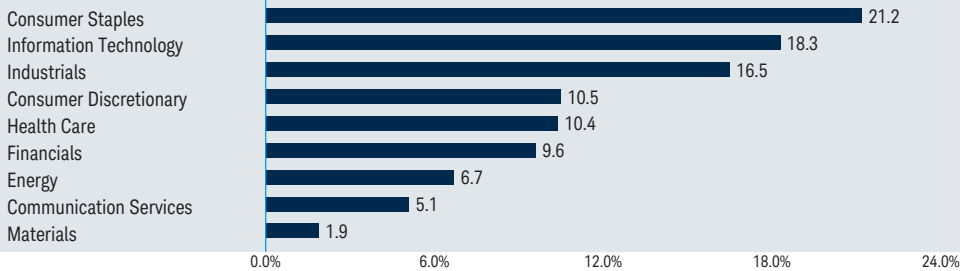
Investors should consider carefully information contained in a fund's prospectus, or if available, the summary prospectus including investment objectives, risks, charges and expenses. You can view and download a prospectus by visiting www.schwabfunds.com/schwabefds_prospectus. Please read the prospectus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

Portfolio characteristics⁴ as of 9/30/19

Wtd. avg. market capitalization (in millions)	\$127,697
Price-to-earnings ratio	17.27
Price-to-book ratio	3.66
Price-to-cash-flow ratio	11.98
Return on equity	31.11%
5-year earnings growth	5.48%

Top 10 holdings^{4, 5} (% of portfolio) as of 9/30/19

Procter & Gamble Company	4.65
PepsiCo, Inc.	4.56
Verizon Communications Inc.	4.55
Home Depot, Inc.	4.52
Coca-Cola Company	4.50
Exxon Mobil Corporation	4.45
Intel Corporation	4.42
Pfizer Inc.	4.35
International Business Machines Corporation	4.33
Texas Instruments Incorporated	4.07
TOTAL	44.40

Sector weightings⁴ (% of portfolio) as of 9/30/19

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.schwabfunds.com.

For additional information about the indices and terms shown, please visit www.schwabfunds.com/glossary.

The Fund may underperform funds that do not limit their investment to dividend paying stocks. Stocks held by the Fund may reduce or stop paying dividends, affecting the Fund's ability to generate income. Diversification strategies do not ensure a profit and do not protect against losses in declining markets.

¹ As stated in the prospectus. This figure may differ from that presented in the Fund's shareholder report.

² The Morningstar Rating™ for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total return, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total return. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account the effects of sales charges and loads.

³ Source: Morningstar, Inc. as of 09/30/19.

⁴ Data provided by FactSet as of 09/30/19.

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.

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

Diversification does not eliminate the risk of market loss.

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

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