

# SECURITIES AND EXCHANGE COMMISSION

## FORM N-CSR

Certified annual shareholder report of registered management investment companies filed on  
Form N-CSR

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### FILER

#### **SCHWAB STRATEGIC TRUST**

CIK: **1454889** | IRS No.: **000000000** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **N-CSR** | Act: **40** | File No.: **811-22311** | Film No.: **22886511**

#### Mailing Address

*211 MAIN STREET  
SAN FRANCISCO CA 94105*

#### Business Address

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SAN FRANCISCO CA 94105  
1-415-667-7000*

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM N-CSR**

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**CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number: 811-22311

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**Schwab Strategic Trust – Schwab U.S. REIT ETF and Schwab Fundamental Index ETFs**  
(Exact name of registrant as specified in charter)

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**211 Main Street, San Francisco, California 94105**  
(Address of principal executive offices) (Zip code)

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**Jonathan de St. Paer**  
**Schwab Strategic Trust – Schwab U.S. REIT ETF and Schwab Fundamental Index ETFs**  
**211 Main Street, San Francisco, California 94105**  
(Name and address of agent for service)

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Registrant's telephone number, including area code: (415) 636-7000

Date of fiscal year end: February 28

Date of reporting period: February 28, 2022

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Item 1: Report(s) to Shareholders.



Asset  
Management

Annual Report | February 28, 2022

# Schwab U.S. REIT ETF

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Ticker Symbol **SCHH**

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The Sector/Industry classifications in this report use the Global Industry Classification Standard (GICS) which was developed by and is the exclusive property of MSCI Inc. (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. The Industry classifications used in the Portfolio Holdings are sub-categories of Sector classifications.

## Schwab U.S. REIT ETF

# Performance at a Glance

The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. To obtain performance information current to the most recent month end, please visit [www.schwabassetmanagement.com/schwabetfs\\_prospectus](http://www.schwabassetmanagement.com/schwabetfs_prospectus).

TOTAL RETURNS FOR THE 12 MONTHS ENDED FEBRUARY 28, 2022	
<b>Schwab U.S. REIT ETF (Ticker Symbol: SCHH)</b>	
Market Price Return <sup>1</sup>	21.53%
NAV Return <sup>1</sup>	21.56%
Dow Jones Equity All REIT Capped Index	21.63%
ETF Category: Morningstar Real Estate <sup>2</sup>	20.02%
<i>Performance Details</i>	<i>pages 7-9</i>

All total returns on this page assume dividends and distributions were reinvested. Index figures do not include trading and management costs, which would lower performance. Indices are unmanaged and cannot be invested in directly. Performance results less than one year are not annualized.

For index definitions, please see the Glossary.

Small-company stocks are subject to greater volatility than many other asset classes.

The fund is subject to risks associated with the direct ownership of real estate securities and an investment in the fund will be closely linked to the performance of the real estate markets.

Performance does not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares.

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

Index ownership — Dow Jones<sup>®</sup> is a registered trademark of Dow Jones Trademark Holdings LLC (Dow Jones). The Dow Jones Equity All REIT Capped Index (the Index) is a product of S&P Dow Jones Indices LLC, and the trademark and Index have been licensed for use by Charles Schwab Investment Management, Inc. The Schwab U.S. REIT ETF is not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, or any of their respective affiliates and neither S&P Dow Jones Indices LLC, Dow Jones, nor any of their respective affiliates make any representation regarding the advisability of investing in such product.

- 1 ETF performance must be shown based on both a market price and NAV basis. The fund's per share NAV is the value of one share of the fund. NAV is calculated by taking the fund's total assets (including the fair value of securities owned), subtracting liabilities, and dividing by the number of shares outstanding. The NAV Return is based on the NAV of the fund, and the Market Price Return is based on the market price per share of the fund. The price used to calculate market return (Market Price) is determined using the Official Closing Price on the primary stock exchange (generally, 4:00 p.m. Eastern time) and may not represent the returns you would receive if shares were traded at other times. Market Price and NAV returns assume that dividends and capital gain distributions have been reinvested in the fund at Market Price and NAV, respectively.
- 2 Source for category information: Morningstar, Inc. The Morningstar Category return represents all passively- and actively-managed ETFs within the category as of the report date.

## Schwab U.S. REIT ETF

# From the President

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**Jonathan de St. Paer**  
President of Schwab Asset Management and the fund covered in this report.

***“ The real estate sector generated positive returns over the reporting period, with U.S. real estate investment trusts (REITs) outperforming the broader U.S. equity market led by strong returns from industrial and residential REITs.”***

Dear Shareholder,

Before Russia’s invasion of Ukraine in late February 2022, financial markets were largely preoccupied with the prospects of continued economic growth in the face of multiple challenges related to the ongoing COVID-19 pandemic. Concerns included rising energy and commodity inflation, global supply-chain disruptions, and the increasing likelihood that the U.S. Federal Reserve (Fed) would raise short-term interest rates. Despite these obstacles, the S&P 500<sup>®</sup> Index, a bellwether for the overall U.S. stock market, gained more than 20% between March and December 2021, bolstered by strong corporate earnings, robust consumer spending, and improving labor statistics. However, investor sentiment turned dramatically risk averse as tensions between Russia and Ukraine began escalating in 2022. Stock markets dipped sharply in January and February, with the S&P 500<sup>®</sup> Index losing roughly half of its previous gains. The real estate sector generated positive returns over the reporting period, with U.S. real estate investment trusts (REITs) outperforming the broader U.S. equity market led by strong returns from industrial and residential REITs. For the 12-month reporting period ended February 28, 2022, the S&P 500<sup>®</sup> Index returned 16.4%, while the Dow Jones Equity All REIT Capped Index, representing U.S. REITs, returned 21.6%.

While the tumultuous events beginning at the end of February have clearly unsettled markets and shaken investor confidence, at Schwab Asset Management we believe that when it comes to their investment plan, investors would do well to avoid getting caught up in dramatic events as they unfold. Although markets may react abruptly in the short term, we believe that wealth creation is most reliably built on a foundation of diversification and a long-term investment plan. Since real estate securities tend to be influenced by a different combination of factors than other stocks and bonds, the Schwab U.S. REIT ETF may add another layer of diversification when combined with more traditional asset classes in a portfolio. The fund offers convenient, low-cost access to U.S. REITs.

Thank you for investing with Schwab Asset Management. For more information about the Schwab U.S. REIT ETF, please continue reading this report. In addition, you can find further details about this fund by visiting our website at [www.schwabassetmanagement.com](http://www.schwabassetmanagement.com). We are also happy to hear from you at 1-877-824-5615.

Sincerely,

A handwritten signature in dark ink, appearing to read 'J de St Paer'.



Past performance is no guarantee of future results.

Diversification and asset allocation strategies do not ensure a profit and cannot protect against losses in a declining market.

Management views may have changed since the report date.

Schwab Asset Management is the dba name for Charles Schwab Investment Management, Inc., the investment adviser for Schwab Funds and Schwab ETFs.

## Schwab U.S. REIT ETF

# The Investment Environment

For the 12-month reporting period ended February 28, 2022, U.S. equity markets generated positive returns. Despite persisting COVID-19 pandemic-driven stresses on the global economy and the emergence and rapid spread of the Delta variant during the summer and the Omicron variant late in 2021, market tailwinds included strong corporate earnings, ongoing, albeit fading, fiscal stimulus measures, and optimism related to increased COVID-19 vaccination rates. As a result, for most of the reporting period, through early January 2022, U.S. equity markets posted steady gains, with several key market indices repeatedly exceeding previous record highs. However, beginning in early 2022, equity markets declined in reaction to growing headwinds that included accelerating inflation, an increasing likelihood of rising interest rates, and, in the final week of the reporting period, Russia's invasion of Ukraine, which drove oil prices above \$100 per barrel for the first time since 2014 and roiled stock markets around the world. For the reporting period, the Dow Jones Equity All REIT Capped Index, which represents U.S. real estate investment trusts (REITs), returned 21.63% and the FTSE EPRA Nareit Global Index (Net)\*, which represents general trends in eligible real estate securities worldwide, returned 9.78%. During the same period, the S&P 500® Index, a bellwether for the overall U.S. stock market, returned 16.39%.

After falling under severe pressure early in the COVID-19 pandemic as demand fell and funding waned, U.S. REITs continued their strong performance over much of the reporting period. During the reporting period, the Dow Jones Equity All REIT Capped Index exceeded the return of the broader U.S. equity market, hitting a record high in early January 2022 before falling back in the first two months of 2022 on the growing likelihood of rising interest rates and inflation concerns. Among REIT sub-industries in the Dow Jones Equity All REIT Capped Index, all but one posted positive returns and all but two posted double-digit returns for the reporting period. The strongest performers were the industrial and residential REITs sub-industries, both up on strong demand and limited supply. The only sub-industry to post a negative return for the reporting period was the hotels & resort REITs sub-industry, which continued to suffer amid ongoing COVID-19 pandemic-driven constraints in leisure and business travel.

### ASSET CLASS PERFORMANCE COMPARISON % RETURNS DURING THE 12 MONTHS ENDED FEBRUARY 28, 2022

This graph compares the performance of various asset classes during the report period. Final performance figures for the period are in the key below.

- 16.39% **S&P 500® Index:** measures U.S. large-cap stocks
- 21.63% **Dow Jones Equity All REIT Capped Index:** measures U.S. real estate investment trusts (REITs)
- .... 2.83% **MSCI EAFE® Index (Net)\*:** measures (in U.S. dollars) large-cap stocks in Europe, Australasia and the Far East
- -2.64% **Bloomberg US Aggregate Bond Index:** measures the U.S. bond market



Index figures assume dividends and distributions were reinvested. Index figures do not include trading and management costs, which would lower performance. Indices are unmanaged and cannot be invested in directly. Performance results less than one year are not annualized. Past performance is not an indication of future results.

For index definitions, please see the Glossary.

Data source: Index provider websites and Schwab Asset Management.

Nothing in this report represents a recommendation of a security by the investment adviser.

Management views may have changed since the report date.

\* The net version of the index reflects reinvested dividends net of withholding taxes but reflects no deductions for expenses or other taxes.

## Schwab U.S. REIT ETF

# The Investment Environment (continued)

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The U.S. economy continued its recovery from the dramatic impact of the COVID-19 pandemic, although U.S. gross domestic product (GDP) growth fluctuated over the reporting period. GDP rose at an annualized rate of 6.3% and 6.7% in the first and second quarters of 2021, respectively, before falling back to 2.3% for the third quarter of 2021 amid fading government stimuli, ongoing supply chain disruptions, and persisting inflation. GDP rose at an annualized rate of 6.9% in the fourth quarter of 2021 on increasing inventories, exports, and personal consumption expenditures. The unemployment rate, which has fallen steadily after skyrocketing in April 2020, ended the reporting period at its lowest level since February 2020. Annual inflation, which had remained well below the U.S. Federal Reserve's (Fed) traditional 2% target until it jumped in March 2021, continued to rise during the spring of 2021, leveled off during the summer of 2021, and rose again through the remainder of the reporting period. At the end of the reporting period, inflation was at its highest rate in 40 years, due to imbalances in the labor market, supply chain bottlenecks, and soaring energy costs.

Monetary policies around the world varied. In the United States, early in the reporting period, the Fed reiterated several times its intention to continue its support of the economy for as long as needed to achieve a full recovery and the Fed maintained the federal funds rate in a range of 0.00% to 0.25% throughout the reporting period. However, as inflation continued to rise and indicators of economic activity and employment continued to strengthen, the Fed began scaling back its bond-buying program in November 2021, citing significant progress on its twin goals of maximum employment and price stability. The Fed subsequently accelerated its wind-down in December 2021, with expectations to end it altogether by March 2022. Fed officials also issued successively strong signals that interest rates could begin to rise sooner in 2022 than previously anticipated.



## Schwab U.S. REIT ETF

# Fund Management

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**Christopher Bliss, CFA, Managing Director and Head of Passive Equity Strategies for Schwab Asset Management**, is responsible for overseeing the investment process, portfolio management and implementation, and development of investment strategies for passive equity Schwab Funds and Schwab ETFs. Before joining Schwab in 2016, Mr. Bliss spent 12 years at BlackRock (formerly Barclays Global Investors) managing and leading institutional index teams, most recently as a managing director and the head of the Americas institutional index team. In this role, Mr. Bliss was responsible for overseeing a team of portfolio managers managing domestic, developed international and emerging markets index strategies. Prior to BlackRock, he worked as an equity analyst and portfolio manager for Harris Bretall and before that, as a research analyst for JP Morgan.



**Jeremy Brown, CFA, Portfolio Manager**, is responsible for the day-to-day co-management of the fund. Prior to joining Schwab in 2017, Mr. Brown spent six years with ALPS Advisors, Inc. in Denver, most recently as a senior analyst on the ETF portfolio management and research team where he performed portfolio management, trading, and analytics/research functions for ALPS ETFs and passive funds. Additionally, Mr. Brown led a number of investment research, commentary, industry trend analysis, and sales and marketing support initiatives.



**Ferian Juwono, CFA, Senior Portfolio Manager**, is responsible for the day-to-day co-management of the fund. Prior to joining Schwab in 2010, Mr. Juwono worked at BlackRock (formerly Barclays Global Investors) where he spent more than three years as a portfolio manager, managing equity index funds for institutional clients, and two years as a senior business analyst. Prior to that, Mr. Juwono worked for more than four years as a senior financial analyst with Union Bank of California.



**Sabya Sinha, Portfolio Manager**, is responsible for the day-to-day co-management of the fund. Prior to joining Schwab in 2015, Mr. Sinha spent a year at F-Squared Investments on the product development and analytics team. Prior to F-Squared, he worked at IndexIQ Advisors as a senior index portfolio manager for three years and for Bank of America's Columbia Management subsidiary as a portfolio manager for three years. Mr. Sinha also spent time as a software consultant at DPM Mellon, LLC and an equity trader at Jane Street Capital.



# Schwab U.S. REIT ETF as of February 28, 2022

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The Schwab U.S. REIT ETF's (the fund) 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 (REITs) classified as equities. To pursue its goal, the fund generally invests in securities that are included in the Dow Jones Equity All REIT Capped Index (the index). The index is a float-adjusted market capitalization weighted index that is subject to capping constraints at each quarterly rebalancing. The index generally includes all publicly traded equity REITs with a minimum float-adjusted market capitalization of \$200 million and a three-month median daily value traded of at least \$5 million. For more information concerning the fund's investment objective, strategies, and risks, please see the fund's prospectus.

**Market Highlights.** For the 12-month reporting period ended February 28, 2022, U.S. equity markets generated positive returns. Despite persisting COVID-19 pandemic-driven stresses on the global economy and the emergence and rapid spread of the Delta variant during the summer and the Omicron variant late in 2021, market tailwinds included strong corporate earnings, ongoing, albeit fading, fiscal stimulus measures, and optimism related to increased COVID-19 vaccination rates. As a result, for most of the reporting period, through early January 2022, U.S. equity markets posted steady gains, with several key market indices repeatedly exceeding previous record highs. However, beginning in early 2022, equity markets declined in reaction to growing headwinds that included accelerating inflation, an increasing likelihood of rising interest rates, and, in the final week of the reporting period, Russia's invasion of Ukraine, which drove oil prices above \$100 per barrel for the first time since 2014 and roiled stock markets around the world. After falling under severe pressure early in the COVID-19 pandemic as demand fell and funding waned, U.S. REITs continued their strong performance over much of the reporting period. During the reporting period, U.S. REITs exceeded the return of the broader U.S. equity market, hitting a record high in early January 2022 before falling back in the first two months of 2022 on the growing likelihood of rising interest rates and inflation concerns.

**Performance.** For the 12-month reporting period ended February 28, 2022, the fund's market price return was 21.53% and its NAV return was 21.56% (for an explanation of the market price and NAV returns, please refer to footnote 3 on the following page.) The index returned 21.63% during the same period. Differences between the return of the fund and the return of the index may be attributable to, among other things, the trading and management costs incurred by the fund and not the index.

**Contributors and Detractors.** The hotel & resort REITs sub-industry was the only sub-industry that detracted from the total return of the fund over the reporting period. Hotel & resort REITs represented an average weight of approximately 3% of the fund's investments and returned approximately -2% for the reporting period. One example from this sub-industry is Park Hotels & Resorts, Inc. which owns and operates hotels. The fund's holdings of Park Hotels & Resorts, Inc. represented an average weight of less than 1% of the fund's investments and returned approximately -13% for the reporting period.

While there were no additional sectors that detracted from the total return of the fund, the security & alarm services sub-industry was the smallest contributor to the total return of the fund, representing an average weight of less than 1% of the fund's investments and returning approximately 28% for the reporting period.

The specialized REITs sub-industry contributed the most to the total return of the fund over the reporting period. Specialized REITs represented an average weight of approximately 39% of the fund's investments and returned approximately 19% for the reporting period. One example from this sub-industry is Public Storage which acquires, develops, owns, and operates self-storage facilities in the United States. The fund's holdings of Public Storage represented an average weight of approximately 3% of the fund's investments and returned approximately 56% for the reporting period.

The residential REITs sub-industry also contributed to the total return of the fund, representing an average weight of approximately 15% of the fund's investments and returning approximately 37% for the reporting period.



Management views and portfolio holdings may have changed since the report date.

Schwab U.S. REIT ETF

# Performance and Fund Facts as of February 28, 2022

The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. To obtain performance information current to the most recent month end, please visit [www.schwabassetmanagement.com/schwabets\\_prospectus](http://www.schwabassetmanagement.com/schwabets_prospectus).

## PERFORMANCE OF HYPOTHETICAL \$10,000 INVESTMENT (FEBRUARY 29, 2012 – FEBRUARY 28, 2022)<sup>1,2</sup>



## AVERAGE ANNUAL TOTAL RETURNS<sup>1</sup>

FUND AND INCEPTION DATE	1 YEAR	5 YEARS	10 YEARS
<b>Fund: Schwab U.S. REIT ETF (1/13/11)</b>			
Market Price Return <sup>3</sup>	21.53%	4.82%	7.87%
NAV Return <sup>3</sup>	21.56%	4.81%	7.89%
Dow Jones Equity All REIT Capped Index <sup>2</sup>	21.63%	N/A	N/A
REIT Spliced Index	21.63%	4.85%	7.98%
Dow Jones U.S. Select REIT Index™	25.25%	6.87%	9.01%
ETF Category: Morningstar Real Estate <sup>4</sup>	20.02%	7.56%	9.04%

Fund Expense Ratio<sup>5</sup>: 0.07%

All total returns on this page assume dividends and distributions were reinvested. Index figures do not include trading and management costs, which would lower performance. Indices are unmanaged and cannot be invested in directly. Performance results less than one year are not annualized.

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.

For index definitions, please see the Glossary.

Small-company stocks may be subject to greater volatility than many other asset classes.

The fund is subject to risks associated with the direct ownership of real estate securities, and an investment in the fund will be closely linked to the performance of the real estate markets.

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

Index ownership — Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (Dow Jones). The Dow Jones Equity All REIT Capped Index (the Index) is a product of S&P Dow Jones Indices LLC, and the trademark and Index have been licensed for use by Charles Schwab Investment Management, Inc. The Schwab U.S. REIT ETF is not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, or any of their respective affiliates and neither S&P Dow Jones Indices LLC, Dow Jones, nor any of their respective affiliates make any representation regarding the advisability of investing in such product.

- 1 Performance does not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares.
- 2 The inception date of the Dow Jones Equity All REIT Capped Index is April 13, 2020. The fund began tracking the index on June 22, 2020.
- 3 ETF performance must be shown based on both a market price and NAV basis. The fund's per share NAV is the value of one share of the fund. NAV is calculated by taking the fund's total assets (including the fair value of securities owned), subtracting liabilities, and dividing by the number of shares outstanding. The NAV Return is based on the NAV of the fund, and the Market Price Return is based on the market price per share of the fund. The price used to calculate market return (Market Price) is determined using the Official Closing Price on the primary stock 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 is used as a proxy for purposes of calculating Market Price Return on inception date. Market Price and NAV returns assume that dividends and capital gain distributions have been reinvested in the fund at Market Price and NAV, respectively.
- 4 Source for category information: Morningstar, Inc. The Morningstar Category return represents all passively- and actively-managed ETFs within the category as of the report date.
- 5 As stated in the prospectus.

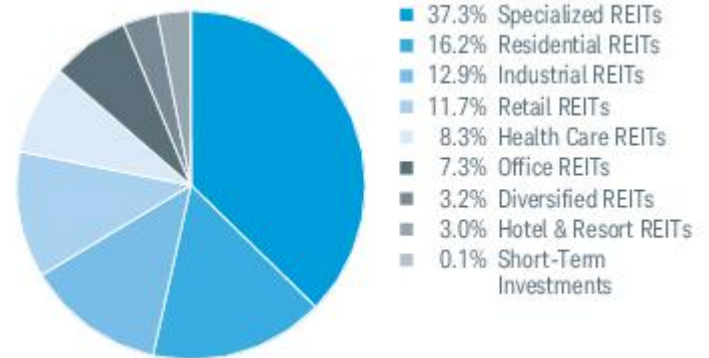
Schwab U.S. REIT ETF

# Performance and Fund Facts as of February 28, 2022 (continued)

## STATISTICS<sup>1</sup>

Number of Holdings	138
Weighted Average Market Cap (millions)	\$38,535
Price/Earnings Ratio (P/E)	35.8
Price/Book Ratio (P/B)	2.9
Portfolio Turnover Rate	5% <sup>2</sup>

## INDUSTRY WEIGHTINGS % OF INVESTMENTS<sup>3</sup>



## TOP EQUITY HOLDINGS % OF NET ASSETS<sup>4</sup>



Portfolio holdings may have changed since the report date.

An index is a statistical composite of a specified financial market or sector. Unlike the fund, an index does not actually hold a portfolio of securities and its return is not inclusive of trading and management costs incurred by the fund.

Source of Industry Classification: S&P and MSCI.

- 1 Excludes derivatives.
- 2 Portfolio turnover rate excludes securities received or delivered from processing of in-kind creations or redemptions.
- 3 The percentage may differ from the Portfolio Holdings because the above calculation is based on a percentage of total investments, excluding derivatives, whereas the calculation in the Portfolio Holdings is based on a percentage of net assets.
- 4 This list is not a recommendation of any security by the investment adviser.

Schwab U.S. REIT ETF

# Fund Expenses (Unaudited)

## EXAMPLES FOR A \$1,000 INVESTMENT

As a fund shareholder, you may incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of fund shares; and, (2) ongoing costs, including management fees.

The expense examples below are intended to help you understand your ongoing cost (in dollars) of investing in the fund and to compare this cost with the ongoing cost of investing in other mutual funds. These examples are based on an investment of \$1,000 invested for six months beginning September 1, 2021 and held through February 28, 2022.

**Actual Return line in the table below provides information about actual account values and actual expenses. You may use this information, together with the amount you invested, to estimate the expenses that you paid over the period. To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value ÷ \$1,000 = 8.6), then multiply the result by the number given for the fund under the heading entitled “Expenses Paid During Period.”**

**Hypothetical Return line in the table below provides information about hypothetical account values and hypothetical expenses based on the fund’s actual expense ratio and an assumed return of 5% per year before expenses. Because the return used is not an actual return, it may not be used to estimate the actual ending account value or expenses you paid for the period.**

You may use this information to compare the ongoing costs of investing in the fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only, and do not reflect any transactional costs, including any brokerage commissions you may pay when purchasing or selling shares of a fund. Therefore, the hypothetical return lines of the table are useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	EXPENSE RATIO (ANNUALIZED) 1	BEGINNING ACCOUNT VALUE AT 9/1/21	ENDING ACCOUNT VALUE (NET OF EXPENSES) AT 2/28/22	EXPENSES PAID DURING PERIOD 9/1/21-2/28/22 <sup>2</sup>
<b>Schwab U.S. REIT ETF</b>				
Actual Return	0.07%	\$1,000.00	\$ 965.60	\$0.34
Hypothetical 5% Return	0.07%	\$1,000.00	\$1,024.45	\$0.35

1 Based on the most recent six-month expense ratio.

2 Expenses for each fund are equal to its annualized expense ratio, multiplied by the average account value over the period, multiplied by 181 days of the period, and divided by 365 days of the fiscal year.

## Schwab U.S. REIT ETF

## Financial Statements

FINANCIAL HIGHLIGHTS					
	3/1/21– 2/28/22	3/1/20– 2/28/21	3/1/19– 2/29/20	3/1/18– 2/28/19	3/1/17– 2/28/18
<b>Per-Share Data</b>					
Net asset value at beginning of period	\$38.96	\$42.29	\$43.29	\$37.08	\$42.08
Income (loss) from investment operations:					
Net investment income (loss) <sup>1</sup>	0.85	0.84	1.32	1.29	1.20
Net realized and unrealized gains (losses)	7.57	(3.08)	(1.00)	6.33	(5.28)
Total from investment operations	8.42	(2.24)	0.32	7.62	(4.08)
Less distributions:					
Distributions from net investment income	(0.79)	(1.09)	(1.32)	(1.41)	(0.92)
Net asset value at end of period	\$46.59	\$38.96	\$42.29	\$43.29	\$37.08
Total return	21.56%	(4.98%)	0.59%	20.85%	(9.91%)
<b>Ratios/Supplemental Data</b>					
Ratios to average net assets:					
Total expenses	0.07%	0.07%	0.07%	0.07%	0.07%
Net investment income (loss)	1.81%	2.33%	2.88%	3.17%	2.93%
Portfolio turnover rate <sup>2</sup>	5%	59%	6%	7%	8%
Net assets, end of period (x 1,000)	\$6,648,475	\$4,891,906	\$5,717,395	\$5,127,268	\$3,691,377

1 Calculated based on the average shares outstanding during the period.

2 Portfolio turnover rate excludes securities received or delivered from processing of in-kind creations or redemptions.

## Schwab U.S. REIT ETF

# Portfolio Holdings as of February 28, 2022

This section shows all the securities in the fund's portfolio and their values as of the report date.

The fund files its complete schedule of portfolio holdings with the U.S. Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-PORT Part F. The fund's Form N-PORT Part F is available on the SEC's website at [www.sec.gov](http://www.sec.gov). You can also obtain this information at no cost on the fund's website at [www.schwabassetmanagement.com/schwabetfs\\_prospectus](http://www.schwabassetmanagement.com/schwabetfs_prospectus), by calling 1-866-414-6349, or by sending an email request to [orders@mysummaryprospectus.com](mailto:orders@mysummaryprospectus.com). The fund also makes available its complete schedule of portfolio holdings on a daily basis on the fund's website.

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
<b>COMMON STOCKS 99.7% OF NET ASSETS</b>			Xenia Hotels & Resorts, Inc. *	533,846	9,897,505
					<b>195,981,299</b>
<b>Diversified REITs 3.2%</b>			<b>Industrial REITs 12.9%</b>		
Alexander & Baldwin, Inc.	338,405	7,590,424	Americold Realty Trust	1,247,128	33,323,260
American Assets Trust, Inc.	246,024	8,994,637	Duke Realty Corp.	1,780,303	94,356,059
Broadstone Net Lease, Inc.	754,082	16,333,416	EastGroup Properties, Inc.	190,186	36,279,881
DigitalBridge Group, Inc. *	2,401,017	17,407,373	First Industrial Realty Trust, Inc.	609,056	35,069,444
Empire State Realty Trust, Inc., Class A	659,985	6,243,458	Industrial Logistics Properties Trust	305,507	6,834,192
Essential Properties Realty Trust, Inc.	568,727	14,377,419	Innovative Industrial Properties, Inc.	111,769	21,063,986
Global Net Lease, Inc.	484,007	6,877,739	LXP Industrial Trust	1,322,229	20,441,660
iStar, Inc.	324,292	8,146,215	Prologis, Inc.	3,446,669	502,696,674
PS Business Parks, Inc.	93,964	14,967,526	Rexford Industrial Realty, Inc.	708,160	49,663,261
STORE Capital Corp.	1,147,323	35,245,763	STAG Industrial, Inc.	818,269	31,879,760
Washington Real Estate Investment Trust	395,613	9,241,520	Terreno Realty Corp.	349,891	24,069,002
WP Carey, Inc.	870,856	67,404,254			<b>855,677,179</b>
		<b>212,829,744</b>	<b>Office REITs 7.3%</b>		
<b>Health Care REITs 8.3%</b>			Alexandria Real Estate Equities, Inc.	659,198	124,852,101
CareTrust REIT, Inc.	454,231	7,949,042	Boston Properties, Inc.	664,487	81,273,405
Community Healthcare Trust, Inc.	109,426	4,563,064	Brandywine Realty Trust	799,679	10,659,721
Diversified Healthcare Trust	1,117,843	3,219,388	City Office REIT, Inc.	202,845	3,492,991
Global Medical REIT, Inc.	282,184	4,430,289	Corporate Office Properties Trust	525,593	13,775,792
Healthcare Realty Trust, Inc.	689,315	17,977,335	Cousins Properties, Inc.	695,203	26,855,692
Healthcare Trust of America, Inc., Class A	1,032,470	30,344,293	Douglas Emmett, Inc.	820,508	26,010,104
Healthpeak Properties, Inc.	2,519,873	78,267,255	Easterly Government Properties, Inc.	402,883	8,388,024
LTC Properties, Inc.	183,814	6,218,428	Equity Commonwealth *	565,522	15,025,920
Medical Properties Trust, Inc.	2,787,667	56,701,147	Highwoods Properties, Inc.	487,638	21,261,017
National Health Investors, Inc.	214,174	11,417,616	Hudson Pacific Properties, Inc.	712,857	18,819,425
Omega Healthcare Investors, Inc.	1,117,352	31,475,806	JBG SMITH Properties	533,994	14,246,960
Physicians Realty Trust	1,030,420	16,754,629	Kilroy Realty Corp.	489,999	35,093,728
Sabra Health Care REIT, Inc.	1,069,967	14,369,657	Office Properties Income Trust	226,026	5,661,951
Ventas, Inc.	1,865,972	100,762,488	Paramount Group, Inc.	765,868	8,570,063
Welltower, Inc.	2,034,738	169,473,328	Piedmont Office Realty Trust, Inc., Class A	580,149	9,885,739
		<b>553,923,765</b>	SL Green Realty Corp.	312,032	24,812,785
<b>Hotel &amp; Resort REITs 2.9%</b>			Veris Residential, Inc. *	374,882	6,335,506
Apple Hospitality REIT, Inc.	993,041	17,566,895	Vornado Realty Trust	743,266	32,168,552
					<b>487,189,476</b>



Ashford Hospitality Trust, Inc. *	152,267	1,311,019
Braemar Hotels & Resorts, Inc. *	266,159	1,586,308
Chatham Lodging Trust *	227,979	3,134,711
DiamondRock Hospitality Co. *	984,663	9,403,532
Hersha Hospitality Trust *	154,877	1,429,515
Host Hotels & Resorts, Inc. *	3,337,664	60,979,121
Park Hotels & Resorts, Inc. *	1,104,688	20,812,322
Pebblebrook Hotel Trust	614,635	13,835,434
RLJ Lodging Trust	778,145	10,886,248
Ryman Hospitality Properties, Inc. *	257,582	22,695,550
Service Properties Trust	773,341	6,673,933
Summit Hotel Properties, Inc. *	498,453	4,929,700
Sunstone Hotel Investors, Inc. *	1,024,528	10,839,506

#### Residential REITs 16.2%

American Campus Communities, Inc.	650,526	35,004,804
American Homes 4 Rent, Class A	1,326,104	50,405,213
Apartment Income REIT Corp.	733,850	37,873,999
Apartment Investment & Management Co., Class A *	709,596	5,066,515
AvalonBay Communities, Inc.	653,226	155,853,191
Camden Property Trust	477,731	78,878,165
Centerspace	66,800	6,278,532
Equity LifeStyle Properties, Inc.	799,121	59,630,409
Equity Residential	1,595,257	136,075,422
Essex Property Trust, Inc.	304,267	96,504,364
Independence Realty Trust, Inc.	488,458	12,343,334
Invitation Homes, Inc.	2,789,702	105,450,736

Schwab U.S. REIT ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)
Mid-America Apartment Communities, Inc.	538,225	110,126,217
NexPoint Residential Trust, Inc.	106,376	9,038,769
Preferred Apartment Communities, Inc.	247,748	6,258,115
Sun Communities, Inc.	542,133	98,126,073
UDR, Inc.	1,358,557	74,544,023
		<b>1,077,457,881</b>

<b>Retail REITs 11.7%</b>		
Acadia Realty Trust	413,997	8,876,096
Agree Realty Corp.	326,025	20,914,504
Brixmor Property Group, Inc.	1,388,337	34,875,025
Federal Realty Investment Trust	327,265	38,479,819
Getty Realty Corp.	183,911	5,066,748
InvenTrust Properties Corp.	314,852	8,170,409
Kimco Realty Corp.	2,881,542	67,802,683
Kite Realty Group Trust	1,023,131	22,437,263
National Retail Properties, Inc.	821,035	34,984,301
NETSTREIT Corp.	184,706	4,089,391
Phillips Edison & Co., Inc.	91,687	2,963,324
Realty Income Corp.	2,644,774	174,793,114
Regency Centers Corp.	720,313	47,461,423
Retail Opportunity Investments Corp.	567,426	10,304,456
RPT Realty	392,763	5,086,281
Seritage Growth Properties, Class A *	168,998	1,722,090
Simon Property Group, Inc.	1,536,110	211,307,292
SITE Centers Corp.	840,267	13,066,152
Spirit Realty Capital, Inc.	576,563	26,735,226
Tanger Factory Outlet Centers, Inc.	486,779	8,119,474
The Macerich Co.	996,418	15,245,195
The Necessity Retail REIT, Inc.	575,620	4,052,365
Urban Edge Properties	514,734	9,378,453
		<b>775,931,084</b>

<b>Specialized REITs 37.2%</b>		
American Tower Corp.	2,123,109	481,669,739
Crown Castle International Corp.	2,014,916	335,664,856
CubeSmart	1,013,439	48,857,894
CyrusOne, Inc.	593,282	53,603,029
Digital Realty Trust, Inc.	1,326,610	178,986,221
EPR Properties	349,776	17,418,845
Equinix, Inc.	401,762	285,142,544
Extra Space Storage, Inc.	625,895	117,762,144
Four Corners Property Trust, Inc.	361,615	9,539,404
Gaming & Leisure Properties, Inc.	1,058,559	48,069,164

SECURITY	NUMBER OF SHARES	VALUE (\$)
Gladstone Land Corp.	145,046	4,335,425
Iron Mountain, Inc.	1,353,578	66,568,966
Lamar Advertising Co., Class A	405,838	44,260,692
Life Storage, Inc.	383,435	48,539,037
National Storage Affiliates Trust	383,269	22,333,085
Outfront Media, Inc.	680,926	18,180,724
PotlatchDeltic Corp.	313,727	17,223,612
Public Storage	713,151	253,182,868
Rayonier, Inc.	669,424	26,576,133
Safehold, Inc.	65,885	4,042,704
SBA Communications Corp.	508,510	154,276,849
The GEO Group, Inc. *	571,150	3,404,054
Uniti Group, Inc.	1,102,130	14,294,626
VICI Properties, Inc.	2,940,199	82,207,964
Weyerhaeuser Co.	3,501,487	136,137,815
		<b>2,472,278,394</b>

**Total Common Stocks (Cost \$5,628,610,161) 6,631,268,822**

**SHORT-TERM INVESTMENTS 0.1% OF NET ASSETS**

<b>Money Market Funds 0.1%</b>		
State Street Institutional U.S. Government Money Market Fund, Premier Class 0.03% (a)	4,221,708	<b>4,221,708</b>
<b>Total Short-Term Investments (Cost \$4,221,708)</b>		<b>4,221,708</b>
<b>Total Investments in Securities (Cost \$5,632,831,869)</b>		<b>6,635,490,530</b>

	NUMBER OF CONTRACTS	NOTIONAL AMOUNT (\$)	CURRENT VALUE/ UNREALIZED DEPRECIATION (\$)
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**FUTURES CONTRACTS**

<b>Long</b>			
Dow Jones U.S. Real Estate Index, expires 03/18/22	434	17,160,360	<b>(159,131)</b>

\* Non-income producing security.  
(a) The rate shown is the 7-day yield.



## Schwab U.S. REIT ETF

## Portfolio Holdings

 as of February 28, 2022 (continued)

The following is a summary of the inputs used to value the fund's investments as of February 28, 2022 (see financial note 2(a) for additional information):

DESCRIPTION	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	TOTAL
<b>Asset</b>				
Common Stocks <sup>1</sup>	\$6,631,268,822	\$—	\$—	\$6,631,268,822
Short-Term Investments <sup>1</sup>	4,221,708	—	—	4,221,708
<b>Liabilities</b>				
Futures Contracts <sup>2</sup>	(159,131)	—	—	(159,131)
<b>Total</b>	<b>\$6,635,331,399</b>	<b>\$—</b>	<b>\$—</b>	<b>\$6,635,331,399</b>

1 As categorized in the Portfolio Holdings.

2 Futures contracts are reported at cumulative unrealized appreciation or depreciation.

Fund investments in mutual funds are classified as Level 1, without consideration to the classification level of the underlying securities held by the mutual funds, which could be Level 1, Level 2 or Level 3.



## Schwab U.S. REIT ETF

# Statement of Assets and Liabilities

As of February 28, 2022

<b>ASSETS</b>	
Investments in securities, at value - unaffiliated (cost \$5,632,831,869)	\$6,635,490,530
Cash	9,671,970
Deposit with broker for futures contracts	871,699
Receivables:	
Investments sold	4,637,184
Dividends	+ 3,076,998
<b>Total assets</b>	<b>6,653,748,381</b>
<b>LIABILITIES</b>	
Payables:	
Fund shares redeemed	4,659,057
Management fees	358,541
Variation margin on futures contracts	+ 256,190
<b>Total liabilities</b>	<b>5,273,788</b>
<b>Net assets</b>	<b>\$6,648,474,593</b>
<b>NET ASSETS BY SOURCE</b>	
Capital received from investors	\$6,570,249,837
Total distributable earnings	+ 78,224,756
<b>Net assets</b>	<b>\$6,648,474,593</b>

**Net Asset Value (NAV)**

<b>Net Assets</b>	<b>÷</b>	<b>Shares Outstanding</b>	<b>=</b>	<b>NAV</b>
\$6,648,474,593		142,700,000		\$46.59

*See financial notes*

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## Schwab U.S. REIT ETF

# Statement of Operations

For the period March 1, 2021 through February 28, 2022

<b>INVESTMENT INCOME</b>	
Dividends received from securities - unaffiliated	\$116,998,756
Securities on loan, net	+ 8,747
<b>Total investment income</b>	<b>117,007,503</b>
<b>EXPENSES</b>	
Management fees	4,356,629
<b>Total expenses</b>	<b>- 4,356,629</b>
<b>Net investment income</b>	<b>112,650,874</b>
<b>REALIZED AND UNREALIZED GAINS (LOSSES)</b>	
Net realized gains on sales of securities - unaffiliated	51,639,682
Net realized gains on sales of in-kind redemptions - unaffiliated	86,840,809
Net realized gains on futures contracts	+ 2,440,689
<b>Net realized gains</b>	<b>140,921,180</b>
Net change in unrealized appreciation (depreciation) on securities - unaffiliated	808,967,965
Net change in unrealized appreciation (depreciation) on futures contracts	+ (52,683)
<b>Net change in unrealized appreciation (depreciation)</b>	<b>+ 808,915,282</b>
<b>Net realized and unrealized gains</b>	<b>949,836,462</b>
<b>Increase in net assets resulting from operations</b>	<b>\$1,062,487,336</b>





## Schwab U.S. REIT ETF

# Statement of Changes in Net Assets

For the current and prior report periods

<b>OPERATIONS</b>			
	3/1/21-2/28/22		3/1/20-2/28/21
Net investment income	\$112,650,874		\$105,906,627
Net realized gains (losses)	140,921,180		(613,991,983)
Net change in unrealized appreciation (depreciation)	+ 808,915,282		150,444,259
<b>Increase (decrease) in net assets resulting from operations</b>	<b>\$1,062,487,336</b>		<b>(\$357,641,097)</b>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>			
<b>Total distributions</b>	<b>(\$105,641,785)</b>		<b>(\$134,110,850)</b>

<b>TRANSACTIONS IN FUND SHARES</b>				
	3/1/21-2/28/22		3/1/20-2/28/21	
	SHARES	VALUE	SHARES	VALUE
Shares sold	23,550,000	\$1,103,067,576	40,350,000	\$1,438,051,306
Shares redeemed	+ (6,400,000)	(303,344,302)	(50,000,000)	(1,771,789,053)
<b>Net transactions in fund shares</b>	<b>17,150,000</b>	<b>\$799,723,274</b>	<b>(9,650,000)</b>	<b>(\$333,737,747)</b>

<b>SHARES OUTSTANDING AND NET ASSETS</b>				
	3/1/21-2/28/22		3/1/20-2/28/21	
	SHARES	NET ASSETS	SHARES	NET ASSETS
Beginning of period	125,550,000	\$4,891,905,768	135,200,000	\$5,717,395,462
Total increase (decrease)	+ 17,150,000	1,756,568,825	(9,650,000)	(825,489,694)
<b>End of period</b>	<b>142,700,000</b>	<b>\$6,648,474,593</b>	<b>125,550,000</b>	<b>\$4,891,905,768</b>

*See financial notes*

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## Schwab U.S. REIT ETF

# Financial Notes

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### 1. Business Structure of the Fund:

Schwab U.S. REIT ETF is a series of Schwab Strategic Trust (the trust), a no-load, open-end management investment company. The trust is organized as a Delaware statutory trust and is registered under the Investment Company Act of 1940, as amended (the 1940 Act). The list below shows all the operational funds in the trust as of the end of the period, including the fund discussed in this report, which is highlighted:

SCHWAB STRATEGIC TRUST (ORGANIZED JANUARY 27, 2009)	
<b>Schwab U.S. REIT ETF</b>	Schwab U.S. TIPS ETF
Schwab U.S. Broad Market ETF	Schwab Short-Term U.S. Treasury ETF
Schwab 1000 Index <sup>®</sup> ETF	Schwab Intermediate-Term U.S. Treasury ETF
Schwab U.S. Large-Cap ETF	Schwab Long-Term U.S. Treasury ETF
Schwab U.S. Large-Cap Growth ETF	Schwab U.S. Aggregate Bond ETF
Schwab U.S. Large-Cap Value ETF	Schwab 1-5 Year Corporate Bond ETF
Schwab U.S. Mid-Cap ETF	Schwab 5-10 Year Corporate Bond ETF
Schwab U.S. Small-Cap ETF	Schwab Fundamental U.S. Broad Market Index ETF
Schwab U.S. Dividend Equity ETF	Schwab Fundamental U.S. Large Company Index ETF
Schwab International Dividend Equity ETF	Schwab Fundamental U.S. Small Company Index ETF
Schwab International Equity ETF	Schwab Fundamental International Large Company Index ETF
Schwab International Small-Cap Equity ETF	Schwab Fundamental International Small Company Index ETF
Schwab Emerging Markets Equity ETF	Schwab Fundamental Emerging Markets Large Company Index ETF
	Schwab Ariel ESG ETF

The fund issues and redeems shares at its net asset value per share (NAV) only in large blocks of shares (Creation Units). These transactions are usually in exchange for a basket of securities and/or an amount of cash. As a practical matter, only institutional investors who have entered into an authorized participant agreement purchase or redeem Creation Units. Except when aggregated in Creation Units, shares of the fund are not redeemable securities.

Individual shares of the fund trade on national securities exchanges and elsewhere during the trading day and can only be bought and sold at market prices throughout the trading day through a broker-dealer. Because fund shares trade at market prices rather than NAV, shares may trade at a price greater than NAV (premium) or less than NAV (discount). A chart showing the frequency at which the fund's daily closing market price was at a discount or premium to the fund's NAV can be found at [www.schwabassetmanagement.com](http://www.schwabassetmanagement.com).

The fund maintains its own account for purposes of holding assets and accounting, and is considered a separate entity for tax purposes. Within its account, the fund may also keep certain assets in segregated accounts, as required by securities law.

### 2. Significant Accounting Policies:

The following is a summary of the significant accounting policies the fund uses in its preparation of financial statements. The fund follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification *Topic 946 Financial Services — Investment Companies*. The accounting policies are in conformity with accounting principles generally accepted in the United States of America (GAAP).

The fund may invest in certain mutual funds and exchange-traded funds (ETFs), which are referred to as "underlying funds". For more information about the underlying funds' operations and policies, please refer to those funds' semiannual and annual reports, which are filed with the U.S. Securities and Exchange Commission (SEC) and are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

#### (a) Security Valuation

Under procedures approved by the fund's Board of Trustees (the Board), the investment adviser has formed a Pricing Committee to administer the pricing and valuation of portfolio securities and other assets and to ensure that prices used for internal purposes or provided by third parties reasonably reflect fair value. Among other things, these procedures allow the fund to utilize independent pricing services, quotations from securities and financial instrument dealers and other market sources to determine fair value.



## Financial Notes (continued)

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### 2. Significant Accounting Policies (continued):

The fund values the securities in its portfolio every business day. The fund uses the following policies to value various types of securities:

- **Securities traded on an exchange or over-the-counter:** Traded securities are valued at the closing value for the day, or, on days when no closing value has been reported, at the mean of the most recent bid and ask quotes. Securities that are primarily traded on foreign exchanges are valued at the official closing price or the last sales price on the exchange where the securities are principally traded with these values then translated into U.S. dollars at the current exchange rate, unless these securities are fair valued as discussed below.
- **Futures contracts:** Futures contracts are valued at their settlement prices as of the close of their exchanges.
- **Mutual funds:** Mutual funds are valued at their respective NAVs.
- **Securities for which no quoted value is available:** The Board has adopted procedures to fair value the fund's securities when market prices are not "readily available" or are unreliable. For example, a fund may fair value a security when it is delisted or its trading is halted or suspended; when a security's primary pricing source is unable or unwilling to provide a price; or when a security's primary trading market is closed during regular market hours. The fund makes fair value determinations in good faith in accordance with the fund's valuation procedures. The Pricing Committee considers a number of factors, including unobservable market inputs when arriving at fair value. The Pricing Committee may employ techniques such as the review of related or comparable assets or liabilities, related market activities, recent transactions, market multiples, book values, transactional back-testing, disposition analysis and other relevant information. The Pricing Committee regularly reviews these inputs and assumptions to calibrate the valuations. Due to the subjective and variable nature of fair value pricing, there can be no assurance that the fund could obtain the fair value assigned to the security upon the sale of such security. The Board convenes on a regular basis to review fair value determinations made by the fund pursuant to the valuation procedures.

In accordance with the authoritative guidance on fair value measurements and disclosures under GAAP, the fund discloses the fair value of its investments in a hierarchy that prioritizes the significant inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). If inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the valuation. If the fund determines that either the volume and/or level of activity for an asset or liability has significantly decreased (from normal conditions for that asset or liability) or price quotations or observable inputs are not associated with orderly transactions, increased analysis and management judgment will be required to estimate fair value.

The three levels of the fair value hierarchy are as follows:

- Level 1 — quoted prices in active markets for identical securities — Investments whose values are based on quoted market prices in active markets, and whose values are therefore classified as Level 1 prices, include active listed equities, mutual funds and futures contracts. Investments in mutual funds are valued daily at their NAVs, which are classified as Level 1 prices, without consideration to the classification level of the underlying securities held by an underlying fund.
- Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) — Investments that trade in markets that are not considered to be active, but whose values are based on quoted market prices, dealer quotations or valuations provided by alternative pricing sources supported by observable inputs are classified as Level 2 prices. These generally include U.S. government and sovereign obligations, most government agency securities, investment-grade corporate bonds, certain mortgage products, less liquid listed equities, and state, municipal and provincial obligations.
- Level 3 — significant unobservable inputs (including the fund's own assumptions in determining the fair value of investments) — Investments whose values are classified as Level 3 prices have significant unobservable inputs, as they may trade infrequently or not at all. When observable prices are not available for these securities, the fund uses one or more valuation techniques for which sufficient and reliable data is available. The inputs used by the fund in estimating the value of

Level 3 prices may include the original transaction price, quoted prices for similar securities or assets in active markets, completed or pending third-party transactions in the underlying investment or comparable issuers, and changes in financial ratios or cash flows. Level 3 prices may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the fund in the absence of market information. Assumptions used by the fund due to the lack of observable inputs may significantly impact the resulting fair value and therefore the fund's results of operations.

## Financial Notes (continued)

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### 2. Significant Accounting Policies (continued):

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The levels associated with valuing the fund's investments as of February 28, 2022 are disclosed in the Portfolio Holdings.

#### (b) Accounting Policies for certain Portfolio Investments (if held):

**Futures Contracts:** Futures contracts are instruments that represent an agreement between two parties that obligates one party to buy, and the other party to sell, specific instruments at an agreed upon price on a stipulated future date. The fund must give the broker a deposit of cash and/or securities (initial margin) whenever it enters into a futures contract. The amount of the deposit may vary from one contract to another. Subsequent payments (variation margin) are made or received by the fund depending on the daily fluctuations in the value of the futures contract and are accounted for as unrealized appreciation or depreciation until the contract is closed, at which time the gains or losses are realized. Futures contracts are traded publicly on exchanges, and their value may change daily.

**Securities Lending:** Under the trust's Securities Lending Program, the fund (lender) may make short-term loans of its securities to another party (borrower) to generate additional revenue for the fund. The borrower pledges collateral in the form of cash, securities issued or fully guaranteed by the U.S. government or foreign governments, or letters of credit issued by a bank. Collateral at the individual loan level is required to be maintained on a daily marked-to-market basis in an amount at least equal to the current value of the securities loaned. The lending agent provides the fund with indemnification against borrower default (the borrower fails to return the security on loan) reducing the risk of loss as a result of default. The cash collateral of securities loaned is currently invested in money market portfolios operating pursuant to Rule 2a-7 under the 1940 Act. The fund bears the risk of loss with respect to the investment of cash collateral. The terms of the securities lending agreement allow the fund or the lending agent to terminate any loan at any given time and the securities must be returned within the earlier of the standard trade settlement period or the specified time period under the relevant securities lending agreements. Securities lending income, as disclosed in the fund's Statement of Operations, if applicable, represents the income earned from the investment of the cash collateral plus any fees paid by borrowers, less the fees paid to the lending agent and broker rebates which are subject to adjustments pursuant to the securities lending agreement. On loans not collateralized by cash, a fee is received from the borrower, and is allocated between the fund and the lending agent. The aggregate fair value of securities loaned will not at any time exceed one-third of the total assets of the fund, including collateral received from the loan. Securities lending fees paid to the unaffiliated lending agents start at 10% of gross lending revenue, with subsequent breakpoints to a low of 5%. In this context, the gross lending revenue equals the income received from the investment of cash collateral and fees paid by borrowers less any rebates paid to the borrowers. Any expenses charged by the cash collateral fund are in addition to these fees. All remaining revenue is retained by the fund, as applicable. No portion of lending revenue is paid to or retained by the investment adviser or any of its affiliates.

As of February 28, 2022, the fund had no securities on loan.

#### (c) Security Transactions:

Security transactions are recorded as of the date the order to buy or sell the security is executed. Realized gains and losses from security transactions are based on the identified costs of the securities involved.

When the fund closes out a futures contract position, it calculates the difference between the value of the position at the beginning and at the end of the contract, and records a realized gain or loss accordingly.

The fund invests in real estate investment trusts (REITs) which report information on the source of their distributions annually. The fund's policy is to record all REIT distributions initially as dividend income on the ex-dividend date and then re-designate them as return of capital and/or capital gain distributions at the end of the reporting period based on information provided annually by each REIT, and management estimates such re-designations when actual information has not yet been reported.

#### (d) Investment Income:



Interest income is recorded as it accrues. Dividends and distributions from portfolio securities and underlying funds are recorded on the date they are effective (the ex-dividend date), although the fund records certain foreign security dividends on the date the ex-dividend is confirmed. Any distributions from underlying funds are recorded in accordance with the character of the distributions as designated by the underlying funds.

## Financial Notes (continued)

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### 2. Significant Accounting Policies (continued):

#### (e) Expenses:

Pursuant to the Amended and Restated Advisory Agreement (Advisory Agreement) between the investment adviser and the trust, the investment adviser will pay the operating expenses of the fund, excluding taxes, any brokerage expenses, and extraordinary or non-routine expenses. Taxes, any brokerage expenses and extraordinary or non-routine expenses that are specific to the fund are charged directly to the fund.

#### (f) Distributions to Shareholders:

The fund makes distributions from net investment income, if any, quarterly and from net realized capital gains, if any, once a year. To receive a distribution, you must be a registered shareholder on the record date. Distributions are paid to shareholders on the payable date.

#### (g) Accounting Estimates:

The accounting policies described in this report conform to GAAP. Notwithstanding this, shareholders should understand that in order to follow these principles, fund management has to make estimates and assumptions that affect the information reported in the financial statements. It's possible that once the results are known, they may turn out to be different from these estimates and these differences may be material.

#### (h) Federal Income Taxes:

The fund intends to meet federal income and excise tax requirements for regulated investment companies under subchapter M of the Internal Revenue Code, as amended. Accordingly, the fund distributes substantially all of its net investment income and net realized capital gains, if any, to its shareholders each year. As long as the fund meets the tax requirements, it is not required to pay federal income tax.

#### (i) Indemnification:

Under the fund's organizational documents, the officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the fund. In addition, in the normal course of business the fund enters into contracts with its vendors and others that provide general indemnifications. The fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the fund. However, based on experience, the fund expects the risk of loss attributable to these arrangements to be remote.

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### 3. Risk Factors:

Investing in the fund may involve certain risks, as discussed in the fund's prospectus, including, but not limited to, those described below. Any of these risks could cause an investor to lose money.

**Market Risk. Financial markets rise and fall in response to a variety of factors, sometimes rapidly and unpredictable. Markets may be impacted by economic, political, regulatory and other conditions, including economic sanctions and other government actions. In addition, the occurrence of global events, such as war, terrorism, environmental disasters, natural disasters and epidemics, may also negatively affect the financial markets. As with any investment whose performance is tied to these markets, the value of an investment in the fund will fluctuate, which means that an investor could lose money over short or long periods.**

**Investment Style Risk. The fund is an index fund. Therefore, the fund follows the securities included in the index during upturns as well as downturns. Because of its indexing strategy, the fund does not take steps to reduce market exposure or to lessen the effects of a declining market. In addition, because of the fund's expenses, the fund's performance may be below that of the index. Errors relating to the index may occur from time to time and may not be identified by the index provider for a period of time. In addition, market disruptions could cause delays in the index's rebalancing schedule. Such errors and/or market disruptions may result in losses for the fund.**

**Equity Risk.** The prices of equity securities rise and fall daily. These price movements may result from factors affecting individual companies, industries or the securities market as a whole. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

**Market Capitalization Risk.** Securities issued by companies of different market capitalizations tend to go in and out of favor based on market and economic conditions. During a period when securities of a particular market capitalization fall behind other types of investments, the fund's performance could be impacted.

## Financial Notes (continued)

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### 3. Risk Factors (continued):

**Large-Cap Company Risk.** Large-cap companies are generally more mature and the securities issued by these companies may not be able to reach the same levels of growth as the securities issued by small- or mid-cap companies.

**Mid-Cap Company Risk.** Mid-cap companies may be more vulnerable to adverse business or economic events than larger, more established companies and the value of securities issued by these companies may move sharply.

**Small-Cap Company Risk.** Securities issued by small-cap companies may be riskier than those issued by larger companies, and their prices may move sharply, especially during market upturns and downturns.

**Real Estate Investment Risk.** Due to the composition of the index, the fund concentrates its investments in real estate companies and companies related to the real estate industry. As such, the fund is subject to risks associated with the direct ownership of real estate securities and an investment in the fund will be closely linked to the performance of the real estate markets. These risks include, among others: declines in the value of real estate; risks related to general and local economic conditions; possible lack of availability of mortgage funds or other limits to accessing the credit or capital markets; defaults by borrowers or tenants, particularly during an economic downturn; and changes in interest rates.

**REITs Risk.** In addition to the risks associated with investing in securities of real estate companies and real estate related companies, REITs are subject to certain additional risks. Equity REITs may be affected by changes in the value of the underlying properties owned by the trusts. Further, REITs are dependent upon specialized management skills and cash flows, and may have their investments in relatively few properties, or in a small geographic area or a single property type. Failure of a company to qualify as a REIT under federal tax law may have adverse consequences to the fund. In addition, REITs have their own expenses, and the fund will bear a proportionate share of those expenses.

**Tracking Error Risk.** As an index fund, the fund seeks to track the performance of its index, although it may not be successful in doing so. The divergence between the performance of the fund and the index, positive or negative, is called “tracking error.” Tracking error can be caused by many factors and it may be significant.

**Derivatives Risk.** The principal types of derivatives used by the fund are futures contracts. A future is an agreement to buy or sell a financial instrument at a specific price on a specific day. The fund’s use of derivatives that are subject to regulation by the Commodity Futures Trading Commission (CFTC) could cause the fund to become a commodity pool, which would require the fund to comply with certain CFTC rules.

The fund’s use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Certain of these risks, such as liquidity risk, leverage risk and market risk, are discussed elsewhere in this section. The fund’s use of derivatives is also subject to counterparty risk, lack of availability risk, valuation risk, correlation risk and tax risk. Counterparty risk is the risk that the counterparty to a derivatives transaction may not fulfill its contractual obligations either because the financial condition of the counterparty declines, or because the counterparty is otherwise unable or unwilling to perform under the contract. Lack of availability risk is the risk that suitable derivative transactions may not be available in all circumstances for risk management or other purposes. Valuation risk is the risk that a particular derivative may be valued incorrectly. Correlation risk is the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. Tax risk is the risk that the use of derivatives may cause the fund to realize higher amounts of short-term capital gains. The fund’s use of derivatives could reduce the fund’s performance, increase the fund’s volatility and could cause the fund to lose more than the initial amount invested.

**Concentration Risk.** To the extent that the fund’s or the index’s portfolio is concentrated in the securities of issuers in a particular market, industry, group of industries, sector or asset class (including the real estate industry, as described above), the fund may be adversely affected by the performance of those securities, may be subject to increased price volatility and may be more vulnerable to adverse economic, market, political or regulatory occurrences affecting that market, industry, group of industries, sector or asset class.

**Liquidity Risk.** The fund may be unable to sell certain securities, such as illiquid securities, readily at a favorable time or price, or the fund may have to sell them at a loss.

**Leverage Risk.** Certain fund transactions, such as derivatives transactions, may give rise to a form of leverage and may expose the fund to greater risk. Leverage tends to magnify the effect of any decrease or increase in the value of the fund's portfolio securities which means even a small amount of leverage can have a disproportionately large impact on the fund. The use of leverage may cause the fund to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations.

**Securities Lending Risk.** Securities lending involves the risk of loss of rights in, or delay in recovery of, the loaned securities if the borrower fails to return the security loaned or becomes insolvent.

## Schwab U.S. REIT ETF

# Financial Notes (continued)

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### 3. Risk Factors (continued):

**Market Trading Risk.** Although fund shares are listed on national securities exchanges, there can be no assurance that an active trading market for fund shares will develop or be maintained. If an active market is not maintained, investors may find it difficult to buy or sell fund shares.

**Shares of the Fund May Trade at Prices Other Than NAV.** Fund shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of the shares of the fund will approximate the fund's NAV, there may be times when the market price and the NAV vary significantly. An investor may pay more than NAV when buying shares of the fund in the secondary market, and an investor may receive less than NAV when selling those shares in the secondary market. The market price of fund shares may deviate, sometimes significantly, from NAV during periods of market volatility or market disruption.

Please refer to the fund's prospectus for a more complete description of the principal risks of investing in the fund.

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### 4. Affiliates and Affiliated Transactions:

#### Investment Adviser

Charles Schwab Investment Management, Inc., dba Schwab Asset Management, a wholly owned subsidiary of The Charles Schwab Corporation, serves as the fund's investment adviser pursuant to the Advisory Agreement between the investment adviser and the trust.

For its advisory services to the fund, the investment adviser is entitled to receive an annual management fee, payable monthly, equal to 0.07% of the fund's average daily net assets.

#### Investment from Affiliates

Certain funds in the Fund Complex (for definition refer to the Trustees and Officers section) may own shares of other funds in the Fund Complex. The table below reflects the percentage of shares of the fund that are owned by other funds in the Fund Complex as of February 28, 2022.

	UNDERLYING FUND
Schwab MarketTrack All Equity Portfolio	0.6%
Schwab MarketTrack Balanced Portfolio	0.3%
Schwab MarketTrack Conservative Portfolio	0.1%
Schwab MarketTrack Growth Portfolio	0.5%
Schwab Target 2010 Index Fund	0.0%*
Schwab Target 2015 Index Fund	0.0%*
Schwab Target 2020 Index Fund	0.1%
Schwab Target 2025 Index Fund	0.3%
Schwab Target 2030 Index Fund	0.5%
Schwab Target 2035 Index Fund	0.4%
Schwab Target 2040 Index Fund	0.5%
Schwab Target 2045 Index Fund	0.3%
Schwab Target 2050 Index Fund	0.4%
Schwab Target 2055 Index Fund	0.3%
Schwab Target 2060 Index Fund	0.3%
Schwab Target 2065 Index Fund	0.0%*
Schwab VIT Balanced Portfolio	0.1%

Schwab VIT Balanced with Growth Portfolio  
Schwab VIT Growth Portfolio

0.2%  
0.2%

\* Less than 0.05%

## Schwab U.S. REIT ETF

# Financial Notes (continued)

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### 4. Affiliates and Affiliated Transactions (continued):

#### Interfund Transactions

The fund may engage in direct transactions with certain other funds in the Fund Complex in accordance with procedures adopted by the Board pursuant to Rule 17a-7 under the 1940 Act. When one fund is seeking to sell a security that another is seeking to buy, an interfund transaction can allow both funds to benefit by reducing transaction costs. This practice is limited to funds that share the same investment adviser, trustees and/or officers. For the period ended February 28, 2022, the fund's purchases and sales of securities with other funds in the Fund Complex was \$14,581,333 and \$50,150,922, respectively, and includes realized losses of \$3,599,960.

#### Interfund Borrowing and Lending

Pursuant to an exemptive order issued by the SEC, the fund may enter into interfund borrowing and lending transactions with other funds in the Fund Complex. All loans are for temporary or emergency purposes and the interest rate to be charged will be the average of the overnight repurchase agreement rate and the short-term bank loan rate. All loans are subject to numerous conditions designed to ensure fair and equitable treatment of all participating funds. The interfund lending facility is subject to the oversight and periodic review of the Board. The fund had no interfund borrowing or lending activity during the period.

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### 5. Other Service Providers:

SEI Investments Distribution Co. is the principal underwriter and distributor of shares of the fund.

State Street Bank and Trust Company (State Street) serves as the fund's transfer agent. As part of these services, the transfer agent maintains records pertaining to the sale, redemption and transfer of the fund's shares. The transfer agent is also responsible for the order-taking function for the fund's shares.

State Street also serves as custodian and accountant for the fund. The custodian is responsible for the daily safekeeping of securities and cash held by the fund. The fund's accountant maintains all books and records related to the fund's transactions.

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### 6. Board of Trustees:

The Board may include people who are officers and/or directors of the investment adviser or its affiliates. Federal securities law limits the percentage of such "interested persons" who may serve on a trust's board, and the trust was in compliance with these limitations throughout the report period. The trust does not pay any interested or non-interested trustees (independent trustees). The independent trustees are paid by the investment adviser. For information regarding the trustees, please refer to the Trustees and Officers table at the end of this report.

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### 7. Borrowing from Banks:

During the period, the fund was a participant with other funds in the Fund Complex in a joint, syndicated, committed \$850 million line of credit (the Syndicated Credit Facility), which matured on September 30, 2021. On September 30, 2021, the Syndicated Credit Facility was amended to run for a new 364 day period with the line of credit amount remaining unchanged, maturing on September 29, 2022. Under the terms of the Syndicated Credit Facility, in addition to the investment adviser paying the interest charged on any borrowings by the fund, the investment adviser paid a commitment fee of 0.15% per annum on the fund's proportionate share of the unused portion of the Syndicated Credit Facility.

During the period, the fund was a participant with other funds in the Fund Complex in a joint, unsecured, uncommitted \$400 million line of credit (the Uncommitted Credit Facility), with State Street, which matured on September 30, 2021. On September 30, 2021, the Uncommitted Credit Facility was amended to run for a new 364 day period with the line of credit amount remaining unchanged, maturing on September 29, 2022. Under the terms of the Uncommitted Credit Facility, the investment adviser pays interest on the amount it borrows. There were no borrowings from either line of credit during the period.

The fund also has access to custodian overdraft facilities. The fund may have utilized the overdraft facility and incurred an interest expense, which is paid by the investment adviser. The interest expense is determined based on a negotiated rate above the current Federal Funds Rate.





## Schwab U.S. REIT ETF

## Financial Notes (continued)

### 8. Derivatives:

The fund entered into equity index futures contracts during the report period. The fund invested in futures contracts to equitize available cash. The value and variation margin for futures contracts held at February 28, 2022 are presented in the Portfolio Holdings and Statement of Assets and Liabilities, respectively. The net realized gains (losses) and net change in unrealized appreciation (depreciation) on futures contracts are presented in the Statement of Operations. Refer to financial note 2(b) for the fund's accounting policies with respect to futures contracts and financial note 3 for disclosures concerning the risks of investing in futures contracts. During the period ended February 28, 2022, the month-end average notional amounts of futures contracts held by the fund was \$12,688,288 and the month-end average number of contracts held was 314.

### 9. Purchases and Sales of Investment Securities:

For the period ended February 28, 2022, purchases and sales of securities (excluding in-kind transactions and short-term obligations) were as follows:

PURCHASES OF SECURITIES	SALES OF SECURITIES
\$441,372,720	\$297,738,782

### 10. In-Kind Transactions:

The consideration for the purchase of Creation Units of the fund often consists of the in-kind deposit of a designated portfolio of equity securities, which constitutes an optimized representation of the securities involved in a relevant fund's underlying index, and an amount of cash. Investors purchasing and redeeming Creation Units are subject to a standard creation transaction fee and a standard redemption transaction fee paid to the custodian to offset transfer and other transaction costs associated with the issuance and redemption of Creation Units. Purchasers and redeemers of Creation Units for cash are subject to an additional variable charge paid to the fund that will offset the transaction costs to the fund of buying or selling portfolio securities. In addition, purchasers and redeemers of shares in Creation Units are responsible for payment of the costs of transferring securities to or out of the fund. From time to time, the investment adviser may cover the cost of any transaction fees when believed to be in the best interests of the fund.

The in-kind transactions for the period ended February 28, 2022, were as follows:

IN-KIND PURCHASES OF SECURITIES	IN-KIND SALES OF SECURITIES
\$1,066,319,218	\$270,078,882

For the period ended February 28, 2022, the fund realized net capital gains or losses resulting from in-kind redemptions of Creation Units. Because such gains or losses are not taxable to the fund and are not distributed to existing fund shareholders, the gains or losses are reclassified from accumulated net realized gains or losses to capital received from investors at the end of the fund's tax year. These reclassifications have no effect on net assets or net asset values per share. The net realized in-kind gains or losses for the period ended February 28, 2022 are disclosed in the fund's Statement of Operations.

### 11. Federal Income Taxes:

As of February 28, 2022, the tax basis cost of the fund's investments and gross unrealized appreciation and depreciation were as follows:

TAX COST	GROSS UNREALIZED APPRECIATION	GROSS UNREALIZED DEPRECIATION	NET UNREALIZED APPRECIATION (DEPRECIATION)
\$5,684,924,648	\$1,181,807,831	(\$231,401,080)	\$950,406,751

As of February 28, 2022, the components of distributable earnings on a tax basis were as follows:

UNDISTRIBUTED ORDINARY INCOME	NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	CAPITAL LOSS CARRYFORWARDS	TOTAL

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\$5,460,881

\$950,406,751

(\$877,642,876)

\$78,224,756

## Schwab U.S. REIT ETF

# Financial Notes (continued)

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### 11. Federal Income Taxes (continued):

The primary difference between book basis and tax basis unrealized appreciation or unrealized depreciation of investments is the tax deferral of losses on wash sales and realization for tax purposes of unrealized appreciation or depreciation on futures contracts. The tax cost of the fund's investments, disclosed above, have been adjusted from its book amounts to reflect these unrealized appreciation or depreciation differences, as applicable.

Capital loss carryforwards have no expiration and may be used to offset future realized capital gains for federal income tax purposes. As of February 28, 2022, the fund had capital loss carryforwards of \$877,642,876.

For the fiscal year ended February 28, 2022, the fund had capital loss carryforwards utilized of \$47,993,746.

The tax basis components of distributions paid during the current and prior fiscal years were as follows:

CURRENT FISCAL YEAR END DISTRIBUTIONS	PRIOR FISCAL YEAR END DISTRIBUTIONS
ORDINARY INCOME	ORDINARY INCOME
\$105,641,785	\$134,110,850

Distributions paid to shareholders are based on net investment income and net realized gains determined on a tax basis, which may differ from net investment income and net realized gains for financial reporting purposes. These differences reflect the differing character of certain income items and net realized gains and losses for financial statement and tax purposes, and may result in reclassification among certain capital accounts on the financial statements. The fund may also designate a portion of the amount paid to redeeming shareholders as a distribution for tax purposes.

Permanent book and tax basis differences may result in reclassifications between components of net assets as required. The adjustments have no impact on net assets or the results of operations.

As of February 28, 2022, management has reviewed the tax positions for open periods (for federal purposes, three years from the date of filing and for state purposes, four years from the date of filing) as applicable to the fund, and has determined that no provision for income tax is required in the fund's financial statements. The fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the period ended February 28, 2022, the fund did not incur any interest or penalties.

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### 12. Subsequent Events:

Effective February 24, 2022, the Board authorized a 2-for-1 share split for the Schwab U.S. REIT ETF which applied to shareholders of record as of the close of markets on March 8, 2022, and paid after the close of the markets on March 10, 2022. Shares began trading at their post-split price on March 11, 2022. The share split increased the number of shares outstanding and decreased the NAV per share. The share split did not change the total value of a shareholder's investment.

Other than the planned changes for the 2-for-1 share split as discussed above, management has determined there are no subsequent events or transactions through the date the financial statements were issued that would have materially impacted the financial statements as presented.



Schwab U.S. REIT ETF

# Report of Independent Registered Public Accounting Firm

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To the Board of Trustees of Schwab Strategic Trust and Shareholders of Schwab U.S. REIT ETF:

## ***Opinion on the Financial Statements and Financial Highlights***

We have audited the accompanying statement of assets and liabilities, including the portfolio holdings, of Schwab U.S. REIT ETF (the "Fund"), one of the funds constituting Schwab Strategic Trust, as of February 28, 2022, the related statement of operations for the year then ended, the statement of changes in net assets and the financial highlights for each of the two years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of February 28, 2022, and the results of its operations for the year then ended, and the changes in its net assets and the financial highlights for each of the two years in the period then ended in conformity with accounting principles generally accepted in the United States of America. The financial highlights for each of the three years in the period ended February 29, 2020 were audited by other auditors, whose report, dated April 16, 2020, expressed an unqualified opinion on such financial highlights.

## ***Basis for Opinion***

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of February 28, 2022 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

**Deloitte & Touche LLP**  
**Denver, Colorado**  
**April 18, 2022**

We have served as the auditor of one or more investment companies in the Schwab Funds Complex since 2020.



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Schwab U.S. REIT ETF

## Other Federal Tax Information (unaudited)

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For the fiscal year ended February 28, 2022, the fund designates \$2,019,963 of the dividend distributions as qualified dividends for the purposes of the maximum rate under section 1(h)(11) of the Internal Revenue Code. Shareholders will be notified in January 2023 via IRS Form 1099 of the amounts for use in preparing their 2022 income tax return.

For the fiscal year ended February 28, 2022, the fund designates \$103,621,822 as dividends eligible for the 20% qualified business income deduction under section 199A of the Internal Revenue Code. Shareholders will be notified in January 2023 via IRS Form 1099 of the amounts for use in preparing their 2022 income tax return.





## Schwab U.S. REIT ETF

# Liquidity Risk Management Program (Unaudited)

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The Fund has adopted and implemented a liquidity risk management program (the "program") as required by Rule 22e-4 under the Investment Company Act of 1940, as amended. The Fund's Board of Trustees (the "Board") has designated the Fund's investment adviser, Charles Schwab Investment Management, Inc., dba Schwab Asset Management, as the administrator of the program. Personnel of the investment adviser or its affiliates conduct the day-to-day operation of the program.

Under the program, the investment adviser manages a Fund's liquidity risk, which is the risk that the Fund could not meet shareholder redemption requests without significant dilution of remaining shareholders' interests in the Fund. The program is reasonably designed to assess and manage a Fund's liquidity risk, taking into consideration the Fund's investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions; its historical redemption history and shareholder concentrations; and its cash holdings and access to other funding sources, including the custodian overdraft facility and lines of credit. The investment adviser's process of determining the degree of liquidity of each Fund's investments is supported by third-party liquidity assessment vendors.

The Fund's Board reviewed a report at its meeting held on September 20, 2021 prepared by the investment adviser regarding the operation and effectiveness of the program for the period June 1, 2020, through May 31, 2021, which included individual Fund liquidity metrics. No significant liquidity events impacting the Fund were noted in the report. In addition, the investment adviser provided its assessment that the program had been operating effectively in managing the Fund's liquidity risk.



## Schwab U.S. REIT ETF

## Trustees and Officers

The tables below give information about the trustees and officers of Schwab Strategic Trust, which includes the fund covered in this report. The “Fund Complex” includes The Charles Schwab Family of Funds, Schwab Capital Trust, Schwab Investments, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust. The Fund Complex includes 103 funds.

The address for all trustees and officers is 211 Main Street, San Francisco, CA 94105. You can find more information about the trustees and officers in the Statement of Additional Information, which is available free by calling 1-877-824-5615.

INDEPENDENT TRUSTEES		NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY THE TRUSTEE	OTHER DIRECTORSHIPS
NAME, YEAR OF BIRTH, AND POSITION(S) WITH THE TRUST (TERMS OF OFFICE, AND LENGTH OF TIME SERVED <sup>1</sup> )	PRINCIPAL OCCUPATIONS DURING THE PAST FIVE YEARS		
<b>Robert W. Burns</b> 1959 Trustee (Trustee of Schwab Strategic Trust since 2009; The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios and Laudus Trust since 2016)	Retired/Private Investor.	103	None
<b>Nancy F. Heller</b> 1956 Trustee (Trustee of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2018)	Retired.	103	None
<b>David L. Mahoney</b> 1954 Trustee (Trustee of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios and Laudus Trust since 2011; Schwab Strategic Trust since 2016)	Private Investor.	103	Director (2004 – present), Corcept Therapeutics Incorporated Director (2009 – 2021), Adamas Pharmaceuticals, Inc. Director (2003 – 2019), Symantec Corporation

<b>Jane P. Moncreiff</b> <b>1961</b> <b>Trustee</b> <b>(Trustee of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2019)</b>	Consultant (2018 – present), Fulham Advisers LLC (management consulting); Chief Investment Officer (2009 – 2017), CareGroup Healthcare System, Inc. (healthcare).	103	None
<b>Kiran M. Patel</b> <b>1948</b> <b>Trustee</b> <b>(Trustee of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios and Laudus Trust since 2011; Schwab Strategic Trust since 2016)</b>	Retired.	103	Director (2008 – present), KLA-Tencor Corporation

Schwab U.S. REIT ETF

INDEPENDENT TRUSTEES (CONTINUED)			
NAME, YEAR OF BIRTH, AND POSITION(S) WITH THE TRUST (TERMS OF OFFICE, AND LENGTH OF TIME SERVED <sup>1</sup> )	PRINCIPAL OCCUPATIONS DURING THE PAST FIVE YEARS	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY THE TRUSTEE	OTHER DIRECTORSHIPS
<b>Kimberly S. Patmore</b> 1956 Trustee (Trustee of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2016)	Consultant (2008 – present), Patmore Management Consulting (management consulting).	103	None
<b>J. Derek Penn</b> 1957 Trustee (Trustee of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2021)	Head of Equity Sales and Trading (2006 – 2018), BNY Mellon (financial services).	103	None

INTERESTED TRUSTEES			
NAME, YEAR OF BIRTH, AND POSITION(S) WITH THE TRUST (TERMS OF OFFICE, AND LENGTH OF TIME SERVED <sup>1</sup> )	PRINCIPAL OCCUPATIONS DURING THE PAST FIVE YEARS	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY THE TRUSTEE	OTHER DIRECTORSHIPS
<b>Walter W. Bettinger II</b> <sup>2</sup> 1960 Chairman and Trustee (Trustee of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust and Schwab Annuity Portfolios since 2008; Schwab Strategic Trust since 2009; Laudus Trust since 2010)	Director and Chief Executive Officer (Oct. 2008 – present) and President (Feb. 2007 – Oct. 2021), The Charles Schwab Corporation; President and Chief Executive Officer (Oct. 2008 – Oct. 2021) and Director (May 2008 – Oct. 2021), Charles Schwab & Co., Inc.; Director (Apr. 2006 – present), Charles Schwab Bank, SSB; Director (Nov. 2017 – present), Charles Schwab Premier Bank, SSB; Director (July 2019 – present), Charles Schwab Trust Bank; Director (May 2008 – present) and President and Chief Executive Officer (Aug. 2017 – present), Schwab Holdings, Inc.; Director (Oct. 2020 – present), TD Ameritrade Holding Corporation; Director (July 2016 – Oct. 2021), Charles Schwab Investment Management, Inc.	103	Director (2008 – present), The Charles Schwab Corporation

<b>Joseph R. Martinetto<sup>2</sup></b> <b>1962</b> <b>Trustee</b> <b>(Trustee of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2016)</b>	Chief Operating Officer (Feb. 2018 – present), The Charles Schwab Corporation; Senior Executive Vice President (July 2015 – present), Charles Schwab & Co., Inc.; Director (May 2007 – present), Charles Schwab & Co., Inc.; Director (Apr. 2010 – Apr. 2020), Charles Schwab Bank, SSB; Director (Nov. 2017 – Apr. 2020), Charles Schwab Premier Bank, SSB; Director (May 2007 – Apr. 2020), and Senior Executive Vice President (Feb. 2016 – present), Schwab Holdings, Inc.; Director (Oct. 2020 – present), TD Ameritrade Holding Corporation.	103	None
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## Schwab U.S. REIT ETF

OFFICERS OF THE TRUST	
NAME, YEAR OF BIRTH, AND POSITION(S) WITH THE TRUST (TERMS OF OFFICE, AND LENGTH OF TIME SERVED <sup>3</sup> )	PRINCIPAL OCCUPATIONS DURING THE PAST FIVE YEARS
<b>Jonathan de St. Paer</b> 1973 <b>President and Chief Executive Officer</b> <b>(Officer of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2018)</b>	Director (Apr. 2019 – present), President (Oct. 2018 – present), Chief Operating Officer (Jan. 2020 – present), and Chief Executive Officer (Apr. 2019 – Nov. 2019), Charles Schwab Investment Management, Inc.; Senior Vice President (June 2020 – Mar. 2022) and Chief Operating Officer (Jan. 2020 – Mar. 2022), Charles Schwab Investment Advisory, Inc.; Chief Executive Officer (Apr. 2019 – present), President (Nov. 2018 – present) and Trustee (Apr. 2019 – Dec. 2020), Schwab Funds, Laudus Trust and Schwab ETFs; Director (Apr. 2019 – Apr. 2022), Charles Schwab Worldwide Funds plc and Charles Schwab Asset Management (Ireland) Limited; Senior Vice President (Apr. 2019 – present), and Senior Vice President – Strategy and Product Development (CSIM) (Jan. 2014 – Mar. 2019), Charles Schwab & Co., Inc.
<b>Mark Fischer</b> 1970 <b>Treasurer, Chief Financial Officer and Chief Operating Officer</b> <b>(Officer of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2013)</b>	Treasurer and Chief Financial Officer (Jan. 2016 – present) and Chief Operating Officer (Dec. 2020 – present), Schwab Funds, Laudus Trust and Schwab ETFs; Chief Financial Officer (Mar. 2020 – present) and Vice President (Oct. 2013 – present), Charles Schwab Investment Management, Inc.; Director (July 2020 – Apr. 2022), Charles Schwab Worldwide Funds plc and Charles Schwab Asset Management (Ireland) Limited.
<b>Omar Aguilar</b> 1970 <b>Vice President and Chief Investment Officer</b> <b>(Officer of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2011)</b>	Chief Executive Officer (Jan. 2022 – present) and Chief Investment Officer (Apr. 2011 – present), Senior Vice President (Apr. 2011 – Dec. 2021), Charles Schwab Investment Management, Inc.; Vice President and Chief Investment Officer (June 2011 – present), Schwab Funds, Laudus Trust and Schwab ETFs.
<b>Brett Wander</b> 1961 <b>Vice President and Chief Investment Officer</b> <b>(Officer of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2011)</b>	Senior Vice President and Chief Investment Officer (Apr. 2011 – present), Charles Schwab Investment Management, Inc.; Vice President and Chief Investment Officer (June 2011 – present), Schwab Funds, Laudus Trust and Schwab ETFs.
<b>William P. McMahon, Jr.</b> 1972 <b>Vice President and Chief Investment Officer</b> <b>(Officer of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2021)</b>	Senior Vice President and Chief Investment Officer (Jan. 2020 – present), Charles Schwab Investment Management, Inc.; Vice President and Chief Investment Officer (June 2021 – present), Schwab Funds, Laudus Trust and Schwab ETFs; Senior Vice President and Chief Investment Officer – ThomasPartners Strategies (Apr. 2018 – Dec. 2019), Charles Schwab Investment Advisory, Inc.; Senior Vice President and Chief Investment Officer (May 2001 – Apr. 2018), ThomasPartners, Inc.
<b>Catherine MacGregor</b> 1964 <b>Chief Legal Officer and Secretary, Schwab Funds and Schwab ETFs</b> <b>Chief Legal Officer, Vice President and Clerk, Laudus Trust</b> <b>(Officer of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios and Laudus Trust since 2005; Schwab Strategic Trust since 2009)</b>	Chief Legal Officer (Mar. 2022 – present) and Vice President (Sept. 2005 – present), Charles Schwab Investment Management, Inc.; Vice President (July 2005 – present), Charles Schwab & Co., Inc.; Vice President (Dec. 2005 – present) and Chief Legal Officer and Clerk (Mar. 2007 – present), Laudus Trust; Chief Legal Officer and Secretary (Oct. 2021 – present), Vice President (Nov. 2005 – Oct. 2021) and Assistant Secretary (June 2007 – Oct. 2021), Schwab Funds; Chief Legal Officer and Secretary (Oct. 2021 – present), Vice President and Assistant Secretary (Oct. 2009 – Oct. 2021), Schwab ETFs.



- 1 Each Trustee shall hold office until the election and qualification of his or her successor, or until he or she dies, resigns or is removed. The retirement policy requires that each independent trustee retire by December 31 of the year in which the Trustee turns 74 or the Trustee's twentieth year of service as an independent trustee on any trust in the Fund Complex, whichever occurs first.
- 2 Mr. Bettinger and Mr. Martinetto are Interested Trustees. Mr. Bettinger is an Interested Trustee because he owns stock of The Charles Schwab Corporation (CSC), the parent company of Charles Schwab Investment Management, Inc., the investment adviser for the trusts in the Fund Complex, and is an employee of Charles Schwab & Co., Inc. (Schwab), the principal underwriter for The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios and Laudus Trust. Mr. Martinetto is an Interested Trustee because he owns stock of CSC and is an employee and director of Schwab.
- 3 The President, Treasurer and Secretary/Clerk hold office until their respective successors are chosen and qualified or until he or she sooner dies, resigns, is removed or becomes disqualified. Each of the other officers serves at the pleasure of the Board.

## Schwab U.S. REIT ETF

# Glossary

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**ask** See “offer.”

**asset allocation** The practice of dividing a portfolio among different asset classes, with each asset class assigned a particular percentage to help offset risks and rewards, based on your goals, time horizon and risk tolerance.

**asset class** A group of securities with similar structure and basic characteristics. Stocks, bonds and cash are the three main examples of asset classes.

**authorized participant (AP)** A large institutional investor that places orders for creation units with the funds’ distributor.

**beta** A historical measure of an investment’s volatility relative to a market index (usually the S&P 500<sup>®</sup>). The index is defined as having a beta of 1.00. Investments with a beta higher than 1.00 have been more volatile than the index; those with a beta of less than 1.00 have been less volatile.

**bid** The highest price at which someone is willing to buy a security.

**Bloomberg US Aggregate Bond Index** An index that is a broad-based benchmark measuring the performance of the U.S. investment grade, taxable bond market, including U.S. Treasuries, government-related and corporate bonds, mortgage pass-through securities, commercial mortgage-backed securities, and asset-backed securities that are publicly available for sale in the United States. To be eligible for inclusion in the index, securities must be fixed rate, non-convertible, U.S. dollar-denominated with at least \$300 million or more of outstanding face value and have one or more years remaining to maturity. The index excludes certain types of securities, including tax-exempt state and local government series bonds, structured notes embedded with swaps or other special features, private placements, floating rate securities, inflation-linked bonds and Eurobonds. The index is market capitalization weighted and the securities in the index are updated on the last business day of each month.

**cap, capitalization** See “market cap.”

**capital gain, capital loss** The difference between the amount paid for an investment and its value at a later time. If the investment has been sold, the capital gain or loss is considered a realized gain or loss. If the investment is still held, the gain or loss is still “on paper” and is considered unrealized.

**commencement of operations** The date that the first NAV was calculated.

**creation unit (C.U.)** A basket of securities that is delivered by an authorized participant (AP) to the fund equal to the current holdings of the ETF, plus a designated cash component. In return, the APs receive a large block of ETF shares (typically 50,000 shares), which investors can then buy and sell in the secondary market.

**Dow Jones Equity All REIT Capped Index** A float-adjusted market cap weighted index that is designed to measure all equity real estate investment trusts (REITs) in the Dow Jones U.S. Total Stock Market Index, as defined by the S&P Dow Jones Indices REIT/RESI Industry Classification Hierarchy, that meet the minimum float market capitalization (FMC) and liquidity thresholds. The aggregate weight of

**Dow Jones U.S. Select REIT Index** An index that is a float-adjusted market-capitalization weighted index comprised of income-producing commercial and/or residential real estate investment trusts (REITs). The index excludes mortgage REITs, net-lease REITs, real estate finance companies, mortgage brokers and bankers, commercial and residential real estate brokers and estate agents, homebuilders, large landowners and sub-dividers of unimproved land, hybrid REITs, timber REITs and companies that have more than 25% of their assets in direct mortgage investments.

**exchange** A marketplace, or any organization or group that provides or maintains a marketplace for trading securities, options, futures, or commodities.

**expense ratio** The amount that is taken from the fund’s assets each year to cover the operating expenses. An expense ratio of 0.50% means that a fund’s expenses amount to half of one percent of its average net assets a year.

**FTSE EPRA Nareit Global Index (Net)** An index that provides a diverse representation of publicly traded equity real estate investment trusts (REITs) and listed property companies worldwide. The index constituents are free-float adjusted, and screened on liquidity, size and revenue. The index is comprised of countries in developed and emerging markets. The Net of Tax Index is calculated based on the maximum withholding tax rates applicable to dividends received by institutional investors who are not resident in the same country as the remitting company and who do not benefit from double taxation treaties.

**inception date** The date that the shares began trading in the secondary market.

**indicative optimized portfolio value (IOPV)** A calculation disseminated by the stock exchange that approximates the fund’s NAV every 15 seconds throughout the trading day.

**liquidity** The ability to convert a security or asset quickly into cash.

**market cap, market capitalization** The value of a company as determined by the total value of all shares of its stock outstanding.

**market price return** The return based on the change in market price per share of the fund over a given time period. Market price returns assume that dividends and capital gain distributions have been reinvested in the fund at market price.

**median market cap** The midpoint of the range of market caps of the stocks held by a fund. There are different ways of calculating median market cap. With a simple median, half of the stocks in the fund’s portfolio would be larger than the median, and half would be smaller. With a weighted median (the type that is calculated for these funds), half of the fund’s assets are invested in stocks that are larger than the median market cap, and half in stocks that are smaller.

**MSCI EAFE Index (Net)** A free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets in Europe, Australasia, and the Far East. The Net version of the index reflects reinvested dividends net of withholding taxes, but reflects no deductions for expenses or other taxes; returns are calculated applying dividend withholding rates applicable to non-resident persons who do not benefit from double taxation treaties.

all companies weighing more than 4.5% cannot exceed 22.5%, and no single company's weight can exceed 10%. The index is reviewed daily based on each company's capped market capitalization weight. Daily capping is only performed when the sum of companies with weights great than 5% exceeds 25%.

net asset value (NAV) The value of one share of a fund. NAV is calculated by taking the fund's total assets, subtracting liabilities, and dividing by the number of shares outstanding.

## Schwab U.S. REIT ETF

**NAV return** The return based on the change in NAV of the fund over a given time period. NAV returns assume that dividends and capital gain distributions have been reinvested in the fund.

**offer (ask)** The lowest price at which an individual is willing to sell a security.

**open** The price at which a security opened for trading on a given day.

**outstanding shares, shares outstanding** When speaking of the fund, indicates all shares currently held by investors.

**price-to-book ratio (P/B)** The market price of a company's stock compared with its "book value." A mutual fund's P/B is the weighted average of the P/B of all stocks in the fund's portfolio.

**price-to-earnings ratio (P/E)** The market price of a company's stock compared with earnings over the past year. A mutual fund's P/E is the weighted average of the P/E of all stocks in the fund's portfolio.

**primary market** The market that deals with the issuance of new securities.

**real estate investment trust (REIT)** Real estate companies that own and commonly operate income producing commercial and/or residential real estate.

**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.

**rights and warrants** Rights and warrants are types of securities that entitle the holder to purchase a proportionate amount of common stock at a specified price for a specific period of time. Rights allow a

shareholder to buy more shares directly from the company, usually at a price somewhat lower than the current market price of the outstanding shares. Warrants are usually issued with bonds and preferred stock. Rights and warrants can trade on the market separately from the company's stock. The prices of rights and warrants do not necessarily move parallel to the prices of the underlying common stock. Rights usually expire within a few weeks of issuance, while warrants may not expire for several years. If a right or warrant is not exercised within the specified time period, it will become worthless and a fund will lose the purchase price it paid for the right or warrant and the right to purchase the underlying security.

**S&P 500 Index** An index that is designed to measure the performance of 500 leading publicly traded companies from a broad range of industries.

**sampling** If a fund uses a sampling method, the fund will not fully replicate the benchmark index and may hold securities not included in the index. A fund that utilizes a sampling approach may not track the return of the index.

**secondary market** The market in which investors purchase securities from other investors rather than directly from the issuing companies. Organized exchanges facilitate the trading of securities in the secondary market.

**spread** The gap between bid and ask prices of a security.

**stock** A share of ownership, or equity, in the issuing company.

**total return** The percentage that an investor would have earned or lost on an investment in the fund assuming dividends and distributions were reinvested.

**tracking error** The difference between the performance of the fund and its benchmark index, positive or negative.



## Schwab U.S. REIT ETF

# Schwab ETFs

Schwab ETFs are designed to serve as simple low-cost core investment products for a diversified portfolio. These ETFs seek to provide consistent, repeatable performance through a variety of investment strategies that span the equity and fixed income spectrum. The list below shows all currently available Schwab ETFs.

**Investors should carefully consider information contained in the prospectus, or if available, the summary prospectus, including investment objectives, risks, charges and expenses before investing. Please call 1-877-824-5615 for a prospectus for any Schwab ETF. Please read the prospectus carefully before you invest. This report must be preceded or accompanied by a current prospectus.**

### Proxy Voting Policies, Procedures and Results

A description of the proxy voting policies and procedures used to determine how to vote proxies on behalf of the funds is available without charge, upon request, by visiting the Schwab ETFs' website at [www.schwabassetmanagement.com/schwabetfs\\_prospectus](http://www.schwabassetmanagement.com/schwabetfs_prospectus), the SEC's website at [www.sec.gov](http://www.sec.gov), or by contacting Schwab ETFs at 1-877-824-5615.

Information regarding how a fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available, without charge, by visiting the fund's website at [www.schwabassetmanagement.com/schwabetfs\\_prospectus](http://www.schwabassetmanagement.com/schwabetfs_prospectus) or the SEC's website at [www.sec.gov](http://www.sec.gov).

## Schwab ETFs

### U.S. ETFs

Schwab U.S. Broad Market ETF  
Schwab 1000 Index<sup>®</sup> ETF  
Schwab U.S. Large-Cap ETF  
Schwab U.S. Large-Cap Growth ETF  
Schwab U.S. Large-Cap Value ETF  
Schwab U.S. Mid-Cap ETF  
Schwab U.S. Small-Cap ETF  
Schwab U.S. Dividend Equity ETF  
Schwab U.S. REIT ETF

### International ETFs

Schwab International Dividend Equity ETF  
Schwab International Equity ETF  
Schwab International Small-Cap Equity ETF  
Schwab Emerging Markets Equity ETF

### Fixed-Income ETFs

Schwab U.S. TIPS ETF  
Schwab Short-Term U.S. Treasury ETF  
Schwab Intermediate-Term U.S. Treasury ETF  
Schwab Long-Term U.S. Treasury ETF  
Schwab U.S. Aggregate Bond ETF  
Schwab 1-5 Year Corporate Bond ETF  
Schwab 5-10 Year Corporate Bond ETF

### Fundamental Index\* ETFs

Schwab Fundamental U.S. Broad Market Index ETF  
Schwab Fundamental U.S. Large Company Index ETF  
Schwab Fundamental U.S. Small Company Index ETF  
Schwab Fundamental International Large Company Index ETF  
Schwab Fundamental International Small Company Index ETF  
Schwab Fundamental Emerging Markets Large Company Index ETF

### Active, Semi-Transparent (Also Known As Non-Transparent) ETF

Schwab Ariel ESG ETF

### Investment Adviser

Charles Schwab Investment Management, Inc., dba Schwab Asset Management  
211 Main Street, San Francisco, CA 94105

### Schwab ETFs

1-877-824-5615  
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**The Schwab Ariel ESG ETF is different from traditional ETFs. Traditional ETFs tell the public what assets they hold each day. This fund will not. This may create additional risks for your investment. For example:**

- You may have to pay more money to trade the fund's shares. This fund will provide less information to traders, who tend to charge more for trades when they have less information.
- The price you pay to buy fund shares on an exchange may not match the value of the fund's portfolio. The same is true when you sell shares. These price differences may be greater for this fund compared to other ETFs because it provides less information to traders.
- These additional risks may be even greater in bad or uncertain market conditions.

- The ETF will publish on its website each day a “Proxy Portfolio” designed to help trading in shares of the ETF. While the Proxy Portfolio includes some of the ETF’s holdings, it is not the ETF’s actual portfolio.

The differences between this fund and other ETFs may also have advantages. By keeping certain information about the fund secret, this fund may face less risk that other traders can predict or copy its investment strategy. This may improve the fund’s performance. If other traders are able to copy or predict the fund’s investment strategy, however, this may hurt the fund’s performance.

For additional information regarding the unique attributes and risks of the fund, see *Proxy Portfolio Risk*, *Premium/Discount Risk*, *Trading Halt Risk*, *Authorized Participant Concentration Risk*, *Tracking Error Risk* and *Shares of the Fund May Trade at Prices Other Than NAV* in the *Principal Risks* and *Proxy Portfolio* and *Proxy Overlap* sections of the prospectus and/or the Statement of Additional Information. These risks are discussed on the next page.

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## Schwab U.S. REIT ETF

Active semi-transparent ETFs operate differently from other exchange-traded funds (ETFs). Unlike other ETFs, an active semi-transparent ETF does not publicly disclose its entire portfolio composition each business day, which may affect the price at which shares of the ETF trade in the secondary market. Active semi-transparent ETFs have limited public trading history. There can be no assurance that an active trading market will develop, be maintained or operate as intended. There is a risk that the market price of an active semi-transparent ETF may vary significantly from the ETF's net asset value and that its shares may trade at a wider bid/ask spread and, therefore, cost investors more to trade than shares of other ETFs. These risks are heightened during periods of market disruption or volatility.

**Proxy Portfolio Risk:** Unlike traditional ETFs, this fund does not disclose its portfolio holdings (Actual Portfolio) daily. The fund instead posts a Proxy Portfolio on its website each day. The Proxy Portfolio is designed to reflect the economic exposures and risk characteristics of the fund's actual holdings on each trading day, but it is not the same as the fund's Actual Portfolio. Although the Proxy Portfolio is intended to provide investors with enough information to allow for an effective arbitrage mechanism that will keep the market price of the Fund at or close to the underlying NAV per Share of the Fund, there is a risk (which may increase during periods of market disruption or volatility) that market prices will vary significantly from the underlying NAV of the fund. ETF trading on the basis of a published Proxy Portfolio may trade at a wider bid/ask spread than ETFs that publish their portfolios on a daily basis, especially during periods of market disruption or volatility, and therefore may cost investors more to trade. Also, while the Fund seeks to benefit from keeping its portfolio information secret, market participants may attempt to use the Proxy Portfolio to identify a Fund's trading strategy, which if successful, could result in such market participants engaging in certain predatory trading practices that may have the potential to harm the Fund and its shareholders.

**Proxy Portfolio Construction:** The Proxy Portfolio is designed to recreate the daily performance of the Actual Portfolio. This is achieved by performing a "Factor Model" analysis of the Actual Portfolio. The Factor Model is comprised of three sets of factors or analytical metrics: market-based factors, fundamental factors, and industry/sector factors. The fund uses a "Model Universe" to generate its Proxy Portfolio. The Model Universe is comprised of securities that the fund can purchase and will be a financial index or stated portfolio of securities from which fund investments will be selected. The results of the Factor Model analysis are then applied to the Model Universe. The Proxy Portfolio is then generated as a result of this Model Universe analysis with the Proxy Portfolio being a small sub-set of the Model Universe. The Factor Model is applied to both the Actual Portfolio and the Model Universe to construct the fund's Proxy Portfolio that performs in a manner substantially identical to the performance of its Actual Portfolio.

The Proxy Portfolio will only include investments the fund is permitted to hold. The fund's SAI contains more information on the Proxy Portfolio and its construction. Proxy Portfolio and Proxy Overlap Information regarding the contents of the Proxy Portfolio, and the percentage weight overlap between the holdings of the Proxy Portfolio and a Fund's Actual Portfolio holdings that formed the basis for its calculation of NAV at the end of the prior Business Day (the Portfolio Overlap), is available by visiting the fund's website [www.schwabassetmanagement.com](http://www.schwabassetmanagement.com).

Because environmental, social and governance (ESG) strategies exclude some securities, ESG-focused products may not be able to take advantage of the same opportunities or market trends as products that do not use such strategies. Additionally, the criteria used to select companies for investment may result in investing in securities, industries or sectors that underperform the market as a whole.

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## Schwab Fundamental Index\* ETFs

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Schwab Fundamental U.S. Broad Market Index ETF	<b>FNDB</b>
Schwab Fundamental U.S. Large Company Index ETF	<b>FNDX</b>
Schwab Fundamental U.S. Small Company Index ETF	<b>FNDA</b>
Schwab Fundamental International Large Company Index ETF	<b>FNDF</b>
Schwab Fundamental International Small Company Index ETF	<b>FNDC</b>
Schwab Fundamental Emerging Markets Large Company Index ETF	<b>FNDE</b>

\* SCHWAB is a registered trademark of Charles Schwab & Co., Inc.  
FUNDAMENTAL INDEX is a registered trademark of Research Affiliates LLC.

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The Sector/Industry classifications in this report use the Global Industry Classification Standard (GICS) which was developed by and is the exclusive property of MSCI Inc. (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. The Industry classifications used in the Portfolio Holdings are sub-categories of Sector classifications.



## Schwab Fundamental Index ETFs

# Performance at a Glance

The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. To obtain performance information current to the most recent month end, please visit [www.schwabassetmanagement.com/schwabetfs\\_prospectus](http://www.schwabassetmanagement.com/schwabetfs_prospectus).

TOTAL RETURNS FOR THE 12 MONTHS ENDED FEBRUARY 28, 2022		TOTAL RETURNS FOR THE 12 MONTHS ENDED FEBRUARY 28, 2022	
<b>Schwab Fundamental U.S. Broad Market Index ETF (Ticker Symbol: FNDB)</b>		<b>Schwab Fundamental International Large Company Index ETF (Ticker Symbol: FNDF)</b>	
Market Price Return <sup>1</sup>	18.71%	Market Price Return <sup>1</sup>	7.40%
NAV Return <sup>1</sup>	18.80%	NAV Return <sup>1</sup>	7.95%
Russell RAFI™ US Index	19.09%	Russell RAFI™ Developed ex US Large Company Index (Net)*	8.00%
Russell 3000® Index	12.29%	MSCI EAFE® Index (Net)*	2.83%
ETF Category: Morningstar Large Value <sup>2</sup>	17.20%	ETF Category: Morningstar Foreign Large Value <sup>2</sup>	5.90%
<i>Performance Details</i>	<i>pages 8-10</i>	<i>Performance Details</i>	<i>pages 17-19</i>
<b>Schwab Fundamental U.S. Large Company Index ETF (Ticker Symbol: FNFX)</b>		<b>Schwab Fundamental International Small Company Index ETF (Ticker Symbol: FNDC)</b>	
Market Price Return <sup>1</sup>	19.62%	Market Price Return <sup>1</sup>	1.61%
NAV Return <sup>1</sup>	19.61%	NAV Return <sup>1</sup>	1.86%
Russell RAFI™ US Large Company Index	19.90%	Russell RAFI™ Developed ex US Small Company Index (Net)*	2.17%
Russell 1000® Index	13.72%	S&P Developed ex-U.S. Small Cap Index (Net)*	-2.47%
ETF Category: Morningstar Large Value <sup>2</sup>	17.20%	ETF Category: Morningstar Foreign Small/Mid Value <sup>2</sup>	5.44%
<i>Performance Details</i>	<i>pages 11-13</i>	<i>Performance Details</i>	<i>pages 20-22</i>
<b>Schwab Fundamental U.S. Small Company Index ETF (Ticker Symbol: FNDA)</b>		<b>Schwab Fundamental Emerging Markets Large Company Index ETF (Ticker Symbol: FNDE)</b>	
Market Price Return <sup>1</sup>	10.01%	Market Price Return <sup>1</sup>	5.31%
NAV Return <sup>1</sup>	10.06%	NAV Return <sup>1</sup>	2.97%
Russell RAFI™ US Small Company Index	10.32%	Russell RAFI™ Emerging Markets Large Company Index (Net)*	6.51%
Russell 2000® Index	-6.01%	MSCI Emerging Markets Index (Net)*	-10.69%
ETF Category: Morningstar Small Blend <sup>2</sup>	3.98%	ETF Category: Morningstar Diversified Emerging Markets <sup>2</sup>	-9.68%
<i>Performance Details</i>	<i>pages 14-16</i>	<i>Performance Details</i>	<i>pages 23-25</i>

All total returns on this page assume dividends and distributions were reinvested. Index figures do not include trading and management costs, which would lower performance. Indices are unmanaged and cannot be invested in directly. Performance results less than one year are not annualized.

The first index listed for each fund is the fund's primary benchmark, as shown in the prospectus. Additional indices shown are provided for comparative purposes.

For index definitions, please see the Glossary.

Performance does not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares.

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

Index ownership — The Schwab Fundamental Index ETFs are not in any way sponsored, endorsed, sold or promoted by Frank Russell Company (Russell), by the London Stock Exchange Group companies (LSEG), or by Research Affiliates LLC (RA) (collectively the Licensor Parties), and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the Russell RAFI™ Index Series (the Indices) or otherwise. The Indices are compiled and calculated by Russell in conjunction with RA. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Indices and none of the Licensor Parties shall be under any obligation to advise any person of any error therein. "Russell®" is a trademark of Russell. The trade names "Research Affiliates®", "Fundamental Index®" and "RAFI®" are registered trademarks of RA. Charles Schwab Investment Management, Inc. has obtained full license from Russell to use the Indices. For full disclaimer please see the funds' statement of additional information.

\* The net version of the index reflects reinvested dividends net of withholding taxes but reflects no deductions for expenses or other taxes.

- 1 ETF performance must be shown based on both a market price and NAV basis. The fund's per share NAV is the value of one share of the fund. NAV is calculated by taking the fund's total assets (including the fair value of securities owned), subtracting liabilities, and dividing by the number of shares outstanding. The NAV Return is based on the NAV of the fund, and the Market Price Return is based on the market price per share of the fund. The price used to calculate market return (Market Price) is determined using the Official Closing Price on the primary stock exchange (generally, 4:00 p.m. Eastern time) and may not represent the returns you would receive if shares were traded at other times. Market Price and NAV returns assume that dividends and capital gain distributions have been reinvested in the fund at Market Price and NAV, respectively.
- 2 Source for category information: Morningstar, Inc. The Morningstar Category return represents all passively- and actively-managed ETFs within the category as of the report date.

## Schwab Fundamental Index ETFs

# From the President

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**Jonathan de St. Paer**  
President of Schwab Asset Management and the funds covered in this report.

***“ While the tumultuous events beginning at the end of February have clearly unsettled markets and shaken investor confidence, at Schwab Asset Management we believe that when it comes to their investment plan, investors would do well to avoid getting caught up in dramatic events as they unfold.”***

Dear Shareholder,

Before Russia’s invasion of Ukraine in late February 2022, financial markets were largely preoccupied with the prospects of continued economic growth in the face of multiple challenges related to the ongoing COVID-19 pandemic. Concerns included rising energy and commodity inflation, global supply chain disruptions, and the increasing likelihood that the U.S. Federal Reserve (Fed) would raise short-term interest rates. Despite these obstacles, the S&P 500<sup>®</sup> Index, a bellwether for the overall U.S. stock market, gained more than 20% between March and December 2021, bolstered by strong corporate earnings, robust consumer spending, and improving labor statistics. However, investor sentiment turned dramatically risk averse as tensions between Russia and Ukraine began escalating in 2022. Stock markets dipped sharply in January and February, with the S&P 500<sup>®</sup> Index losing roughly half of its previous gains. International stocks, which had posted milder gains than their U.S. counterparts until then, experienced even steeper losses. For the 12-month reporting period ended February 28, 2022, the S&P 500<sup>®</sup> Index returned 16.4%, and the MSCI EAFE<sup>®</sup> Index (Net)\*, a broad measure of developed international equity performance, returned 2.8%.

While the tumultuous events beginning at the end of February have clearly unsettled markets and shaken investor confidence, at Schwab Asset Management we believe that when it comes to their investment plan, investors would do well to avoid getting caught up in dramatic events as they unfold. Although markets may react abruptly in the short term, we believe that wealth creation is most reliably built on a foundation of diversification and a long-term investment plan. With their broadly diversified portfolios and cost-effective, passively managed structures, the Schwab Fundamental Index ETFs can serve as part of the core of a diversified portfolio. In addition, by weighting fund holdings based on objective financial measures of company size, Fundamental Index strategies tend to perform differently over time than traditional market-cap index strategies that use market capitalization to weight the same set of stocks. When the two approaches are combined, we believe a portfolio has the potential for better diversification and more attractive risk-adjusted returns.

Thank you for investing with Schwab Asset Management. For more information about the Schwab Fundamental Index ETFs, please continue reading this report. In addition, you can find further details about these funds by visiting our website at [www.schwabassetmanagement.com](http://www.schwabassetmanagement.com). We are also happy to hear from you at 1-877-824-5615.

Sincerely,

A handwritten signature in dark ink, appearing to read 'J de St Paer'.

Past performance is no guarantee of future results.

Diversification and asset allocation strategies do not ensure a profit and cannot protect against losses in a declining market.

Management views may have changed since the report date.

Schwab Asset Management is the dba name for Charles Schwab Investment Management, Inc., the investment adviser for Schwab Funds and Schwab ETFs.

\* The net version of the index reflects reinvested dividends net of withholding taxes but reflects no deductions for expenses or other taxes.

## Schwab Fundamental Index ETFs

# The Investment Environment

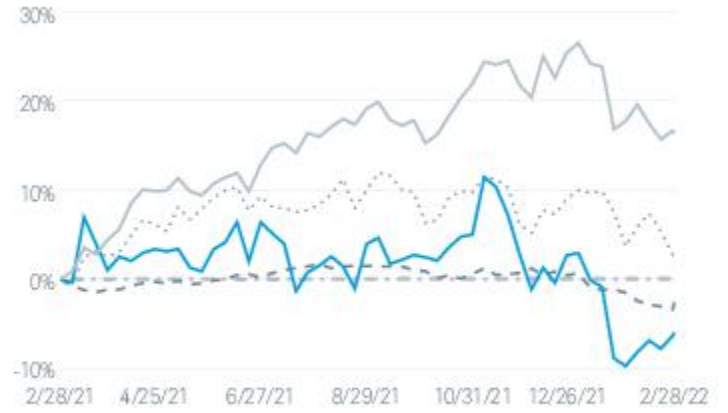
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For the 12-month reporting period ended February 28, 2022, U.S. equity markets generated positive returns, while global equity markets were mixed. Despite persisting COVID-19 pandemic-driven stresses on the global economy and the emergence and rapid spread of the Delta variant during the summer and the Omicron variant in late 2021, market tailwinds included strong corporate earnings, ongoing, albeit fading, fiscal stimulus measures, and optimism related to increased COVID-19 vaccination rates. As a result, for most of the reporting period, through early January 2022, U.S. equity markets posted steady gains, with several key market indices repeatedly exceeding previous record highs. Developed international equity markets were less robust, but for the most part still positive, while emerging markets were weaker. However, beginning in early 2022, equity markets declined in reaction to growing headwinds that included accelerating inflation, an increasing likelihood of rising interest rates, and, in the final week of the reporting period, Russia's invasion of Ukraine, which drove oil prices above \$100 per barrel for the first time since 2014 and roiled stock markets around the world. Despite exhibiting some volatility, the U.S. dollar rose over the reporting period against a basket of foreign currencies, generally reducing the returns on overseas investments in U.S. dollar terms. For the reporting period, the S&P 500<sup>®</sup> Index, a bellwether for the overall U.S. stock market, returned 16.39%. Among U.S. stocks, large-cap stocks outperformed small-cap stocks, with the Russell RAFI<sup>™</sup> US Large Company Index returning 19.90% for the reporting period and the Russell 2000<sup>®</sup> Index and Russell RAFI<sup>™</sup> US Small Company Index returning -6.01% and 10.32%, respectively. International equities were weaker. The MSCI EAFE<sup>®</sup> Index (Net)\*, a broad measure of developed international equity performance, and the Russell RAFI<sup>™</sup> Developed ex US Large Company Index (Net)\* returned 2.83% and 8.00%, respectively, and the MSCI Emerging Markets Index (Net)\* and the Russell RAFI<sup>™</sup> Emerging Markets Large Company Index (Net)\* returned -10.69% and 6.51%, respectively.

### ASSET CLASS PERFORMANCE COMPARISON % RETURNS DURING THE 12 MONTHS ENDED FEBRUARY 28, 2022

This graph compares the performance of various asset classes during the report period. Final performance figures for the period are in the key below.

- 16.39% **S&P 500® Index:** measures U.S. large-cap stocks
- -6.01% **Russell 2000® Index:** measures U.S. small-cap stocks
- .... 2.83% **MSCI EAFE® Index (Net)\*:** measures (in U.S. dollars) large-cap stocks in Europe, Australasia and the Far East
- - -2.64% **Bloomberg US Aggregate Bond Index:** measures the U.S. bond market
- - 0.04% **Bloomberg US Treasury Bills 1-3 Month Index:** measures short-term U.S. Treasury obligations



Index figures assume dividends and distributions were reinvested. Index figures do not include trading and management costs, which would lower performance. Indices are unmanaged and cannot be invested in directly. Performance results less than one year are not annualized. Past performance is not an indication of future results.

For index definitions, please see the Glossary.

Data source: Index provider websites and Schwab Asset Management.

Nothing in this report represents a recommendation of a security by the investment adviser.

Management views may have changed since the report date.

\* The net version of the index reflects reinvested dividends net of withholding taxes but reflects no deductions for expenses or other taxes.

## Schwab Fundamental Index ETFs

# The Investment Environment (continued)

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The U.S. economy continued its recovery from the dramatic impact of the COVID-19 pandemic, although U.S. gross domestic product (GDP) growth fluctuated over the reporting period. GDP rose at an annualized rate of 6.3% and 6.7% in the first and second quarters of 2021, respectively, before falling back to 2.3% for the third quarter of 2021 amid fading government stimuli, ongoing supply chain disruptions, and persisting inflation. GDP rose at an annualized rate of 6.9% in the fourth quarter of 2021 on increasing inventories, exports, and personal consumption expenditures. The unemployment rate, which has fallen steadily after skyrocketing in April 2020, ended the reporting period at its lowest level since February 2020. Annual inflation, which had remained well below the U.S. Federal Reserve's (Fed) traditional 2% target until it jumped in March 2021, continued to rise during the spring of 2021, leveled off during the summer of 2021, and rose again through the remainder of the reporting period. At the end of the reporting period, inflation was at its highest rate in 40 years, due to imbalances in the labor market, supply chain bottlenecks, and soaring energy costs.

Outside the United States, global economies continued to wrestle with the fallout of the COVID-19 pandemic, including the emergence and spread of the Delta and Omicron variants, along with steepening energy costs and rising inflation. In the eurozone and the United Kingdom, after contracting in the first quarter of 2021, GDP growth was positive for the remainder of the reporting period, although it weakened in the final quarter of 2021. Japan's economy contracted in both the first and third quarters of 2021 but expanded in the second and fourth quarters. Its rising fourth quarter growth was attributed to increases in household consumption and business investment in the face of a decline in COVID-19 cases and easing restrictions. Among emerging markets, China's GDP growth rate accelerated sharply in the first quarter of 2021 before easing sharply for the subsequent three quarters, albeit remaining positive, in part because of the political landscape and an emphasis on domestic consumption over globalization, as well as multiple headwinds including a property downturn, supply chain issues, and COVID-19 outbreaks. India, after plunging into one of the worst recessions of any major economy in 2020, posted positive gains in GDP for 2021 as COVID-19 cases fell rapidly.

Monetary policies around the world varied. In the United States, early in the reporting period, the Fed reiterated several times its intention to continue its support of the economy for as long as needed to achieve a full recovery and the Fed maintained the federal funds rate in a range of 0.00% to 0.25% throughout the reporting period. However, as inflation continued to rise and indicators of economic activity and employment continued to strengthen, the Fed began scaling back its bond-buying program in November 2021, citing significant progress on its twin goals of maximum employment and price stability. The Fed subsequently accelerated its wind-down in December 2021, with expectations to end it altogether by March 2022. Fed officials also issued successively strong signals that interest rates could begin to rise sooner in 2022 than previously anticipated. In developed international economies, most central banks were similarly accommodative while acknowledging economic improvements and rising inflation and, in some cases, changes in monetary policy. The European Central bank held its interest rate at 0.00%, unchanged since March 2016, but pledged to steadily reduce its asset purchase program. The Bank of Japan upheld its short-term interest rate target of -0.1%, also unchanged since 2016, and stressed that it would maintain its ultra-loose monetary policy despite growing inflation, even as its global counterparts sought to exit from crisis mode policies. The Bank of England raised its key official bank rate twice during the reporting period, from 0.1% to 0.5%, its first back-to-back rate increase since 2004, citing inflationary pressures. Emerging market monetary policies were mixed. China cut its interest rate twice over the reporting period. Indonesia and India maintained low policy rates implemented in 2020 and early 2021. Central banks in Mexico, Brazil, and Pakistan raised their rates multiple times over the reporting period, citing a stronger-than-expected recovery or to counteract the impacts of inflation. Russia, notably, raised its interest rate to 20% in late February amid the broadening fallout of Western sanctions put in place in retaliation against Russia's invasion of Ukraine.





## Schwab Fundamental Index ETFs

# Fund Management

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**Christopher Bliss, CFA, Managing Director and Head of Passive Equity Strategies for Schwab Asset Management, is responsible for overseeing the investment process, portfolio management and implementation, and development of investment strategies for passive equity Schwab Funds and Schwab ETFs. Before joining Schwab in 2016, Mr. Bliss spent 12 years at BlackRock (formerly Barclays Global Investors) managing and leading institutional index teams, most recently as a managing director and the head of the Americas institutional index team. In this role, Mr. Bliss was responsible for overseeing a team of portfolio managers managing domestic, developed international and emerging markets index strategies. Prior to BlackRock, he worked as an equity analyst and portfolio manager for Harris Bretall and before that, as a research analyst for JP Morgan.**



**Jeremy Brown, CFA, Portfolio Manager, is responsible for the day-to-day co-management of the Schwab Fundamental U.S. Broad Market Index ETF, Schwab Fundamental U.S. Large Company Index ETF, and Schwab Fundamental U.S. Small Company Index ETF. Prior to joining Schwab in 2017, Mr. Brown spent six years with ALPS Advisors, Inc. in Denver, most recently as a senior analyst on the ETF portfolio management and research team where he performed portfolio management, trading, and analytics/research functions for ALPS ETFs and passive funds. Additionally, Mr. Brown led a number of investment research, commentary, industry trend analysis, and sales and marketing support initiatives.**



**Chuck Craig, CFA, Senior Portfolio Manager, is responsible for the day-to-day co-management of the Schwab Fundamental International Large Company Index ETF, Schwab Fundamental International Small Company Index ETF, and Schwab Fundamental Emerging Markets Large Company Index ETF. Prior to joining Schwab in 2012, Mr. Craig worked at Guggenheim Funds (formerly Claymore Group), where he spent more than five years as a managing director of portfolio management and supervision, and three years as vice president of product research and development. Prior to that, he worked as an equity research analyst at First Trust Portfolios (formerly Niké Securities), and a trader and analyst at PMA Securities, Inc.**



**Ferian Juwono, CFA, Senior Portfolio Manager, is responsible for the day-to-day co-management of the Schwab Fundamental U.S. Broad Market Index ETF, Schwab Fundamental U.S. Large Company Index ETF, and Schwab Fundamental U.S. Small Company Index ETF. Prior to joining Schwab in 2010, Mr. Juwono worked at BlackRock (formerly Barclays Global Investors) where he spent more than three years as a portfolio manager, managing equity index funds for institutional clients, and two years as a senior business analyst. Prior to that, Mr. Juwono worked for more than four years as a senior financial analyst with Union Bank of California.**



**Jane Qin, Portfolio Manager, is responsible for the day-to-day co-management of the Schwab Fundamental International Large Company Index ETF, Schwab Fundamental International Small Company Index ETF, and Schwab Fundamental Emerging Markets Large Company Index ETF. Prior to joining Schwab in 2012, Ms. Qin spent more than four years at The Bank of New York Mellon Corporation. During that time, Ms. Qin spent more than two years as an associate equity portfolio manager and nearly two years as a performance analyst. She also worked at Wells Fargo Funds Management as a mutual fund analyst and at CIGNA Reinsurance in the risk management group as a risk analyst.**



David Rios, Portfolio Manager, is responsible for the day-to-day co-management of the Schwab Fundamental International Large Company Index ETF, Schwab Fundamental International Small Company Index ETF, and Schwab Fundamental Emerging Markets Large Company Index ETF. Prior to this role, Mr. Rios was an associate portfolio manager on the equity index strategies team for four years. His first role with Schwab Asset Management was as a trade operations specialist. Prior to joining Schwab in 2008, Mr. Rios was a senior fund accountant at Investors Bank & Trust (subsequently acquired by State Street Corporation).

## Schwab Fundamental Index ETFs

# Fund Management (continued)

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**Sabya Sinha, Portfolio Manager**, is responsible for the day-to-day co-management of the Schwab Fundamental U.S. Broad Market Index ETF, Schwab Fundamental U.S. Large Company Index ETF, and Schwab Fundamental U.S. Small Company Index ETF. Prior to joining Schwab in 2015, Mr. Sinha spent a year at F-Squared Investments on the product development and analytics team. Prior to F-Squared, he worked at IndexIQ Advisors as a senior index portfolio manager for three years and for Bank of America's Columbia Management subsidiary as a portfolio manager for three years. Mr. Sinha also spent time as a software consultant at DPM Mellon, LLC and an equity trader at Jane Street Capital.



# Schwab Fundamental U.S. Broad Market Index ETF as of

February 28, 2022

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The Schwab Fundamental U.S. Broad Market Index ETF's (the fund) goal is to track as closely as possible, before fees and expenses, the total return of the Russell RAFI™ US Index (the index). The index measures the performance of the constituent companies by fundamental overall company scores, which are created using as the universe the U.S. companies in the FTSE Global Total Cap Index. To pursue its investment objective, the fund invests in a representative sample of the securities included in the index which, when taken together, are expected to perform similarly to the index as a whole. Due to the use of sampling techniques, the fund may not hold all of the securities in the index. For more information concerning the fund's investment objective, strategies, and risks, please see the fund's prospectus.

**Market Highlights.** For the 12-month reporting period ended February 28, 2022, U.S. equity markets generated positive returns, while global equity markets were mixed. Despite persisting COVID-19 pandemic-driven stresses on the global economy and the emergence and rapid spread of the Delta variant during the summer and the Omicron variant in late 2021, market tailwinds included strong corporate earnings, ongoing, albeit fading, fiscal stimulus measures, and optimism related to increased COVID-19 vaccination rates. As a result, for most of the reporting period, through early January 2022, U.S. equity markets posted steady gains, with several key market indices repeatedly exceeding previous record highs. Developed international equity markets were less robust, but for the most part still positive, while emerging markets were weaker. However, beginning in early 2022, equity markets declined in reaction to growing headwinds that included accelerating inflation, an increasing likelihood of rising interest rates, and, in the final week of the reporting period, Russia's invasion of Ukraine, which drove oil prices above \$100 per barrel for the first time since 2014 and roiled stock markets around the world.

**Performance.** For the 12-month reporting period ended February 28, 2022, the fund generally tracked the index. The fund's market price return was 18.71% and its NAV return was 18.80% (for an explanation of the market price and NAV returns, please refer to footnote 2 on the following page). The index returned 19.09% during the same period. Differences between the return of the fund and the return of the index may be attributable to, among other things, the trading and management costs incurred by the fund and not the index.

**Contributors and Detractors.** The communications services sector detracted from the total return of the fund. Stocks in the communications services sector represented an average weight of approximately 7% of the fund's investments and returned approximately -2% for the reporting period. One example from this sector is entertainment company The Walt Disney Co. The fund's holdings of The Walt Disney Co. represented an average weight of less than 1% of the fund's investments and returned approximately -21% for the reporting period.

While there were no additional sectors that detracted from the total return of the fund, the real estate sector was the smallest contributor to the total return of the fund, representing an average weight of approximately 3% of the fund's investments and returning approximately 19% for the reporting period.

The financials sector contributed the most to the total return of the fund. Stocks in the financials sector represented an average weight of approximately 17% of the fund's investments and returned approximately 22% for the reporting period. One example from this sector is Wells Fargo & Co., a diversified financial services company. The fund's holdings of Wells Fargo & Co. represented an average weight of approximately 1% of the fund's investments and returned approximately 50% for the reporting period.

The energy sector also contributed to the total return of the fund, representing an average weight of approximately 8% of the fund's investments and returning approximately 49% for the reporting period.

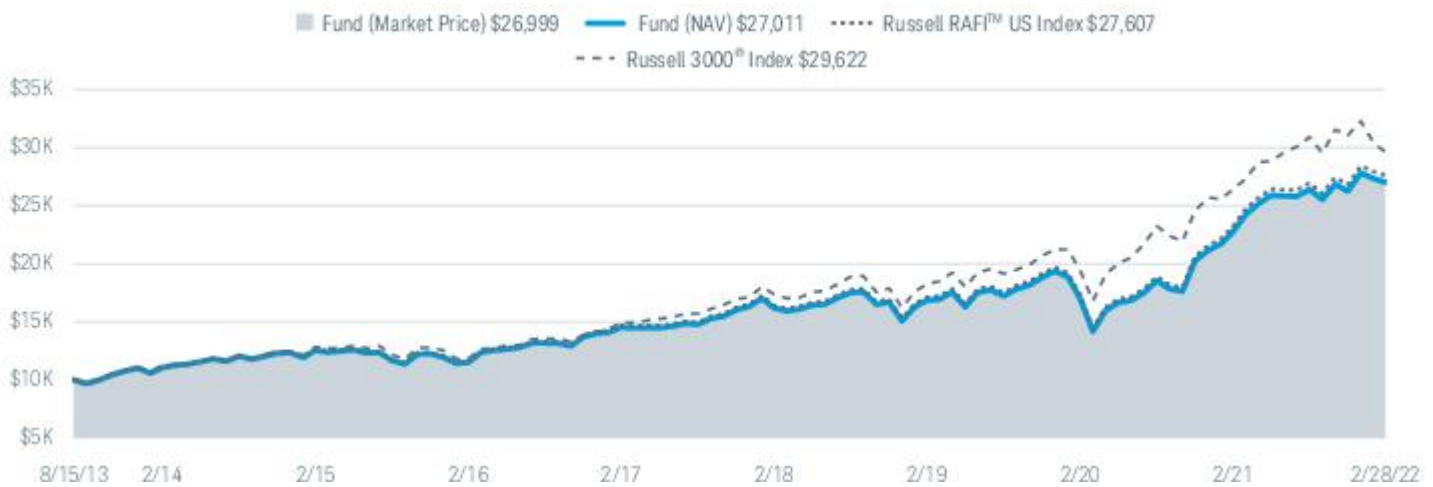
Management views and portfolio holdings may have changed since the report date.

Schwab Fundamental U.S. Broad Market Index ETF

# Performance and Fund Facts as of February 28, 2022

The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. To obtain performance information current to the most recent month end, please visit [www.schwabassetmanagement.com/schwabefbs\\_prospectus](http://www.schwabassetmanagement.com/schwabefbs_prospectus).

## PERFORMANCE OF HYPOTHETICAL \$10,000 INVESTMENT (AUGUST 15, 2013 – FEBRUARY 28, 2022)<sup>1</sup>



## AVERAGE ANNUAL TOTAL RETURNS<sup>1</sup>

FUND AND INCEPTION DATE	1 YEAR	5 YEARS	SINCE INCEPTION*
<b>Fund: Schwab Fundamental U.S. Broad Market Index ETF (8/15/13)</b>			
Market Price Return <sup>2</sup>	18.71%	13.20%	12.33%
NAV Return <sup>2</sup>	18.80%	13.21%	12.33%
Russell RAFI™ US Index	19.09%	13.46%	12.62%
Russell 3000® Index	12.29%	14.68%	13.56%
ETF Category: Morningstar Large Value <sup>3</sup>	17.20%	10.17%	N/A

*Fund Expense Ratio<sup>4</sup>: 0.25%*

All total returns on this page assume dividends and distributions were reinvested. Index figures do not include trading and management costs, which would lower performance. Indices are unmanaged and cannot be invested in directly. Performance results less than one year are not annualized.

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.

For index definitions, please see the Glossary.

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

Index ownership — The Schwab Fundamental U.S. Broad Market Index ETF is not in any way sponsored, endorsed, sold or promoted by Frank Russell Company (Russell), by the London Stock Exchange Group companies (LSEG), or by Research Affiliates LLC (RA) (collectively the Licensor Parties), and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the Russell RAFI™ US Index (the Index) or otherwise. The Index is compiled and calculated by Russell in conjunction with RA. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any

obligation to advise any person of any error therein. "Russell<sup>®</sup>" is a trademark of Russell. The trade names "Research Affiliates<sup>®</sup>", "Fundamental Index<sup>®</sup>" and "RAFI<sup>®</sup>" are registered trademarks of RA. Charles Schwab Investment Management, Inc. has obtained full license from Russell to use the Index. For full disclaimer please see the fund's statement of additional information.

\* Inception (8/15/13) represents the date that the shares began trading in the secondary market.

- 1 Performance does not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares.
- 2 ETF performance must be shown based on both a market price and NAV basis. The fund's per share NAV is the value of one share of the fund. NAV is calculated by taking the fund's total assets (including the fair value of securities owned), subtracting liabilities, and dividing by the number of shares outstanding. The NAV Return is based on the NAV of the fund, and the Market Price Return is based on the market price per share of the fund. The price used to calculate market return (Market Price) is determined using the Official Closing Price on the primary stock 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 is used as a proxy for purposes of calculating Market Price Return on inception date. Market Price and NAV returns assume that dividends and capital gain distributions have been reinvested in the fund at Market Price and NAV, respectively.
- 3 Source for category information: Morningstar, Inc. The Morningstar Category return represents all passively- and actively-managed ETFs within the category as of the report date.
- 4 As stated in the prospectus.



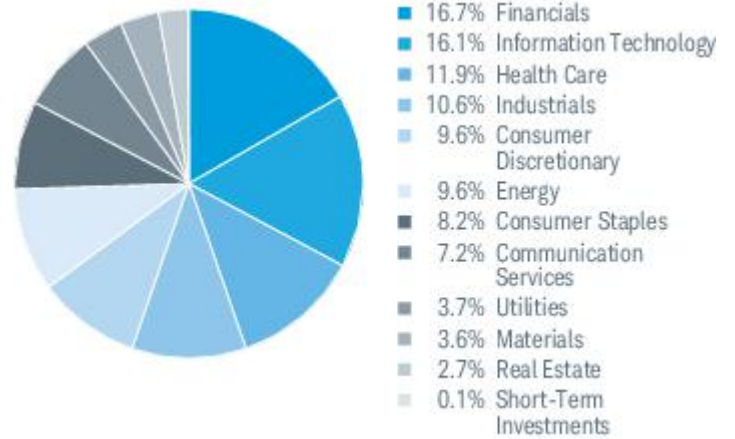
Schwab Fundamental U.S. Broad Market Index ETF

# Performance and Fund Facts as of February 28, 2022 (continued)

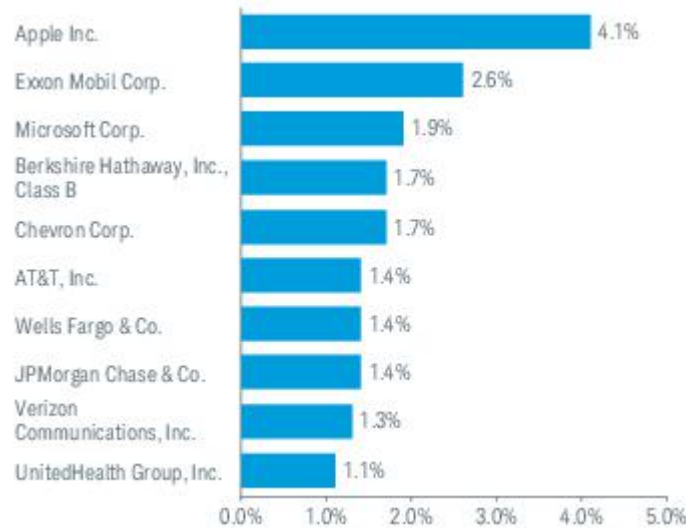
## STATISTICS<sup>1</sup>

Number of Holdings	1,625
Weighted Average Market Cap (millions)	\$308,061
Price/Earnings Ratio (P/E)	14.8
Price/Book Ratio (P/B)	2.4
Portfolio Turnover Rate	13% <sup>2</sup>

## SECTOR WEIGHTINGS % OF INVESTMENTS<sup>3</sup>



## TOP EQUITY HOLDINGS % OF NET ASSETS<sup>4</sup>



Portfolio holdings may have changed since the report date.

An index is a statistical composite of a specified financial market or sector. Unlike the fund, an index does not actually hold a portfolio of securities and its return is not inclusive of trading and management costs incurred by the fund.

Source of Sector Classification: S& P and MSCI.

- 1 Excludes derivatives.
- 2 Portfolio turnover rate excludes securities received or delivered from processing of in-kind creations or redemptions.
- 3 The percentage may differ from the Portfolio Holdings because the above calculation is based on a percentage of total investments, excluding derivatives, whereas the calculation in the Portfolio Holdings is based on a percentage of net assets.
- 4 This list is not a recommendation of any security by the investment adviser.

# Schwab Fundamental U.S. Large Company Index ETF

as of February 28, 2022

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The Schwab Fundamental U.S. Large Company Index ETF's (the fund) goal is to track as closely as possible, before fees and expenses, the total return of the Russell RAFI™ US Large Company Index (the index). The index measures the performance of the large company size segment by fundamental overall company scores, which are created using as the universe the U.S. companies in the FTSE Global Total Cap Index. To pursue its investment objective, the fund uses a replication investment approach and generally gives the same weight to a given stock as the index does. For more information concerning the fund's investment objective, strategies, and risks, please see the fund's prospectus.

**Market Highlights.** U.S. large-cap stocks outperformed U.S. small-cap stocks over the reporting period. For the 12-month reporting period ended February 28, 2022, U.S. equity markets generated positive returns, while global equity markets were mixed. Despite persisting COVID-19 pandemic-driven stresses on the global economy and the emergence and rapid spread of the Delta variant during the summer and the Omicron variant in late 2021, market tailwinds included strong corporate earnings, ongoing, albeit fading, fiscal stimulus measures, and optimism related to increased COVID-19 vaccination rates. As a result, for most of the reporting period, through early January 2022, U.S. equity markets posted steady gains, with several key market indices repeatedly exceeding previous record highs. Developed international equity markets were less robust, but for the most part still positive, while emerging markets were weaker. However, beginning in early 2022, equity markets declined in reaction to growing headwinds that included accelerating inflation, an increasing likelihood of rising interest rates, and, in the final week of the reporting period, Russia's invasion of Ukraine, which drove oil prices above \$100 per barrel for the first time since 2014 and roiled stock markets around the world.

**Performance.** For the 12-month reporting period ended February 28, 2022, the fund generally tracked the index. The fund's market price return was 19.62% and its NAV return was 19.61% (for an explanation of the market price and NAV returns, please refer to footnote 2 on the following page). The index returned 19.90% during the same period. Differences between the return of the fund and the return of the index may be attributable to, among other things, the trading and management costs incurred by the fund and not the index.

**Contributors and Detractors.** The communications services sector detracted from the total return of the fund. Stocks in the communications services sector represented an average weight of approximately 8% of the fund's investments and returned approximately -3% for the reporting period. One example from this sector is entertainment company The Walt Disney Co. The fund's holdings of The Walt Disney Co. represented an average weight of less than 1% of the fund's investments and returned approximately -21% for the reporting period.

While there were no additional sectors that detracted from the total return of the fund, the real estate sector was the smallest contributor to the total return of the fund, representing an average weight of approximately 2% of the fund's investments and returning approximately 21% for the reporting period.

The financials sector contributed the most to the total return of the fund. Stocks in the financials sector represented an average weight of approximately 17% of the fund's investments and returned approximately 23% for the reporting period. One example from this sector is Wells Fargo & Co., a diversified financial services company. The fund's holdings of Wells Fargo & Co. represented an average weight of approximately 2% of the fund's investments and returned approximately 50% for the reporting period.

The energy sector also contributed to the total return of the fund, representing an average weight of approximately 9% of the fund's investments and returning approximately 49% for the reporting period.

Management views and portfolio holdings may have changed since the report date.

## Schwab Fundamental U.S. Large Company Index ETF

# Performance and Fund Facts as of February 28, 2022

The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. To obtain performance information current to the most recent month end, please visit [www.schwabassetmanagement.com/schwabetfs\\_prospectus](http://www.schwabassetmanagement.com/schwabetfs_prospectus).

### PERFORMANCE OF HYPOTHETICAL \$10,000 INVESTMENT (AUGUST 15, 2013 – FEBRUARY 28, 2022)<sup>1</sup>



### AVERAGE ANNUAL TOTAL RETURNS<sup>1</sup>

FUND AND INCEPTION DATE	1 YEAR	5 YEARS	SINCE INCEPTION*
<b>Fund: Schwab Fundamental U.S. Large Company Index ETF (8/15/13)</b>			
Market Price Return <sup>2</sup>	19.62%	13.43%	12.45%
NAV Return <sup>2</sup>	19.61%	13.43%	12.45%
Russell RAFI™ US Large Company Index	19.90%	13.68%	12.75%
Russell 1000® Index	13.72%	15.07%	13.87%
ETF Category: Morningstar Large Value <sup>3</sup>	17.20%	10.17%	N/A

*Fund Expense Ratio<sup>4</sup>: 0.25%*

All total returns on this page assume dividends and distributions were reinvested. Index figures do not include trading and management costs, which would lower performance. Indices are unmanaged and cannot be invested in directly. Performance results less than one year are not annualized.

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.

For index definitions, please see the Glossary.

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

Index ownership — The Schwab Fundamental U.S. Large Company Index ETF is not in any way sponsored, endorsed, sold or promoted by Frank Russell Company (Russell), by the London Stock Exchange Group companies (LSEG), or by Research Affiliates LLC (RA) (collectively the Licensor Parties), and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the Russell RAFI™ US Large Company Index (the Index) or otherwise. The Index is compiled and calculated by Russell in conjunction with RA. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be

under any obligation to advise any person of any error therein. "Russell<sup>®</sup>" is a trademark of Russell. The trade names "Research Affiliates<sup>®</sup>", "Fundamental Index<sup>®</sup>" and "RAFI<sup>®</sup>" are registered trademarks of RA. Charles Schwab Investment Management, Inc. has obtained full license from Russell to use the Index. For full disclaimer please see the fund's statement of additional information.

\* Inception (8/15/13) represents the date that the shares began trading in the secondary market.

- 1 Performance does not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares.
- 2 ETF performance must be shown based on both a market price and NAV basis. The fund's per share NAV is the value of one share of the fund. NAV is calculated by taking the fund's total assets (including the fair value of securities owned), subtracting liabilities, and dividing by the number of shares outstanding. The NAV Return is based on the NAV of the fund, and the Market Price Return is based on the market price per share of the fund. The price used to calculate market return (Market Price) is determined using the Official Closing Price on the primary stock 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 is used as a proxy for purposes of calculating Market Price Return on inception date. Market Price and NAV returns assume that dividends and capital gain distributions have been reinvested in the fund at Market Price and NAV, respectively.
- 3 Source for category information: Morningstar, Inc. The Morningstar Category return represents all passively- and actively-managed ETFs within the category as of the report date.
- 4 As stated in the prospectus.

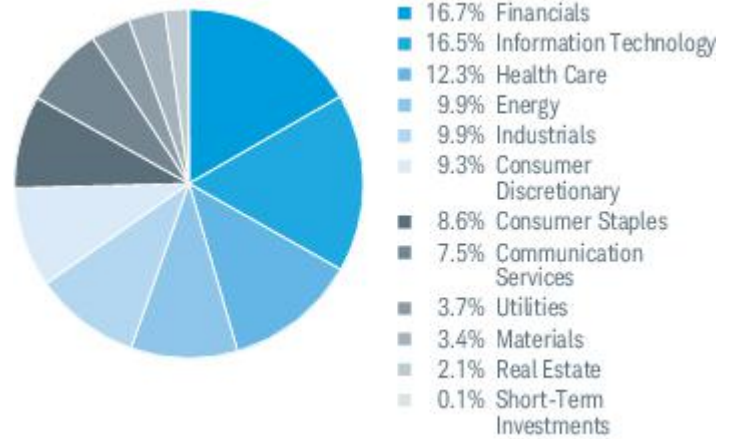
Schwab Fundamental U.S. Large Company Index ETF

**Performance and Fund Facts** as of February 28, 2022 (continued)

**STATISTICS<sup>1</sup>**

Number of Holdings	718
Weighted Average Market Cap (millions)	\$332,224
Price/Earnings Ratio (P/E)	14.7
Price/Book Ratio (P/B)	2.5
Portfolio Turnover Rate	11% <sup>2</sup>

**SECTOR WEIGHTINGS % OF INVESTMENTS<sup>3</sup>**



**TOP EQUITY HOLDINGS % OF NET ASSETS<sup>4</sup>**



Portfolio holdings may have changed since the report date.

An index is a statistical composite of a specified financial market or sector. Unlike the fund, an index does not actually hold a portfolio of securities and its return is not inclusive of trading and management costs incurred by the fund.

Source of Sector Classification: S& P and MSCI.

- 1 Excludes derivatives.
- 2 Portfolio turnover rate excludes securities received or delivered from processing of in-kind creations or redemptions.
- 3 The percentage may differ from the Portfolio Holdings because the above calculation is based on a percentage of total investments, excluding derivatives, whereas the calculation in the Portfolio Holdings is based on a percentage of net assets.
- 4 This list is not a recommendation of any security by the investment adviser.



# Schwab Fundamental U.S. Small Company Index ETF

as of February 28, 2022

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The Schwab Fundamental U.S. Small Company Index ETF's (the fund) goal is to track as closely as possible, before fees and expenses, the total return of the Russell RAFI™ US Small Company Index (the index). The index measures the performance of the small company size segment by fundamental overall company scores, which are created using as the universe the U.S. companies in the FTSE Global Total Cap Index. To pursue its investment objective, the fund uses a replication investment approach and generally gives the same weight to a given stock as the index does. For more information concerning the fund's investment objective, strategies, and risks, please see the fund's prospectus.

**Market Highlights.** U.S. small-cap stocks underperformed U.S. large-cap stocks over the reporting period. For the 12-month reporting period ended February 28, 2022, U.S. equity markets generated positive returns, while global equity markets were mixed. Despite persisting COVID-19 pandemic-driven stresses on the global economy and the emergence and rapid spread of the Delta variant during the summer and the Omicron variant in late 2021, market tailwinds included strong corporate earnings, ongoing, albeit fading, fiscal stimulus measures, and optimism related to increased COVID-19 vaccination rates. As a result, for most of the reporting period, through early January 2022, U.S. equity markets posted steady gains, with several key market indices repeatedly exceeding previous record highs. Developed international equity markets were less robust, but for the most part still positive, while emerging markets were weaker. However, beginning in early 2022, equity markets declined in reaction to growing headwinds that included accelerating inflation, an increasing likelihood of rising interest rates, and, in the final week of the reporting period, Russia's invasion of Ukraine, which drove oil prices above \$100 per barrel for the first time since 2014 and roiled stock markets around the world.

**Performance.** For the 12-month reporting period ended February 28, 2022, the fund generally tracked the index. The fund's market price return was 10.01% and the fund's NAV return was 10.06% (for an explanation of the market price and NAV returns, please refer to footnote 2 on the following page). The index returned 10.32% during the same period. Differences between the return of the fund and the return of the index may be attributable to, among other things, the trading and management costs incurred by the fund and not the index.

**Contributors and Detractors.** The information technology sector detracted from the total return of the fund. Stocks from the information technology sector represented an average weight of approximately 11% of the fund's investments. The return for the sector was slightly negative, nearly flat, for the reporting period. One example from this sector is CommScope Holding Co., Inc., which designs, builds, and manages wired and wireless networks. The fund's holdings of CommScope Holding Co., Inc. represented less than 1% of the fund's investments and returned approximately -40% for the reporting period.

While there were no additional sectors that detracted from the total return of the fund, the health care sector was the smallest contributor to the total return of the fund, representing an average weight of approximately 6% of the fund's investments and returning approximately 1% for the reporting period.

The financials sector contributed the most to the total return of the fund. Stocks in the financials sector represented an average weight of approximately 15% of the fund's investments and returned approximately 16% for the reporting period. One example from this sector is Santander Consumer USA Holdings, Inc., which provides auto loans. The fund's holdings of Santander Consumer USA Holdings, Inc. represented an average weight of less than 1% of the fund's investments and returned approximately 61% for the reporting period. The fund's position in Santander Consumer USA Holdings, Inc. was sold prior to the end of the reporting period.

The energy sector also contributed to the total return of the fund, representing an average weight of approximately 5% of the fund's investments and returning approximately 51% for the reporting period.

Management views and portfolio holdings may have changed since the report date.

Schwab Fundamental U.S. Small Company Index ETF

# Performance and Fund Facts as of February 28, 2022

The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. To obtain performance information current to the most recent month end, please visit [www.schwabassetmanagement.com/schwabefbs\\_prospectus](http://www.schwabassetmanagement.com/schwabefbs_prospectus).

## PERFORMANCE OF HYPOTHETICAL \$10,000 INVESTMENT (AUGUST 15, 2013 – FEBRUARY 28, 2022)<sup>1</sup>



## AVERAGE ANNUAL TOTAL RETURNS<sup>1</sup>

FUND AND INCEPTION DATE	1 YEAR	5 YEARS	SINCE INCEPTION*
<b>Fund: Schwab Fundamental U.S. Small Company Index ETF (8/15/13)</b>			
Market Price Return <sup>2</sup>	10.01%	10.30%	10.70%
NAV Return <sup>2</sup>	10.06%	10.29%	10.69%
Russell RAFI™ US Small Company Index	10.32%	10.47%	10.94%
Russell 2000® Index	-6.01%	9.50%	9.60%
ETF Category: Morningstar Small Blend <sup>3</sup>	3.98%	9.36%	N/A

*Fund Expense Ratio<sup>4</sup>: 0.25%*

All total returns on this page assume dividends and distributions were reinvested. Index figures do not include trading and management costs, which would lower performance. Indices are unmanaged and cannot be invested in directly. Performance results less than one year are not annualized.

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.

For index definitions, please see the Glossary.

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

Small-company stocks may be subject to greater volatility than many other asset classes.

Index ownership — The Schwab Fundamental U.S. Small Company Index ETF is not in any way sponsored, endorsed, sold or promoted by Frank Russell Company (Russell), by the London Stock Exchange Group companies (LSEG), or by Research Affiliates LLC (RA) (collectively the Licensor Parties), and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of

the Russell RAFI™ US Small Company Index (the Index) or otherwise. The Index is compiled and calculated by Russell in conjunction with RA. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any obligation to advise any person of any error therein. “Russell®” is a trademark of Russell. The trade names “Research Affiliates®”, “Fundamental Index®” and “RAFI®” are registered trademarks of RA. Charles Schwab Investment Management, Inc. has obtained full license from Russell to use the Index. For full disclaimer please see the fund’s statement of additional information.

\* Inception (8/15/13) represents the date that the shares began trading in the secondary market.

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- 2 ETF performance must be shown based on both a market price and NAV basis. The fund’s per share NAV is the value of one share of the fund. NAV is calculated by taking the fund’s total assets (including the fair value of securities owned), subtracting liabilities, and dividing by the number of shares outstanding. The NAV Return is based on the NAV of the fund, and the Market Price Return is based on the market price per share of the fund. The price used to calculate market return (Market Price) is determined using the Official Closing Price on the primary stock 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 is used as a proxy for purposes of calculating Market Price Return on inception date. Market Price and NAV returns assume that dividends and capital gain distributions have been reinvested in the fund at Market Price and NAV, respectively.
- 3 Source for category information: Morningstar, Inc. The Morningstar Category return represents all passively- and actively-managed ETFs within the category as of the report date.
- 4 As stated in the prospectus.

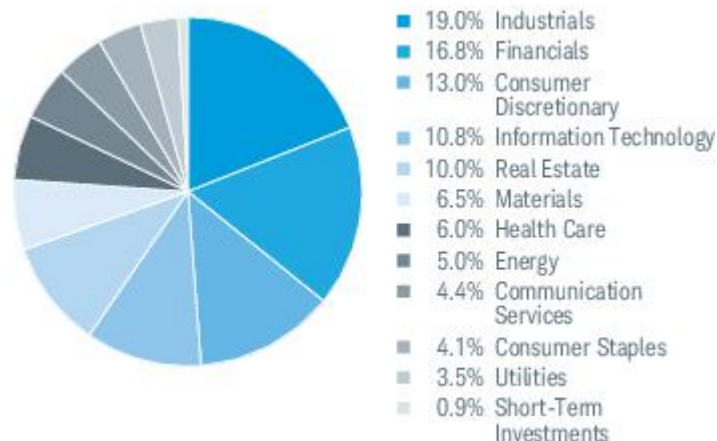
Schwab Fundamental U.S. Small Company Index ETF

# Performance and Fund Facts as of February 28, 2022 (continued)

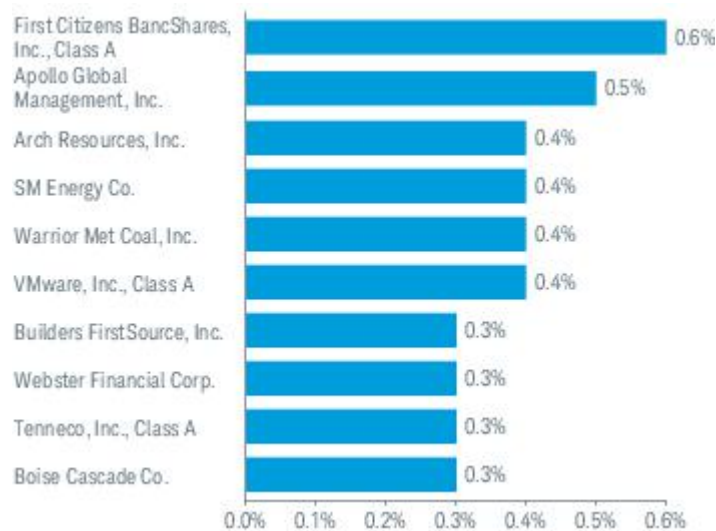
## STATISTICS<sup>1</sup>

Number of Holdings	908
Weighted Average Market Cap (millions)	\$5,976
Price/Earnings Ratio (P/E)	15.6
Price/Book Ratio (P/B)	2.0
Portfolio Turnover Rate	25% <sup>2</sup>

## SECTOR WEIGHTINGS % OF INVESTMENTS<sup>3</sup>



## TOP EQUITY HOLDINGS % OF NET ASSETS<sup>4</sup>



Portfolio holdings may have changed since the report date.

An index is a statistical composite of a specified financial market or sector. Unlike the fund, an index does not actually hold a portfolio of securities and its return is not inclusive of trading and management costs incurred by the fund.

Source of Sector Classification: S& P and MSCI.

- 1 Excludes derivatives.
- 2 Portfolio turnover rate excludes securities received or delivered from processing of in-kind creations or redemptions.
- 3 The percentage may differ from the Portfolio Holdings because the above calculation is based on a percentage of total investments, excluding derivatives, whereas the calculation in the Portfolio Holdings is based on a percentage of net assets.
- 4 This list is not a recommendation of any security by the investment adviser.

# Schwab Fundamental International Large Company Index ETF

as of February 28, 2022

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The Schwab Fundamental International Large Company Index ETF's (the fund) goal is to track as closely as possible, before fees and expenses, the total return of the Russell RAFI™ Developed ex US Large Company Index (the index). The index measures the performance of the large company size segment by fundamental overall company scores, which are created using as the universe the developed ex U.S. companies in the FTSE Total Global Cap Index. To pursue its investment objective, the fund invests in a representative sample of the securities included in the index which, when taken together, are expected to perform similarly to the index as a whole. Due to the use of sampling techniques, the fund may not hold all of the securities in the index. For more information concerning the fund's investment objective, strategies, and risks, please see the fund's prospectus.

**Market Highlights.** Overall, stocks of large companies in developed international markets generated positive returns for the reporting period. For the 12-month reporting period ended February 28, 2022, U.S. equity markets generated positive returns, while global equity markets were mixed. Despite persisting COVID-19 pandemic-driven stresses on the global economy and the emergence and rapid spread of the Delta variant during the summer and the Omicron variant in late 2021, market tailwinds included strong corporate earnings, ongoing, albeit fading, fiscal stimulus measures, and optimism related to increased COVID-19 vaccination rates. As a result, for most of the reporting period, through early January 2022, U.S. equity markets posted steady gains, with several key market indices repeatedly exceeding previous record highs. Developed international equity markets were less robust, but for the most part still positive, while emerging markets were weaker. However, beginning in early 2022, equity markets declined in reaction to growing headwinds that included accelerating inflation, an increasing likelihood of rising interest rates, and, in the final week of the reporting period, Russia's invasion of Ukraine, which drove oil prices above \$100 per barrel for the first time since 2014 and roiled stock markets around the world. Despite exhibiting some volatility, the U.S. dollar rose over the reporting period against a basket of foreign currencies, generally reducing the returns on overseas investments in U.S. dollar terms.

**Performance.** For the 12-month reporting period ended February 28, 2022, the fund's market price return was 7.40% and its NAV return was 7.95% (for an explanation of the market price and NAV returns, please refer to footnote 2 on the following page). The index returned 8.00%<sup>1</sup> during the same period. Differences between the return of the fund and the return of the index may be attributable to, among other things, the trading and management costs incurred by the fund and not the index.

**Contributors and Detractors.** Stocks from South Korea detracted the most from the total return of the fund. South Korean stocks represented an average weight of approximately 6% of the fund's investments and returned approximately -12% in U.S. dollar terms for the reporting period. One example from this market is Samsung Electronics Co., Ltd, which manufactures a wide range of consumer and industrial electronic equipment and products. The fund's holdings of Samsung Electronics Co., Ltd. represented an average weight of approximately 2% of the fund's investments and returned approximately -17% in U.S. dollar terms for the reporting period.

Stocks from Hong Kong also detracted from the total return of the fund, representing an average weight of approximately 2% of the fund's investments and returning approximately -7% in U.S. dollar terms for the reporting period.

Stocks from the United Kingdom contributed the most to the total return of the fund. Stocks from the United Kingdom represented an average weight of approximately 17% of the fund's investments and returned approximately 22% in U.S. dollar terms for the reporting period. One example from this market is energy and petroleum company Shell plc. The fund's holdings of Shell plc represented an average weight of approximately 2% of the fund's investments and returned approximately 36% in U.S. dollar terms for the reporting period.

Stocks from Canada also contributed to the total return of the fund, representing an average weight of approximately 8% of the fund's investments and returning approximately 34% in U.S. dollar terms for the reporting period.

Management views and portfolio holdings may have changed since the report date.

<sup>1</sup> The total return cited for the index is calculated net of foreign withholding taxes.

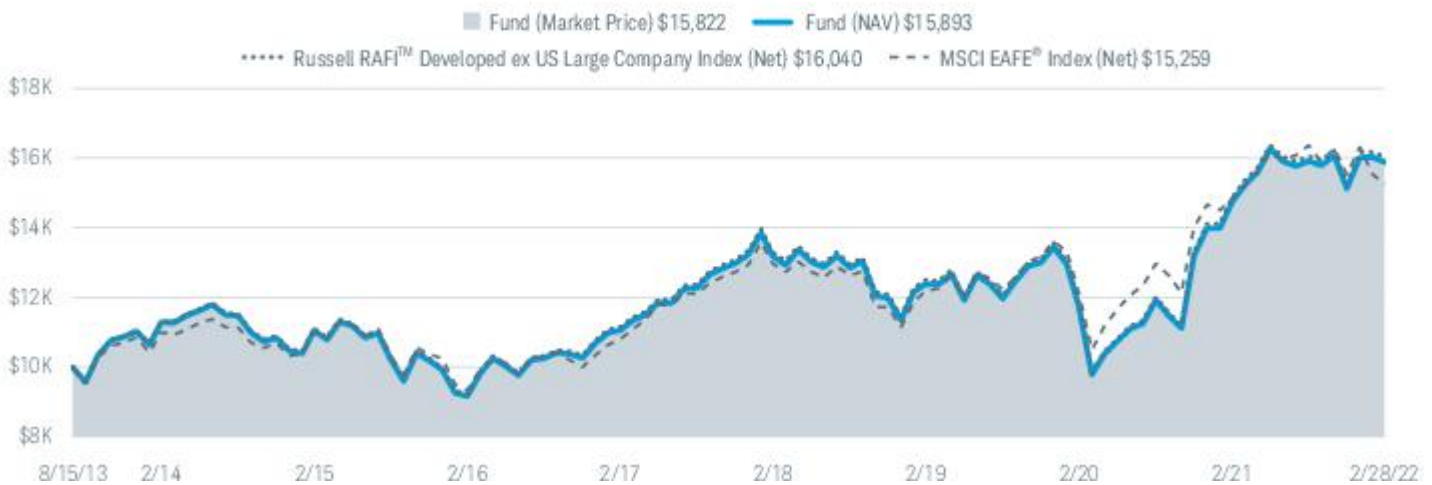


Schwab Fundamental International Large Company Index ETF

# Performance and Fund Facts as of February 28, 2022

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## PERFORMANCE OF HYPOTHETICAL \$10,000 INVESTMENT (AUGUST 15, 2013 – FEBRUARY 28, 2022)<sup>1</sup>



## AVERAGE ANNUAL TOTAL RETURNS<sup>1</sup>

FUND AND INCEPTION DATE	1 YEAR	5 YEARS	SINCE INCEPTION*
<b>Fund: Schwab Fundamental International Large Company Index ETF (8/15/13)</b>			
Market Price Return <sup>2</sup>	7.40%	7.42%	5.52%
NAV Return <sup>2</sup>	7.95%	7.52%	5.57%
Russell RAFI™ Developed ex US Large Company Index (Net) <sup>3</sup>	8.00%	7.54%	5.69%
MSCI EAFE® Index (Net) <sup>3</sup>	2.83%	7.16%	5.07%
ETF Category: Morningstar Foreign Large Value <sup>4</sup>	5.90%	5.47%	N/A

Fund Expense Ratio<sup>5</sup>: 0.25%

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For index definitions, please see the Glossary.

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

International investing may involve risk of capital loss from unfavorable fluctuations in currency values, from differences in generally accepted accounting principles, or from economic or political instability in other nations.

Index ownership — The Schwab Fundamental International Large Company Index ETF is not in any way sponsored, endorsed, sold or promoted by Frank Russell Company (Russell), by the London Stock Exchange Group companies (LSEG), or by Research Affiliates LLC (RA) (collectively the Licensor

Parties), and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the Russell RAFI™ Developed ex US Large Company Index (the Index) or otherwise. The Index is compiled and calculated by Russell in conjunction with RA. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any obligation to advise any person of any error therein. "Russell®" is a trademark of Russell. The trade names "Research Affiliates®", "Fundamental Index®" and "RAFI®" are registered trademarks of RA. Charles Schwab Investment Management, Inc. has obtained full license from Russell to use the Index. For full disclaimer please see the fund's statement of additional information.

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- 3 The net version of the index reflects reinvested dividends net of withholding taxes but reflects no deductions for expenses or other taxes.
- 4 Source for category information: Morningstar, Inc. The Morningstar Category return represents all passively- and actively-managed ETFs within the category as of the report date.
- 5 As stated in the prospectus.

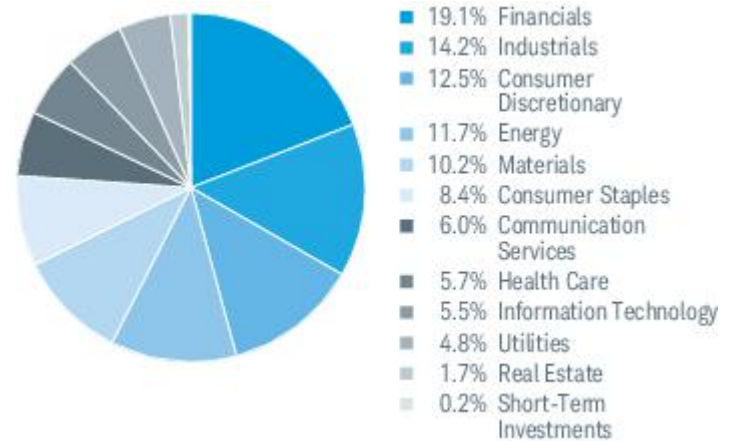
Schwab Fundamental International Large Company Index ETF

**Performance and Fund Facts** as of February 28, 2022 (continued)

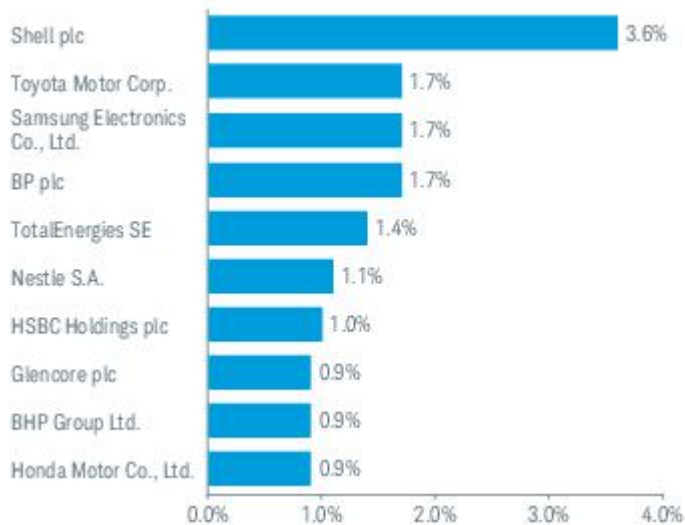
**STATISTICS<sup>1</sup>**

Number of Holdings	925
Weighted Average Market Cap (millions)	\$70,855
Price/Earnings Ratio (P/E)	10.3
Price/Book Ratio (P/B)	1.2
Portfolio Turnover Rate	15% <sup>2</sup>

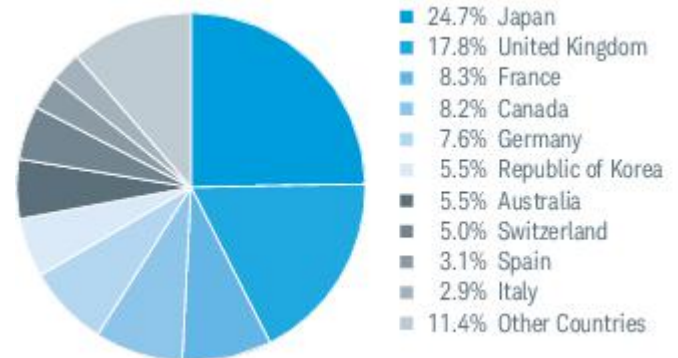
**SECTOR WEIGHTINGS % OF INVESTMENTS<sup>1</sup>**



**TOP EQUITY HOLDINGS % OF NET ASSETS<sup>3</sup>**



**COUNTRY WEIGHTINGS % OF INVESTMENTS<sup>4</sup>**



Portfolio holdings may have changed since the report date.

An index is a statistical composite of a specified financial market or sector. Unlike the fund, an index does not actually hold a portfolio of securities and its return is not inclusive of trading and management costs incurred by the fund.

Source of Sector Classification: S&P and MSCI.

- 1 Excludes derivatives.
- 2 Portfolio turnover rate excludes securities received or delivered from processing of in-kind creations or redemptions.
- 3 This list is not a recommendation of any security by the investment adviser.
- 4 The percentage may differ from the Portfolio Holdings because the above calculation is based on a percentage of total investments, excluding derivatives, whereas the calculation in the Portfolio Holdings is based on a percentage of net assets.

# Schwab Fundamental International Small Company Index ETF

as of February 28, 2022

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The Schwab Fundamental International Small Company Index ETF's (the fund) goal is to track as closely as possible, before fees and expenses, the total return of the Russell RAFI™ Developed ex US Small Company Index (the index). The index measures the performance of the small company size segment by fundamental overall company scores, which are created using as the universe the developed ex U.S. companies in the FTSE Global Total Cap Index. To pursue its investment objective, the fund invests in a representative sample of the securities included in the index which, when taken together, are expected to perform similarly to the index as a whole. Due to the use of sampling techniques, the fund may not hold all of the securities in the index. For more information concerning the fund's investment objective, strategies, and risks, please see the fund's prospectus.

**Market Highlights.** Overall, stocks of small companies in developed international markets generated positive returns for the reporting period. For the 12-month reporting period ended February 28, 2022, U.S. equity markets generated positive returns, while global equity markets were mixed. Despite persisting COVID-19 pandemic-driven stresses on the global economy and the emergence and rapid spread of the Delta variant during the summer and the Omicron variant in late 2021, market tailwinds included strong corporate earnings, ongoing fiscal, albeit fading, stimulus measures, and optimism related to increased COVID-19 vaccination rates. As a result, for most of the reporting period, through early January 2022, U.S. equity markets posted steady gains, with several key market indices repeatedly exceeding previous record highs. Developed international equity markets were less robust, but for the most part still positive, while emerging markets were weaker. However, beginning in early 2022, equity markets declined in reaction to growing headwinds that included accelerating inflation, an increasing likelihood of rising interest rates, and, in the final week of the reporting period, Russia's invasion of Ukraine, which drove oil prices above \$100 per barrel for the first time since 2014 and roiled stock markets around the world. Despite exhibiting some volatility, the U.S. dollar rose over the reporting period against a basket of foreign currencies, generally reducing the returns on overseas investments in U.S. dollar terms.

**Performance.** For the 12-month reporting period ended February 28, 2022, the fund's market price return was 1.61% and its NAV return was 1.86% (for an explanation of the market price and NAV returns, please refer to footnote 2 on the following page). The index returned 2.17%<sup>1</sup> during the same period. Differences between the return of the fund and the return of the index may be attributable to, among other things, the trading and management costs incurred by the fund and not the index.

**Contributors and Detractors.** Stocks from Japan detracted the most from the total return of the fund. Japanese stocks represented an average weight of approximately 31% of the fund's investments and returned approximately -4% in U.S. dollar terms for the reporting period. One example from this market is pharmaceutical company Hisamitsu Pharmaceutical Co., Inc. The fund's holdings of Hisamitsu Pharmaceutical Co., Inc. represented an average weight of less than 1% of the fund's investments and returned approximately -48% in U.S. dollar terms for the reporting period.

Stocks from Hong Kong also detracted from the total return of the fund, representing an average weight of approximately 4% of the fund's investments and returning approximately -7% in U.S. dollar terms for the reporting period.

Stocks from Canada contributed the most to the total return of the fund. Canadian stocks represented an average weight of approximately 8% of the fund's investments and returned approximately 29% in U.S. dollar terms for the reporting period. One example from this market is oil and gas company Baytex Energy Corp. The fund's holdings of Baytex Energy Corp. represented an average weight of less than 1% of the fund's investments and returned approximately 370% in U.S. dollar terms for the reporting period.

Stocks from Israel also contributed to the total return of the fund, representing an average weight of approximately 2% of the fund's investments and returning approximately 63% in U.S. dollar terms for the reporting period.

Management views and portfolio holdings may have changed since the report date.

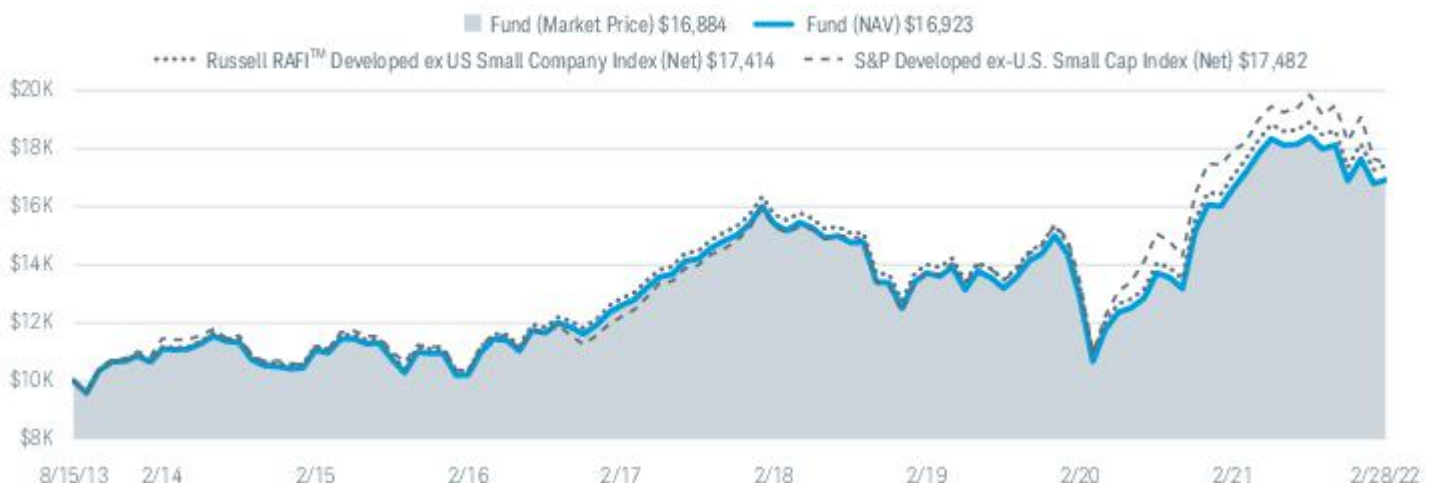
1 The total return cited for the index is calculated net of foreign withholding taxes.

## Schwab Fundamental International Small Company Index ETF

# Performance and Fund Facts as of February 28, 2022

The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. To obtain performance information current to the most recent month end, please visit [www.schwabassetmanagement.com/schwabefbs\\_prospectus](http://www.schwabassetmanagement.com/schwabefbs_prospectus).

### PERFORMANCE OF HYPOTHETICAL \$10,000 INVESTMENT (AUGUST 15, 2013 – FEBRUARY 28, 2022)<sup>1</sup>



### AVERAGE ANNUAL TOTAL RETURNS<sup>1</sup>

FUND AND INCEPTION DATE	1 YEAR	5 YEARS	SINCE INCEPTION*
<b>Fund: Schwab Fundamental International Small Company Index ETF (8/15/13)</b>			
Market Price Return <sup>2</sup>	1.61%	6.07%	6.32%
NAV Return <sup>2</sup>	1.86%	6.10%	6.35%
Russell RAFI™ Developed ex US Small Company Index (Net) <sup>3</sup>	2.17%	6.30%	6.71%
S&P Developed ex-U.S. Small Cap Index (Net) <sup>3</sup>	-2.47%	7.47%	6.76%
ETF Category: Morningstar Foreign Small/Mid Value <sup>4</sup>	5.44%	6.12%	N/A

*Fund Expense Ratio<sup>5</sup>: 0.39%*

All total returns on this page assume dividends and distributions were reinvested. Index figures do not include trading and management costs, which would lower performance. Indices are unmanaged and cannot be invested in directly. Performance results less than one year are not annualized.

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.

For index definitions, please see the Glossary.

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

International investing may involve risk of capital loss from unfavorable fluctuations in currency values, from differences in generally accepted accounting principles, or from economic or political instability in other nations.

Small-company stocks may be subject to greater volatility than many other asset classes.

Index ownership — The Schwab Fundamental International Small Company Index ETF is not in any way sponsored, endorsed, sold or promoted by Frank Russell Company (Russell), by the London Stock Exchange Group companies (LSEG), or by Research Affiliates LLC (RA) (collectively the Licensor Parties), and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the Russell RAFI™ Developed ex US Small Company Index (the Index) or otherwise. The Index is compiled and calculated by Russell in conjunction with RA. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any obligation to advise any person of any error therein. “Russell®” is a trademark of Russell. The trade names “Research Affiliates®”, “Fundamental Index®” and “RAFI®” are registered trademarks of RA. Charles Schwab Investment Management, Inc. has obtained full license from Russell to use the Index. For full disclaimer please see the fund’s statement of additional information.

\* Inception (8/15/13) represents the date that the shares began trading in the secondary market.

- 1 Performance does not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares.
- 2 ETF performance must be shown based on both a market price and NAV basis. The fund’s per share NAV is the value of one share of the fund. NAV is calculated by taking the fund’s total assets (including the fair value of securities owned), subtracting liabilities, and dividing by the number of shares outstanding. The NAV Return is based on the NAV of the fund, and the Market Price Return is based on the market price per share of the fund. The price used to calculate market return (Market Price) is determined using the Official Closing Price on the primary stock 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 is used as a proxy for purposes of calculating Market Price Return on inception date. Market Price and NAV returns assume that dividends and capital gain distributions have been reinvested in the fund at Market Price and NAV, respectively.
- 3 The net version of the index reflects reinvested dividends net of withholding taxes but reflects no deductions for expenses or other taxes.
- 4 Source for category information: Morningstar, Inc. The Morningstar Category return represents all passively- and actively-managed ETFs within the category as of the report date.
- 5 As stated in the prospectus.



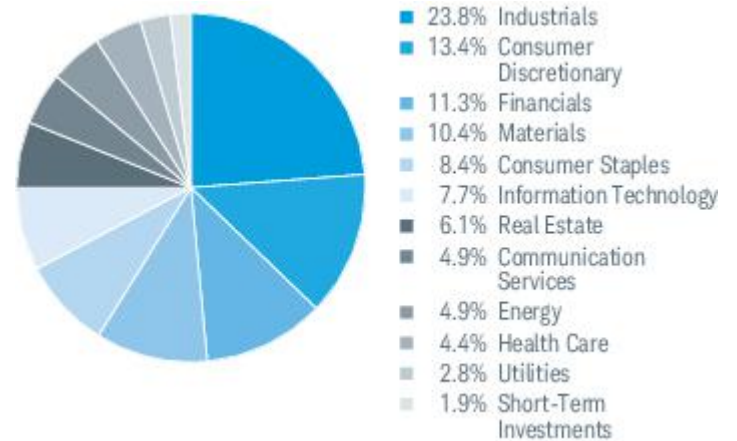
Schwab Fundamental International Small Company Index ETF

**Performance and Fund Facts** as of February 28, 2022 (continued)

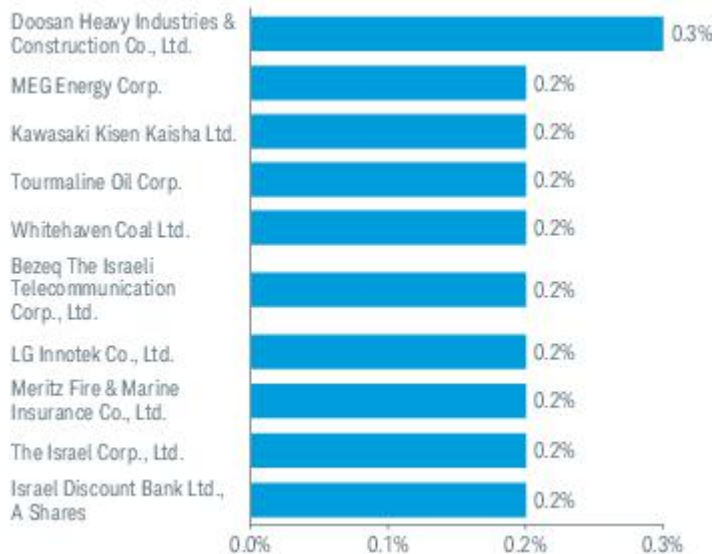
**STATISTICS<sup>1</sup>**

Number of Holdings	1,632
Weighted Average Market Cap (millions)	\$3,859
Price/Earnings Ratio (P/E)	10.7
Price/Book Ratio (P/B)	1.1
Portfolio Turnover Rate	28% <sup>2</sup>

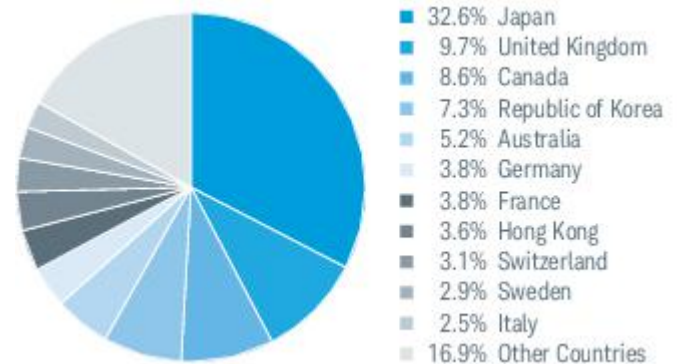
**SECTOR WEIGHTINGS % OF INVESTMENTS<sup>1</sup>**



**TOP EQUITY HOLDINGS % OF NET ASSETS<sup>3</sup>**



**COUNTRY WEIGHTINGS % OF INVESTMENTS<sup>4</sup>**



Portfolio holdings may have changed since the report date.

An index is a statistical composite of a specified financial market or sector. Unlike the fund, an index does not actually hold a portfolio of securities and its return is not inclusive of trading and management costs incurred by the fund.

Source of Sector Classification: S&P and MSCI.

- 1 Excludes derivatives.
- 2 Portfolio turnover rate excludes securities received or delivered from processing of in-kind creations or redemptions.
- 3 This list is not a recommendation of any security by the investment adviser.
- 4 The percentage may differ from the Portfolio Holdings because the above calculation is based on a percentage of total investments, excluding derivatives, whereas the calculation in the Portfolio Holdings is based on a percentage of net assets.

# Schwab Fundamental Emerging Markets Large Company Index ETF

as of February 28, 2022

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The Schwab Fundamental Emerging Markets Large Company Index ETF's (the fund) goal is to track as closely as possible, before fees and expenses, the total return of the Russell RAFI™ Emerging Markets Large Company Index (the index). The index measures the performance of the large company size segment by fundamental overall company scores, which are created using as the universe the emerging markets companies in the FTSE Global Total Cap Index. To pursue its investment objective, the fund invests in a representative sample of the securities included in the index which, when taken together, are expected to perform similarly to the index as a whole. Due to the use of sampling techniques, the fund may not hold all of the securities in the index. For more information concerning the fund's investment objective, strategies, and risks, please see the fund's prospectus.

**Market Highlights.** Overall, stocks in emerging markets generally produced negative returns for the reporting period. For the 12-month reporting period ended February 28, 2022, U.S. equity markets generated positive returns, while global equity markets were mixed. Despite persisting COVID-19 pandemic-driven stresses on the global economy and the emergence and rapid spread of the Delta variant during the summer and the Omicron variant in late 2021, market tailwinds included strong corporate earnings, ongoing, albeit fading, fiscal stimulus measures, and optimism related to increased COVID-19 vaccination rates. As a result, for most of the reporting period, through early January 2022, U.S. equity markets posted steady gains, with several key market indices repeatedly exceeding previous record highs. Developed international equity markets were less robust, but for the most part still positive, while emerging markets were weaker. However, beginning in early 2022, equity markets declined in reaction to growing headwinds that included accelerating inflation, an increasing likelihood of rising interest rates, and, in the final week of the reporting period, Russia's invasion of Ukraine, which drove oil prices above \$100 per barrel for the first time since 2014 and roiled stock markets around the world. Despite exhibiting some volatility, the U.S. dollar rose over the reporting period against a basket of foreign currencies, generally reducing the returns on overseas investments in U.S. dollar terms.

**Performance.** For the 12-month reporting period ended February 28, 2022, the fund's market price return was 5.31% and its NAV return was 2.97% (for an explanation of the market price and NAV returns, please refer to footnote 2 on the following page). The index returned 6.51%<sup>1</sup> during the same period. Fair valuation<sup>2</sup> of the fund's holdings detracted from the fund's relative performance. Differences between the return of the fund and the return of the index may also be attributable to, among other things, the trading and management costs incurred by the fund and not the index.

**Contributors and Detractors.** Stocks from Russia detracted the most from the total return of the fund. Russian stocks also detracted from the fund's performance relative to the index as a result of the Russian stock exchange closure resulting in fair valuation<sup>2</sup> of Russian securities by the fund but not the index. Russian stocks represented an average weight of approximately 12% of the fund's investments and returned approximately -67% in U.S. dollar terms for the reporting period. The average weight of Russian stocks in the index was also approximately 12% but returned approximately -36% in U.S. dollar terms for the reporting period. One example from this market is LUKOIL PJSC, which explores for, produces, refines, transports, and markets oil and gas mainly from Western Siberia. The fund's holdings of LUKOIL PJSC represented an average weight of approximately 3% of the fund's investments and returned approximately -64% in U.S. dollar terms for the reporting period. The average weight of LUKOIL PJSC in the index was also approximately 3% but returned approximately -30% in U.S. dollar terms for the reporting period.

Stocks from China also detracted from the total return of the fund, representing an average weight of approximately 25% of the fund's investments and returning approximately -8% in U.S. dollar terms for the reporting period.

Stocks from Brazil contributed the most to the total return of the fund. Brazilian stocks represented an average weight of approximately 10% of the fund's investments and returned approximately 39% in U.S. dollar terms for the reporting period. One example from this market is Petroleo Brasileiro S.A., which refines, markets, and supplies oil products. The fund's preferred stock holdings of Petroleo Brasileiro S.A. represented an average weight of approximately 1% of the fund's investments and returned approximately 102% in U.S. dollar terms for the reporting period.

Stocks from South Africa also contributed to the total return of the fund, representing an average weight of 7% of the fund's investments and returning approximately 52% in U.S. dollar terms for the reporting period.

Management views and portfolio holdings may have changed since the report date.

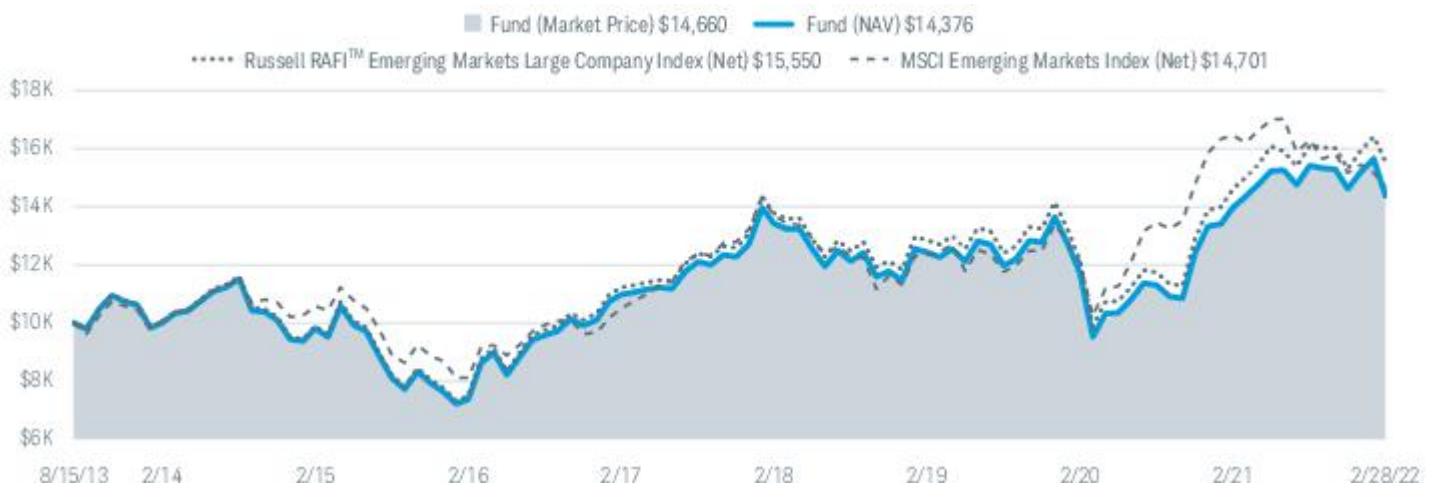
- 1 The total return cited for the index is calculated net of foreign withholding taxes.
- 2 Fair valued by management using significant unobservable inputs in accordance with procedures approved by the fund's Board of Trustees (see financial note 2(a) for additional information).

## Schwab Fundamental Emerging Markets Large Company Index ETF

# Performance and Fund Facts as of February 28, 2022

The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. To obtain performance information current to the most recent month end, please visit [www.schwabassetmanagement.com/schwabetfs\\_prospectus](http://www.schwabassetmanagement.com/schwabetfs_prospectus).

### PERFORMANCE OF HYPOTHETICAL \$10,000 INVESTMENT (AUGUST 15, 2013 – FEBRUARY 28, 2022)<sup>1</sup>



### AVERAGE ANNUAL TOTAL RETURNS<sup>1</sup>

FUND AND INCEPTION DATE	1 YEAR	5 YEARS	SINCE INCEPTION*
<b>Fund: Schwab Fundamental Emerging Markets Large Company Index ETF (8/15/13)</b>			
Market Price Return <sup>2</sup>	5.31%	6.07%	4.58%
NAV Return <sup>2</sup>	2.97%	5.55%	4.34%
Russell RAFI™ Emerging Markets Large Company Index (Net) <sup>3</sup>	6.51%	6.76%	5.30%
MSCI Emerging Markets Index (Net) <sup>3</sup>	-10.69%	6.99%	4.61%
ETF Category: Morningstar Diversified Emerging Markets <sup>4</sup>	-9.68%	6.68%	N/A

*Fund Expense Ratio<sup>5</sup>: 0.39%*

All total returns on this page assume dividends and distributions were reinvested. Index figures do not include trading and management costs, which would lower performance. Indices are unmanaged and cannot be invested in directly. Performance results less than one year are not annualized.

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.

For index definitions, please see the Glossary.

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

International investing may involve risk of capital loss from unfavorable fluctuations in currency values, from differences in generally accepted accounting principles, or from economic or political instability in other nations.

Emerging markets involve heightened risks related to the same factors as international investing, as well as increased volatility and lower trading volume.

Index ownership — The Schwab Fundamental Emerging Markets Large Company Index ETF is not in any way sponsored, endorsed, sold or promoted by Frank Russell Company (Russell), by the London Stock Exchange Group companies (LSEG), or by Research Affiliates LLC (RA) (collectively the Licensor Parties), and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the Russell RAFI™ Emerging Markets Large Company Index (the Index) or otherwise. The Index is compiled and calculated by Russell in conjunction with RA. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any obligation to advise any person of any error therein. “Russell®” is a trademark of Russell. The trade names “Research Affiliates®”, “Fundamental Index®” and “RAFI®” are registered trademarks of RA. Charles Schwab Investment Management, Inc. has obtained full license from Russell to use the Index. For full disclaimer please see the fund’s statement of additional information.

\* Inception (8/15/13) represents the date that the shares began trading in the secondary market.

- 1 Performance does not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares.
- 2 ETF performance must be shown based on both a market price and NAV basis. The fund’s per share NAV is the value of one share of the fund. NAV is calculated by taking the fund’s total assets (including the fair value of securities owned), subtracting liabilities, and dividing by the number of shares outstanding. The NAV Return is based on the NAV of the fund, and the Market Price Return is based on the market price per share of the fund. The price used to calculate market return (Market Price) is determined using the Official Closing Price on the primary stock 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 is used as a proxy for purposes of calculating Market Price Return on inception date. Market Price and NAV returns assume that dividends and capital gain distributions have been reinvested in the fund at Market Price and NAV, respectively.
- 3 The net version of the index reflects reinvested dividends net of withholding taxes but reflects no deductions for expenses or other taxes.
- 4 Source for category information: Morningstar, Inc. The Morningstar Category return represents all passively- and actively-managed ETFs within the category as of the report date.
- 5 As stated in the prospectus.

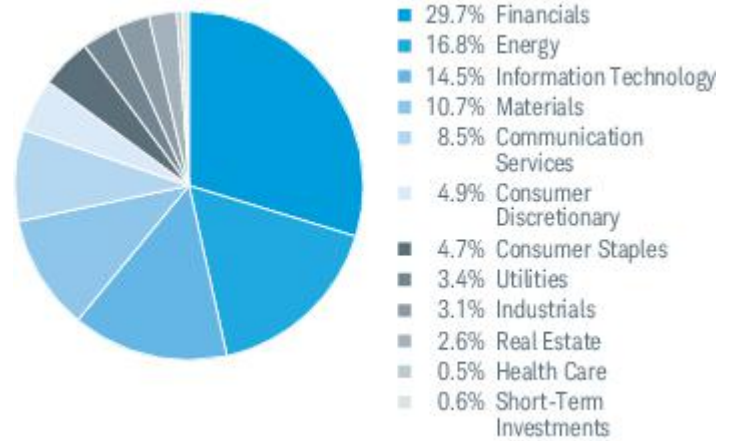
Schwab Fundamental Emerging Markets Large Company Index ETF

**Performance and Fund Facts** as of February 28, 2022 (continued)

**STATISTICS<sup>1</sup>**

Number of Holdings	328
Weighted Average Market Cap (millions)	\$85,115
Price/Earnings Ratio (P/E)	7.7
Price/Book Ratio (P/B)	1.2
Portfolio Turnover Rate	20% <sup>2</sup>

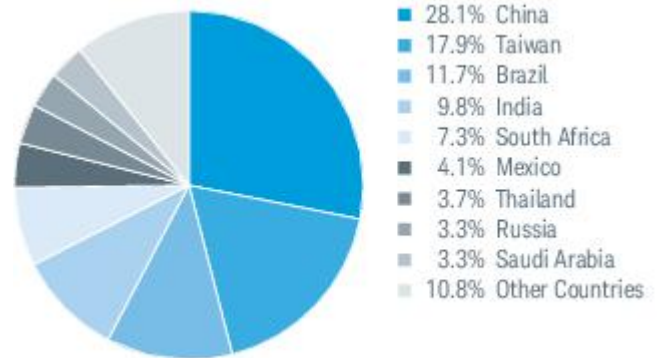
**SECTOR WEIGHTINGS % OF INVESTMENTS<sup>1</sup>**



**TOP EQUITY HOLDINGS % OF NET ASSETS<sup>3</sup>**



**COUNTRY WEIGHTINGS % OF INVESTMENTS<sup>4</sup>**



Portfolio holdings may have changed since the report date.

An index is a statistical composite of a specified financial market or sector. Unlike the fund, an index does not actually hold a portfolio of securities and its return is not inclusive of trading and management costs incurred by the fund.

Source of Sector Classification: S&P and MSCI.

- 1 Excludes derivatives.
- 2 Portfolio turnover rate excludes securities received or delivered from processing of in-kind creations or redemptions.
- 3 This list is not a recommendation of any security by the investment adviser.
- 4 The percentage may differ from the Portfolio Holdings because the above calculation is based on a percentage of total investments, excluding derivatives, whereas the calculation in the Portfolio Holdings is based on a percentage of net assets.



## Schwab Fundamental Index ETFs

# Fund Expenses (Unaudited)

### EXAMPLES FOR A \$1,000 INVESTMENT

As a fund shareholder, you may incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of fund shares; and, (2) ongoing costs, including management fees.

The expense examples below are intended to help you understand your ongoing cost (in dollars) of investing in a fund and to compare this cost with the ongoing cost of investing in other mutual funds. These examples are based on an investment of \$1,000 invested for six months beginning September 1, 2021 and held through February 28, 2022.

**Actual Return lines in the table below provide information about actual account values and actual expenses. You may use this information, together with the amount you invested, to estimate the expenses that you paid over the period. To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value ÷ \$1,000 = 8.6), then multiply the result by the number given for your fund under the heading entitled “Expenses Paid During Period.”**

**Hypothetical Return lines in the table below provide information about hypothetical account values and hypothetical expenses based on a fund’s actual expense ratio and an assumed return of 5% per year before expenses. Because the return used is not an actual return, it may not be used to estimate the actual ending account value or expenses you paid for the period.**

You may use this information to compare the ongoing costs of investing in a fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only, and do not reflect any transactional costs, including any brokerage commissions you may pay when purchasing or selling shares of a fund. Therefore, the hypothetical return lines of the table are useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	EXPENSE RATIO (ANNUALIZED) 1	BEGINNING ACCOUNT VALUE AT 9/1/21	ENDING ACCOUNT VALUE (NET OF EXPENSES) AT 2/28/22	EXPENSES PAID DURING PERIOD 9/1/21-2/28/22 <sup>2</sup>
<b>Schwab Fundamental U.S. Broad Market Index ETF</b>				
Actual Return	0.25%	\$1,000.00	\$1,022.90	\$1.25
Hypothetical 5% Return	0.25%	\$1,000.00	\$1,023.55	\$1.25
<b>Schwab Fundamental U.S. Large Company Index ETF</b>				
Actual Return	0.25%	\$1,000.00	\$1,025.80	\$1.26
Hypothetical 5% Return	0.25%	\$1,000.00	\$1,023.55	\$1.25
<b>Schwab Fundamental U.S. Small Company Index ETF</b>				
Actual Return	0.25%	\$1,000.00	\$ 989.60	\$1.23
Hypothetical 5% Return	0.25%	\$1,000.00	\$1,023.55	\$1.25
<b>Schwab Fundamental International Large Company Index ETF</b>				
Actual Return	0.25%	\$1,000.00	\$ 998.30	\$1.24
Hypothetical 5% Return	0.25%	\$1,000.00	\$1,023.55	\$1.25
<b>Schwab Fundamental International Small Company Index ETF</b>				
Actual Return	0.39%	\$1,000.00	\$ 919.30	\$1.86
Hypothetical 5% Return	0.39%	\$1,000.00	\$1,022.86	\$1.96

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**Schwab Fundamental Emerging Markets Large Company Index  
ETF**

Actual Return	0.39%	\$1,000.00	\$ 932.40	\$1.87
Hypothetical 5% Return	0.39%	\$1,000.00	\$1,022.86	\$1.96

1 Based on the most recent six-month expense ratio.

2 Expenses for each fund are equal to its annualized expense ratio, multiplied by the average account value over the period, multiplied by 181 days of the period, and divided by 365 days of the fiscal year.

## Schwab Fundamental U.S. Broad Market Index ETF

## Financial Statements

FINANCIAL HIGHLIGHTS					
	3/1/21– 2/28/22	3/1/20– 2/28/21	3/1/19– 2/29/20	3/1/18– 2/28/19	3/1/17– 2/28/18
<b>Per-Share Data</b>					
Net asset value at beginning of period	\$48.26	\$37.17	\$37.60	\$36.95	\$33.82
Income (loss) from investment operations:					
Net investment income (loss) <sup>1</sup>	0.98	0.92	0.94	0.84	0.75
Net realized and unrealized gains (losses)	8.04	11.13	(0.43)	0.62	3.09
Total from investment operations	9.02	12.05	0.51	1.46	3.84
Less distributions:					
Distributions from net investment income	(0.94)	(0.96)	(0.94)	(0.81)	(0.71)
Net asset value at end of period	\$56.34	\$48.26	\$37.17	\$37.60	\$36.95
Total return	18.80%	33.35%	1.25%	3.98%	11.51%
<b>Ratios/Supplemental Data</b>					
Ratios to average net assets:					
Total expenses	0.25%	0.25%	0.25%	0.25%	0.25%
Net investment income (loss)	1.79%	2.36%	2.38%	2.26%	2.14%
Portfolio turnover rate <sup>2</sup>	13%	14%	13%	11%	10%
Net assets, end of period (x 1,000)	\$425,341	\$284,726	\$262,018	\$276,382	\$260,469

1 Calculated based on the average shares outstanding during the period.

2 Portfolio turnover rate excludes securities received or delivered from processing of in-kind creations or redemptions.

## Schwab Fundamental U.S. Broad Market Index ETF

# Portfolio Holdings as of February 28, 2022

This section shows all the securities in the fund's portfolio and their values as of the report date.

The fund files its complete schedule of portfolio holdings with the U.S. Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-PORT Part F. The fund's Form N-PORT Part F is available on the SEC's website at [www.sec.gov](http://www.sec.gov). You can also obtain this information at no cost on the fund's website at [www.schwabassetmanagement.com/schwabefbs\\_prospectus](http://www.schwabassetmanagement.com/schwabefbs_prospectus), by calling 1-866-414-6349, or by sending an email request to [orders@mysummaryprospectus.com](mailto:orders@mysummaryprospectus.com). The fund also makes available its complete schedule of portfolio holdings on a daily basis on the fund's website.

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
<b>COMMON STOCKS 99.7% OF NET ASSETS</b>					
<b>Automobiles &amp; Components 1.6%</b>					
Adiect plc *	3,093	138,412	Commerce Bancshares, Inc.	747	53,620
American Axle & Manufacturing Holdings, Inc. *	7,666	70,987	Community Bank System, Inc.	338	24,654
Aptiv plc *	2,290	296,418	Credicorp Ltd.	1,616	244,420
Autoliv, Inc.	1,623	142,840	Cullen/Frost Bankers, Inc.	479	67,410
BorgWarner, Inc.	5,959	244,379	CVB Financial Corp.	1,122	26,457
Cooper-Standard Holding, Inc. *	2,157	27,437	Eagle Bancorp, Inc.	279	16,718
Dana, Inc.	4,520	84,162	East West Bancorp, Inc.	1,095	95,878
Dorman Products, Inc. *	308	28,773	Essent Group Ltd.	767	33,886
Ford Motor Co.	139,995	2,458,312	F.N.B. Corp.	4,639	62,302
Fox Factory Holding Corp. *	116	13,690	Federal Agricultural Mortgage Corp., Class C	159	19,668
General Motors Co. *	40,775	1,905,008	Fifth Third Bancorp	11,305	540,831
Gentex Corp.	3,888	117,690	First BanCorp	1,902	26,856
Gentherm, Inc. *	415	35,209	First Busey Corp.	516	14,164
Harley-Davidson, Inc.	3,670	151,571	First Citizens BancShares, Inc., Class A	227	178,978
LCI Industries	357	44,454	First Commonwealth Financial Corp.	1,115	18,007
Lear Corp.	2,116	332,931	First Financial Bancorp	998	24,531
Modine Manufacturing Co. *	1,984	20,038	First Financial Bankshares, Inc.	372	17,826
Patrick Industries, Inc.	343	24,470	First Hawaiian, Inc.	1,849	53,750
Standard Motor Products, Inc.	577	25,221	First Horizon Corp.	3,695	86,759
Stoneridge, Inc. *	621	10,253	First Interstate BancSystem, Inc., Class A	1,175	47,705
Tenneco, Inc., Class A *	5,232	100,873	First Merchants Corp.	418	18,283
Tesla, Inc. *	134	116,638	First Republic Bank	532	92,174
The Goodyear Tire & Rubber Co. *	20,146	312,062	Flagstar Bancorp, Inc.	593	27,029
Thor Industries, Inc.	1,159	104,889	Fulton Financial Corp.	2,446	44,077
Veoneer, Inc. *	590	20,915	Glacier Bancorp, Inc.	559	30,969
Visteon Corp. *	1,222	146,848	Hancock Whitney Corp.	968	53,898
Winnebago Industries, Inc.	492	31,522	Hanmi Financial Corp.	551	14,392
		<b>7,006,002</b>	Heartland Financial USA, Inc.	286	14,191
			Hilltop Holdings, Inc.	738	22,819
			Home BancShares, Inc.	1,573	36,824
			Hope Bancorp, Inc.	1,918	32,529
			Huntington Bancshares, Inc.	16,073	249,453
			Independent Bank Corp.	218	18,750
			Independent Bank Group, Inc.	179	13,810
			International Bancshares Corp.	638	27,440
			Investors Bancorp, Inc.	4,042	67,663
			JPMorgan Chase & Co.	42,042	5,961,556
			KeyCorp	12,185	305,478
			M&T Bank Corp.	2,630	479,265
			MGIC Investment Corp.	5,110	77,570
<b>Banks 7.2%</b>					
Ameris Bancorp	280	13,860			
Associated Banc-Corp.	2,298	56,048			
Atlantic Union Bankshares Corp.	584	23,728			
Axos Financial, Inc. *	361	19,761			
Bank of America Corp.	106,233	4,695,499			

Bank of Hawaii Corp.	495	42,659	National Bank Holdings Corp., Class A	315	13,980
Bank OZK	1,152	54,167	NBT Bancorp, Inc.	543	20,835
BankUnited, Inc.	1,388	61,350	New York Community Bancorp, Inc.	7,315	84,415
Banner Corp.	437	26,924	Northwest Bancshares, Inc.	1,314	18,501
Berkshire Hills Bancorp, Inc.	579	18,007	OFG Bancorp	738	20,797
BOK Financial Corp.	337	34,610	Old National Bancorp	3,476	63,541
Brookline Bancorp, Inc.	865	14,826	Pacific Premier Bancorp, Inc.	312	12,078
Cadence Bank	1,887	59,667	PacWest Bancorp	1,989	98,296
Capitol Federal Financial, Inc.	1,969	21,502	Park National Corp.	143	19,171
Cathay General Bancorp	889	41,810	PennyMac Financial Services, Inc.	267	15,419
Central Pacific Financial Corp.	595	17,368	People's United Financial, Inc.	4,546	95,830
Citigroup, Inc.	64,979	3,848,706	Pinnacle Financial Partners, Inc.	362	36,591
Citizens Financial Group, Inc.	7,359	385,759	Popular, Inc.	1,165	107,005
City Holding Co.	135	10,755	Prosperity Bancshares, Inc.	671	49,963
Columbia Banking System, Inc.	807	29,560	Provident Financial Services, Inc.	865	20,526
Comerica, Inc.	2,966	283,223	Radian Group, Inc.	3,156	75,428

Schwab Fundamental U.S. Broad Market Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Regions Financial Corp.	12,140	293,667	Boise Cascade Co.	1,166	93,210
Renasant Corp.	506	18,474	Builders FirstSource, Inc. *	1,393	103,667
S&T Bancorp, Inc.	479	14,892	BWX Technologies, Inc.	955	51,016
Sandy Spring Bancorp, Inc.	346	16,293	Carlisle Cos., Inc.	772	183,273
ServisFirst Bancshares, Inc.	197	17,214	Carrier Global Corp.	12,674	568,809
Signature Bank	257	88,637	Caterpillar, Inc.	6,182	1,159,620
Simmons First National Corp., Class A	972	27,721	Chart Industries, Inc. *	121	17,472
Southside Bancshares, Inc.	275	11,465	CIRCOR International, Inc. *	421	11,342
SouthState Corp.	379	34,110	Colfax Corp. *	1,265	50,866
SVB Financial Group *	183	110,898	Columbus McKinnon Corp.	316	14,422
Synovus Financial Corp.	1,595	83,977	Comfort Systems USA, Inc.	487	41,872
Texas Capital Bancshares, Inc. *	489	32,567	Crane Co.	642	64,893
The Bank of NT Butterfield & Son Ltd.	567	21,773	CSW Industrials, Inc.	89	10,709
The PNC Financial Services Group, Inc.	5,856	1,166,808	Cummins, Inc.	2,741	559,493
Tompkins Financial Corp.	139	10,995	Curtiss-Wright Corp.	652	96,183
Towne Bank	545	16,993	Deere & Co.	2,315	833,446
Truist Financial Corp.	10,296	640,617	Donaldson Co., Inc.	1,425	77,335
Trustmark Corp.	928	29,223	Douglas Dynamics, Inc.	381	13,998
U.S. Bancorp	22,611	1,278,426	Dover Corp.	1,395	218,820
UMB Financial Corp.	313	31,882	Dycom Industries, Inc. *	775	67,472
Umpqua Holdings Corp.	3,461	73,892	Eaton Corp. plc	5,442	839,646
United Bankshares, Inc.	1,068	39,110	EMCOR Group, Inc.	1,196	138,186
United Community Banks, Inc.	593	22,925	Emerson Electric Co.	8,264	767,891
Valley National Bancorp	3,378	47,191	Encore Wire Corp.	398	46,335
Walker & Dunlop, Inc.	312	43,165	Enerpac Tool Group Corp.	649	11,195
Washington Federal, Inc.	1,383	49,207	EnerSys	696	50,620
Webster Financial Corp.	1,673	100,731	EnPro Industries, Inc.	307	33,905
Wells Fargo & Co.	113,356	6,049,810	ESCO Technologies, Inc.	226	15,723
WesBanco, Inc.	639	23,349	Evoqua Water Technologies Corp. *	392	16,723
Westamerica BanCorp	207	12,279	Fastenal Co.	4,347	223,697
Western Alliance Bancorp	366	34,309	Federal Signal Corp.	685	24,735
Wintrust Financial Corp.	550	54,648	Flowserve Corp.	2,513	76,320
WSFS Financial Corp.	307	15,605	Fluor Corp. *	9,154	198,276
Zions Bancorp NA	2,731	193,601	Fortive Corp.	1,974	127,816
		<b>30,461,209</b>	Fortune Brands Home & Security, Inc.	1,683	146,253
			Franklin Electric Co., Inc.	429	36,276
			GATX Corp.	854	91,062
			Generac Holdings, Inc. *	131	41,327
			General Dynamics Corp.	4,607	1,080,111
			General Electric Co.	22,996	2,196,348
			Gibraltar Industries, Inc. *	312	15,076
			GMS, Inc. *	771	41,827
			Graco, Inc.	1,025	73,892
			GrafTech International Ltd.	947	9,546
			Granite Construction, Inc.	1,467	44,406
			Great Lakes Dredge & Dock Corp. *	815	11,500
			Griffon Corp.	952	21,944
<b>Capital Goods 7.3%</b>					
3M Co.	7,996	1,188,605			
A.O. Smith Corp.	1,459	100,058			
AAON, Inc.	225	13,176			
AAR Corp. *	939	42,199			
Acuity Brands, Inc.	706	128,753			
Advanced Drainage Systems, Inc.	145	16,924			
AECOM	2,916	211,877			
AerCap Holdings N.V. *	4,204	228,824			
Aerojet Rocketdyne Holdings, Inc.	582	22,553			

AGCO Corp.	1,076	129,292	H&E Equipment Services, Inc.	916	38,252
Air Lease Corp.	1,584	66,148	HEICO Corp.	151	22,274
Alamo Group, Inc.	131	18,223	HEICO Corp., Class A	253	31,099
Albany International Corp., Class A	317	27,839	Helios Technologies, Inc.	166	13,016
Allegion plc	608	69,628	Herc Holdings, Inc.	337	53,623
Allison Transmission Holdings, Inc.	3,800	151,772	Hexcel Corp.	1,677	97,098
Altra Industrial Motion Corp.	485	20,598	Hillenbrand, Inc.	948	45,229
American Woodmark Corp. *	365	19,557	Honeywell International, Inc.	6,988	1,325,973
AMETEK, Inc.	1,430	185,600	Howmet Aerospace, Inc.	6,315	226,835
API Group Corp. *	1,272	27,437	Hubbell, Inc.	646	115,150
Apogee Enterprises, Inc.	788	35,515	Huntington Ingalls Industries, Inc.	919	187,844
Applied Industrial Technologies, Inc.	619	62,581	Hyster-Yale Materials Handling, Inc.	361	13,819
Arcosa, Inc.	979	51,564	IDEX Corp.	497	95,374
Argan, Inc.	397	15,439	Illinois Tool Works, Inc.	3,172	686,230
Armstrong World Industries, Inc.	450	39,780	Ingersoll Rand, Inc.	821	41,477
Astec Industries, Inc.	435	21,663	ITT, Inc.	912	80,137
Astronics Corp. *	1,066	15,681	JELD-WEN Holding, Inc. *	1,360	31,389
Atkore, Inc. *	255	25,936	John Bean Technologies Corp.	194	21,994
AZZ, Inc.	525	25,846	Johnson Controls International plc	8,688	564,372
Barnes Group, Inc.	958	44,499	Kadant, Inc.	81	15,985
Beacon Roofing Supply, Inc. *	988	58,974	Kaman Corp.	696	30,213





Simpson Manufacturing Co., Inc.	393	46,574	ICF International, Inc.	288	25,523
SiteOne Landscape Supply, Inc. *	132	22,761	Insperty, Inc.	293	26,355
Snap-on, Inc.	829	174,239	Interface, Inc.	1,776	23,177
Spirit AeroSystems Holdings, Inc., Class A	4,300	215,000	Jacobs Engineering Group, Inc.	1,724	212,052
SPX Corp. *	247	12,523	KAR Auction Services, Inc. *	3,331	61,490
SPX FLOW, Inc.	361	31,006	KBR, Inc.	2,095	103,996
Standex International Corp.	189	20,021	Kelly Services, Inc., Class A	3,604	76,477
Stanley Black & Decker, Inc.	1,656	269,431	Kforce, Inc.	457	34,357
Tennant Co.	236	18,592	Korn Ferry	670	44,394
Terex Corp.	1,263	52,137	Leidos Holdings, Inc.	2,271	231,279
Textainer Group Holdings Ltd.	431	15,305	ManpowerGroup, Inc.	2,831	300,879
Textron, Inc.	4,261	311,607	ManTech International Corp., Class A	457	38,100
The Boeing Co. *	8,916	1,830,811	Mathews International Corp., Class A	872	28,933
The Greenbrier Cos., Inc.	1,529	67,933	MillerKnoll, Inc.	1,721	66,912
The Manitowoc Co., Inc. *	859	14,199	MSA Safety, Inc.	207	28,794
The Middleby Corp. *	427	75,844	Nielsen Holdings plc	8,992	156,641
The Timken Co.	963	63,134	Pitney Bowes, Inc.	8,524	42,450
The Toro Co.	778	72,984	Republic Services, Inc.	2,206	265,338
Trane Technologies plc	1,759	270,763	Resources Connection, Inc.	1,319	21,895
TransDigm Group, Inc. *	384	255,971	Robert Half International, Inc.	1,857	223,379
Trex Co., Inc. *	263	24,154	Rollins, Inc.	885	28,878

## Schwab Fundamental U.S. Broad Market Index ETF

# Portfolio Holdings as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Science Applications International Corp.	1,064	93,302	Tempur Sealy International, Inc.	1,293	42,682
SP Plus Corp. *	709	21,164	Toll Brothers, Inc.	2,168	117,636
Steelcase, Inc., Class A	3,718	45,248	TopBuild Corp. *	224	48,088
Stericycle, Inc. *	924	53,925	Tri Pointe Homes, Inc. *	3,523	78,810
Tetra Tech, Inc.	406	64,461	Tupperware Brands Corp. *	1,730	31,538
The Brink's Co.	467	32,718	Under Armour, Inc., Class A *	1,789	32,005
The GEO Group, Inc. *	9,641	57,460	Under Armour, Inc., Class C *	1,902	29,728
TransUnion	682	61,898	Universal Electronics, Inc. *	329	10,933
TriNet Group, Inc. *	284	24,796	VF Corp.	4,312	250,182
TrueBlue, Inc. *	2,016	54,835	Vista Outdoor, Inc. *	788	28,723
UniFirst Corp.	224	40,600	Whirlpool Corp.	1,498	301,503
US Ecology, Inc. *	495	23,483	Wolverine World Wide, Inc.	1,705	39,266
Verisk Analytics, Inc.	553	98,069			<b>6,185,278</b>
Viad Corp. *	532	18,588			
Waste Management, Inc.	4,179	603,448			
		<b>4,689,923</b>			
<b>Consumer Durables &amp; Apparel 1.5%</b>					
Acushnet Holdings Corp.	389	17,038	Adtalem Global Education, Inc. *	1,544	32,084
Beazer Homes USA, Inc. *	912	14,929	American Public Education, Inc. *	507	10,120
Brunswick Corp.	1,144	109,275	Aramark	5,313	196,369
Callaway Golf Co. *	856	21,177	Arcos Dorados Holdings, Inc., Class A *	4,455	34,437
Capri Holdings Ltd. *	3,150	213,381	Bally's Corp. *	247	8,897
Carter's, Inc.	1,026	99,194	BJ's Restaurants, Inc. *	643	20,621
Cavco Industries, Inc. *	104	28,354	Bloomin' Brands, Inc. *	2,486	61,181
Century Communities, Inc.	329	20,964	Booking Holdings, Inc. *	425	923,206
Columbia Sportswear Co.	406	37,644	Boyd Gaming Corp. *	747	52,992
Crocs, Inc. *	184	15,406	Bright Horizons Family Solutions, Inc. *	349	45,593
D.R. Horton, Inc.	4,221	360,473	Brinker International, Inc. *	1,238	52,665
Deckers Outdoor Corp. *	195	56,285	Caesars Entertainment, Inc. *	289	24,331
Ethan Allen Interiors, Inc.	1,017	26,503	Carnival Corp. *	18,123	368,441
Fossil Group, Inc. *	2,683	36,274	Chipotle Mexican Grill, Inc. *	93	141,672
Garmin Ltd.	1,020	112,649	Choice Hotels International, Inc.	181	26,127
G-III Apparel Group Ltd. *	1,742	48,323	Churchill Downs, Inc.	254	61,181
Hanesbrands, Inc.	8,038	124,187	Cracker Barrel Old Country Store, Inc.	590	79,219
Hasbro, Inc.	1,424	138,199	Darden Restaurants, Inc.	1,261	183,122
Helen of Troy Ltd. *	224	46,070	Dave & Buster's Entertainment, Inc. *	974	42,213
Installed Building Products, Inc.	112	10,830	Denny's Corp. *	1,163	18,399
iRobot Corp. *	323	20,078	Dine Brands Global, Inc.	269	22,553
KB Home	1,583	61,120	Domino's Pizza, Inc.	346	149,545
Kontoor Brands, Inc.	984	48,747	Everi Holdings, Inc. *	572	13,385
La-Z-Boy, Inc.	1,144	33,382	Expedia Group, Inc. *	1,416	277,692
Leggett & Platt, Inc.	2,576	95,518	Frontdoor, Inc. *	394	11,840
Lennar Corp., Class A	3,709	333,365	Graham Holdings Co., Class B	100	60,113
LGI Homes, Inc. *	186	23,460	Grand Canyon Education, Inc. *	497	43,155
Lululemon Athletica, Inc. *	332	106,220	H&R Block, Inc.	3,742	92,839
			Hilton Grand Vacations, Inc. *	1,158	60,054
			Hilton Worldwide Holdings, Inc. *	1,903	283,281
			Houghton Mifflin Harcourt Co. *	2,589	54,240

M.D.C Holdings, Inc.	964	42,744	Hyatt Hotels Corp., Class A *	862	83,709
M/I Homes, Inc. *	617	30,412	International Game Technology plc	2,944	90,145
Mattel, Inc. *	3,793	94,749	Jack in the Box, Inc.	622	53,660
Meritage Homes Corp. *	710	69,992	Las Vegas Sands Corp. *	6,979	299,120
Mohawk Industries, Inc. *	1,180	166,120	Laureate Education, Inc.	3,106	33,669
Movado Group, Inc.	460	18,133	Marriott International, Inc., Class A *	2,257	384,006
Newell Brands, Inc.	6,078	144,353	Marriott Vacations Worldwide Corp.	495	79,532
NIKE, Inc., Class B	6,500	887,575	McDonald's Corp.	7,176	1,756,470
NVR, Inc. *	43	213,213	MGM Resorts International	7,129	315,743
Oxford Industries, Inc.	322	28,462	Norwegian Cruise Line Holdings Ltd. *	7,719	150,443
Polaris, Inc.	971	117,986	Papa John's International, Inc.	203	21,684
PulteGroup, Inc.	5,619	279,040	Penn National Gaming, Inc. *	975	50,066
PVH Corp.	2,133	208,799	Perdoceo Education Corp. *	1,502	15,726
Ralph Lauren Corp.	1,123	148,281	Planet Fitness, Inc., Class A *	361	30,551
Skechers U.S.A., Inc., Class A *	1,982	91,132	Red Robin Gourmet Burgers, Inc. *	919	16,128
Skyline Champion Corp. *	224	15,062	Red Rock Resorts, Inc., Class A	623	31,324
Smith & Wesson Brands, Inc.	842	14,844	Regis Corp. *	4,111	7,441
Steven Madden Ltd.	1,420	60,577	Royal Caribbean Cruises Ltd. *	3,943	318,279
Sturm Ruger & Co., Inc.	329	23,823	Ruth's Hospitality Group, Inc.	572	14,191
Tapestry, Inc.	4,485	183,437	Scientific Games Corp., Class A *	575	36,179
Taylor Morrison Home Corp. *	2,590	76,405	SeaWorld Entertainment, Inc. *	431	29,907

## Schwab Fundamental U.S. Broad Market Index ETF

# Portfolio Holdings as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Service Corp. International	1,497	91,092	Ladder Capital Corp.	2,585	29,624
Six Flags Entertainment Corp. *	2,044	89,241	Lazard Ltd., Class A	2,051	70,924
Starbucks Corp.	11,210	1,028,966	LPL Financial Holdings, Inc.	808	146,208
Strategic Education, Inc.	309	18,237	MarketAxess Holdings, Inc.	74	28,226
Stride, Inc. *	966	32,438	MFA Financial, Inc.	9,067	36,812
Terminix Global Holdings, Inc. *	989	42,092	Moelis & Co., Class A	499	24,057
Texas Roadhouse, Inc.	689	65,393	Moody's Corp.	644	207,387
The Cheesecake Factory, Inc. *	1,042	44,587	Morgan Stanley	14,111	1,280,432
The Wendy's Co.	3,515	79,931	Morningstar, Inc.	88	24,697
Travel & Leisure Co.	1,787	100,161	MSCI, Inc.	188	94,318
Vail Resorts, Inc.	270	70,349	Nasdaq, Inc.	592	101,321
WW International, Inc. *	670	6,827	Navient Corp.	11,942	210,299
Wyndham Hotels & Resorts, Inc.	738	63,771	Nelnet, Inc., Class A	289	23,279
Wynn Resorts Ltd. *	1,325	114,639	New Residential Investment Corp.	13,405	139,144
Yum China Holdings, Inc.	3,511	182,642	New York Mortgage Trust, Inc.	6,097	21,400
Yum! Brands, Inc.	3,214	393,972	Northern Trust Corp.	2,216	252,402
		<b>9,693,878</b>	OneMain Holdings, Inc.	1,493	76,113
			PennyMac Mortgage Investment Trust	1,650	25,740
			Piper Sandler Cos.	152	22,497
			PRA Group, Inc. *	672	29,991
			PROG Holdings, Inc. *	1,584	48,534
			Raymond James Financial, Inc.	1,637	179,497
			Redwood Trust, Inc.	2,144	22,276
			S&P Global, Inc.	1,547	581,400
			SEI Investments Co.	1,501	87,929
			SLM Corp.	3,898	76,791
			Starwood Property Trust, Inc.	3,666	87,397
			State Street Corp.	4,945	421,957
			Stifel Financial Corp.	701	51,523
			Synchrony Financial	20,029	856,841
			T. Rowe Price Group, Inc.	2,417	349,401
			The Bank of New York Mellon Corp.	16,297	866,185
			The Carlyle Group, Inc.	587	27,513
			The Charles Schwab Corp. (a)	4,174	352,536
			The Goldman Sachs Group, Inc.	4,600	1,569,934
			TPG RE Finance Trust, Inc.	1,120	13,261
			Tradeweb Markets, Inc., Class A	184	15,544
			Two Harbors Investment Corp.	7,918	40,065
			Virtu Financial, Inc., Class A	400	14,032
			Virtus Investment Partners, Inc.	58	13,956
			Voya Financial, Inc.	1,620	109,107
			WisdomTree Investments, Inc.	2,469	13,900
			World Acceptance Corp. *	130	25,541
					<b>24,857,218</b>
<b>Diversified Financials 5.8%</b>			<b>Energy 9.5%</b>		
Affiliated Managers Group, Inc.	744	102,940			
AGNC Investment Corp.	5,992	77,357			
Ally Financial, Inc.	9,628	480,437			
American Express Co.	8,791	1,710,201			
Ameriprise Financial, Inc.	1,865	559,108			
Annaly Capital Management, Inc.	14,486	100,823			
Apollo Commercial Real Estate Finance, Inc.	2,020	26,361			
Apollo Global Management, Inc.	2,287	149,250			
Arbor Realty Trust, Inc.	817	14,706			
Ares Management Corp., Class A	201	16,299			
Artisan Partners Asset Management, Inc., Class A	626	23,857			
Berkshire Hathaway, Inc., Class B *	22,602	7,265,413			
BGC Partners, Inc., Class A	5,651	25,882			
BlackRock, Inc.	966	718,598			
Blackstone Mortgage Trust, Inc., Class A	1,440	45,763			
Blucora, Inc. *	779	15,502			
BrightSphere Investment Group, Inc.	1,072	25,589			
BrightSpire Capital, Inc.	1,288	11,412			
Cannae Holdings, Inc. *	1,035	27,790			
Capital One Financial Corp.	9,730	1,491,317			
Cboe Global Markets, Inc.	703	82,455			
Chimera Investment Corp.	4,574	55,666			
CME Group, Inc.	1,640	387,909			
Cohen & Steers, Inc.	204	16,577			
Compass Diversified Holdings	1,176	27,942			
Credit Acceptance Corp. *	84	46,210			
Discover Financial Services	7,072	872,968			

Donnelley Financial Solutions, Inc. *	570	18,297	Alto Ingredients, Inc. *	2,771	16,155
Encore Capital Group, Inc. *	462	30,487	Antero Resources Corp. *	8,048	184,541
Enova International, Inc. *	613	24,992	APA Corp.	6,179	220,158
Equitable Holdings, Inc.	4,412	144,096	Arch Resources, Inc. (b)	992	118,415
Evercore, Inc., Class A	614	77,984	Archrock, Inc.	3,527	29,450
FactSet Research Systems, Inc.	156	63,350	Baker Hughes Co.	22,138	650,414
Federated Hermes, Inc.	1,919	62,694	Callon Petroleum Co. *	585	32,971
FirstCash Holdings, Inc.	668	48,123	Centennial Resource Development, Inc., Class A *	5,140	45,129
Franklin Resources, Inc.	9,805	291,503	ChampionX Corp. *	1,289	27,597
Green Dot Corp., Class A *	574	16,445	Cheniere Energy, Inc.	1,235	164,132
Houlihan Lokey, Inc.	343	35,281	Chevron Corp.	50,402	7,257,888
Interactive Brokers Group, Inc., Class A	185	12,243	CNX Resources Corp. *	4,844	79,151
Intercontinental Exchange, Inc.	2,790	357,455	ConocoPhillips	26,482	2,512,083
Invesco Ltd.	8,469	179,881	CONSOL Energy, Inc. *	2,060	63,324
Invesco Mortgage Capital, Inc.	11,379	24,806	Continental Resources, Inc.	1,105	61,250
Jackson Financial, Inc., Class A	727	29,727	Core Laboratories N.V.	941	25,934
Janus Henderson Group plc	2,137	71,739	Coterra Energy, Inc.	8,350	194,806
Jefferies Financial Group, Inc.	3,206	113,941	CVR Energy, Inc.	2,126	36,971
KKR & Co., Inc.	3,424	205,851	Delek US Holdings, Inc. *	5,369	92,508
			Devon Energy Corp.	4,908	292,271

## Schwab Fundamental U.S. Broad Market Index ETF

# Portfolio Holdings

 as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
DHT Holdings, Inc.	2,757	17,342	SpartanNash Co.	4,312	121,340
Diamondback Energy, Inc.	1,771	244,575	Sprouts Farmers Market, Inc. *	3,352	95,465
Dril-Quip, Inc. *	973	28,061	Sysco Corp.	7,843	683,125
DTE Midstream LLC *	1,347	71,526	The Andersons, Inc.	1,446	65,938
EOG Resources, Inc.	7,435	854,430	The Chefs' Warehouse, Inc. *	496	16,294
EQT Corp.	2,953	68,332	The Kroger Co.	32,879	1,538,737
Equitrans Midstream Corp.	7,559	48,453	United Natural Foods, Inc. *	3,670	147,644
Exxon Mobil Corp.	138,195	10,837,252	US Foods Holding Corp. *	8,511	332,695
Golar LNG Ltd. *	1,105	19,227	Walgreens Boots Alliance, Inc.	41,337	1,905,222
Green Plains, Inc. *	1,483	48,553	Walmart, Inc.	30,385	4,106,837
Halliburton Co.	17,138	574,637	Weis Markets, Inc.	485	29,910
Helix Energy Solutions Group, Inc. *	4,063	16,455			
Helmerich & Payne, Inc.	5,197	188,287			<b>12,143,296</b>
Hess Corp.	1,844	186,355			
HollyFrontier Corp. *	10,890	331,601	<b>Food, Beverage &amp; Tobacco 4.1%</b>		
International Seaways, Inc.	1,603	29,319	Altria Group, Inc.	34,363	1,762,478
Kinder Morgan, Inc.	45,919	798,991	Archer-Daniels-Midland Co.	19,829	1,555,585
Kosmos Energy Ltd. *	10,779	52,386	B&G Foods, Inc.	1,613	47,745
Liberty Oilfield Services, Inc., Class A *	1,137	14,190	Brown-Forman Corp., Class B	912	59,490
Magnolia Oil & Gas Corp., Class A	1,423	31,804	Bunge Ltd.	5,713	597,294
Marathon Oil Corp.	22,148	499,659	Calavo Growers, Inc.	474	20,235
Marathon Petroleum Corp.	28,700	2,234,869	Cal-Maine Foods, Inc.	1,008	44,624
Matador Resources Co.	746	37,002	Campbell Soup Co.	2,922	131,402
Murphy Oil Corp.	5,083	176,228	Coca-Cola Consolidated, Inc.	45	22,362
Nabors Industries Ltd. *	920	115,497	Coca-Cola Europacific Partners plc	4,060	207,913
NexTier Oilfield Solutions, Inc. *	5,818	46,311	Conagra Brands, Inc.	6,691	233,984
Nordic American Tankers Ltd.	7,021	16,991	Constellation Brands, Inc., Class A	1,319	284,403
NOV, Inc.	23,031	394,982	Darling Ingredients, Inc. *	1,195	86,614
Occidental Petroleum Corp.	24,881	1,088,046	Flowers Foods, Inc.	3,591	98,429
Oceaneering International, Inc. *	4,614	67,549	Fresh Del Monte Produce, Inc.	1,986	51,398
Oil States International, Inc. *	4,463	23,341	General Mills, Inc.	8,714	587,585
ONEOK, Inc.	6,803	444,236	Hormel Foods Corp.	3,894	185,510
Ovintiv, Inc.	3,859	176,935	Hostess Brands, Inc. *	1,179	25,396
Par Pacific Holdings, Inc. *	1,677	22,807	Ingredion, Inc.	1,944	172,511
Patterson-UTI Energy, Inc.	10,481	151,241	J&J Snack Foods Corp.	202	33,071
PBF Energy, Inc., Class A *	17,861	296,850	John B Sanfilippo & Son, Inc.	215	17,097
PDC Energy, Inc.	1,112	71,746	Kellogg Co.	3,859	246,744
Peabody Energy Corp. *	12,442	215,744	Keurig Dr Pepper, Inc.	4,042	156,304
Phillips 66	24,515	2,065,144	Lamb Weston Holdings, Inc.	943	62,644
Pioneer Natural Resources Co.	1,666	399,174	Lancaster Colony Corp.	210	35,324
ProPetro Holding Corp. *	3,108	39,689	McCormick & Co., Inc. Non-Voting Shares	1,544	146,942
Range Resources Corp. *	1,989	45,648	Molson Coors Beverage Co., Class B	5,340	278,641
Renewable Energy Group, Inc. *	867	53,321	Mondelez International, Inc., Class A	19,031	1,246,150
Schlumberger N.V.	34,469	1,352,564	Monster Beverage Corp. *	2,027	171,079
Scorpio Tankers, Inc.	1,539	26,763	Nomad Foods Ltd. *	1,194	30,065
SFL Corp., Ltd.	3,382	33,651	PepsiCo, Inc.	14,444	2,365,061
SM Energy Co.	3,343	118,710	Philip Morris International, Inc.	19,084	1,928,820

Southwestern Energy Co. *	8,669	43,258	Pilgrim's Pride Corp. *	1,739	41,006
Targa Resources Corp.	5,438	355,482	Post Holdings, Inc. *	845	88,843
TechnipFMC plc *	18,831	128,992	Sanderson Farms, Inc.	566	101,082
Teekay Tankers Ltd., Class A *	1,381	19,734	The Boston Beer Co., Inc., Class A *	50	19,173
The Williams Cos., Inc.	18,451	577,147	The Coca-Cola Co.	34,133	2,124,438
Transocean Ltd. *	28,847	102,118	The Hain Celestial Group, Inc. *	1,065	38,723
US Silica Holdings, Inc. *	1,531	22,138	The Hershey Co.	1,000	202,260
Valero Energy Corp.	27,351	2,284,082	The J.M. Smucker Co.	2,241	301,975
World Fuel Services Corp.	10,872	308,112	The Kraft Heinz Co.	13,102	513,860
		<b>40,622,685</b>	TreeHouse Foods, Inc. *	1,606	63,036
			Tyson Foods, Inc., Class A	9,477	878,139
			Universal Corp.	1,247	67,475
			Vector Group Ltd.	2,788	31,253
					<b>17,364,163</b>
<b>Food &amp; Staples Retailing 2.9%</b>					
BJ's Wholesale Club Holdings, Inc. *	624	39,231			
Casey's General Stores, Inc.	731	137,486			
Costco Wholesale Corp.	4,663	2,421,263			
Grocery Outlet Holding Corp. *	671	18,660			
Ingles Markets, Inc., Class A	648	53,278			
Performance Food Group Co. *	5,928	332,205			
PriceSmart, Inc.	590	42,905			
Rite Aid Corp. *	6,011	55,061			
			<b>Health Care Equipment &amp; Services 6.1%</b>		
			Abbott Laboratories	8,540	1,030,095
			ABIOMED, Inc. *	89	27,656
			Acadia Healthcare Co., Inc. *	948	53,761
			Addus HomeCare Corp. *	112	9,524

## Schwab Fundamental U.S. Broad Market Index ETF

# Portfolio Holdings as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Align Technology, Inc. *	124	63,421	US Physical Therapy, Inc.	96	8,829
Allscripts Healthcare Solutions, Inc. *	2,022	39,348	Varex Imaging Corp. *	608	14,373
Amedisys, Inc. *	157	25,158	Veeva Systems, Inc., Class A *	87	19,927
AmerisourceBergen Corp.	3,557	506,979	Zimmer Biomet Holdings, Inc.	1,685	214,315
AMN Healthcare Services, Inc. *	427	45,322			<b>25,990,610</b>
Anthem, Inc.	4,960	2,241,176			
Avanos Medical, Inc. *	459	16,244			
Baxter International, Inc.	5,271	447,877	<b>Household &amp; Personal Products 1.3%</b>		
Becton Dickinson & Co.	1,727	468,501	Central Garden & Pet Co., Class A *	524	23,077
Boston Scientific Corp. *	5,934	262,105	Church & Dwight Co., Inc.	1,984	194,134
Brookdale Senior Living, Inc. *	6,515	44,823	Colgate-Palmolive Co.	7,614	585,897
Cardinal Health, Inc.	16,151	872,315	Coty, Inc., Class A *	6,325	58,000
Centene Corp. *	8,781	725,486	Edgewell Personal Care Co.	1,360	48,525
Cerner Corp.	3,719	346,797	Energizer Holdings, Inc.	671	22,405
Change Healthcare, Inc. *	1,902	40,741	Herbalife Nutrition Ltd. *	897	31,915
Chemed Corp.	122	58,351	Inter Parfums, Inc.	138	12,817
Cigna Corp.	4,318	1,026,734	Kimberly-Clark Corp.	3,306	430,276
Community Health Systems, Inc. *	3,112	32,707	Medifast, Inc.	57	10,602
CONMED Corp.	155	22,655	Nu Skin Enterprises, Inc., Class A	1,533	71,116
Covetrus, Inc. *	2,075	36,769	Spectrum Brands Holdings, Inc.	778	72,183
CVS Health Corp.	34,579	3,584,113	The Clorox Co.	1,152	167,950
DaVita, Inc. *	2,283	257,454	The Estee Lauder Cos., Inc., Class A	906	268,475
Dentsply Sirona, Inc.	2,399	129,882	The Procter & Gamble Co.	22,776	3,550,551
Edwards Lifesciences Corp. *	1,309	147,092	USANA Health Sciences, Inc. *	252	22,178
Encompass Health Corp.	1,300	85,826	WD-40 Co.	77	16,316
Envista Holdings Corp. *	2,214	106,272			<b>5,586,417</b>
Globus Medical, Inc., Class A *	342	24,049			
Haemonetics Corp. *	496	28,624	<b>Insurance 3.6%</b>		
HCA Healthcare, Inc.	3,438	860,566	Aflac, Inc.	13,039	796,553
Henry Schein, Inc. *	2,591	223,811	Alleghany Corp. *	210	139,003
Hologic, Inc. *	1,558	110,883	Ambac Financial Group, Inc. *	1,429	18,334
Humana, Inc.	2,659	1,154,857	American Equity Investment Life Holding Co.	2,151	81,071
ICU Medical, Inc. *	136	32,195	American Financial Group, Inc.	907	122,799
IDEXX Laboratories, Inc. *	67	35,667	American International Group, Inc.	33,446	2,048,233
Integer Holdings Corp. *	338	28,348	American National Group, Inc.	114	21,549
Integra LifeSciences Holdings Corp. *	359	24,075	AMERISAFE, Inc.	334	15,731
Intuitive Surgical, Inc. *	645	187,263	Aon plc, Class A	1,857	542,504
Laboratory Corp. of America Holdings *	979	265,563	Arch Capital Group Ltd. *	3,283	154,662
LHC Group, Inc. *	189	25,736	Argo Group International Holdings Ltd.	479	20,199
LivaNova plc *	219	17,262	Arthur J. Gallagher & Co.	1,100	174,009
Masimo Corp. *	139	21,886	Assurant, Inc.	612	103,863
McKesson Corp.	5,047	1,387,723	Assured Guaranty Ltd.	2,845	176,305
MEDNAX, Inc. *	2,506	58,816	Axis Capital Holdings Ltd.	1,538	84,006
Medtronic plc	14,058	1,475,949	Brighthouse Financial, Inc. *	292	15,260
Merit Medical Systems, Inc. *	280	18,208	Brown & Brown, Inc.	1,413	95,533
ModivCare, Inc. *	153	18,054	Chubb Ltd.	4,851	987,858
Molina Healthcare, Inc. *	685	210,206	Cincinnati Financial Corp.	1,674	205,551



National HealthCare Corp.	345	22,432	CNA Financial Corp.	626	28,608
Natus Medical, Inc. *	434	12,074	CNO Financial Group, Inc.	3,936	95,133
Neogen Corp. *	371	13,245	Employers Holdings, Inc.	586	22,772
NextGen Healthcare, Inc. *	743	14,511	Enstar Group Ltd. *	82	23,372
NuVasive, Inc. *	537	29,062	Everest Re Group Ltd.	641	191,159
Omniceil, Inc. *	139	17,970	Fidelity National Financial, Inc.	4,647	221,383
Orthofix Medical, Inc. *	316	10,738	First American Financial Corp.	1,989	133,343
Owens & Minor, Inc.	1,616	71,346	Genworth Financial, Inc., Class A *	30,105	122,226
Patterson Cos., Inc.	2,679	80,102	Globe Life, Inc.	1,596	161,132
Premier, Inc., Class A	1,595	57,324	Horace Mann Educators Corp.	520	21,627
Quest Diagnostics, Inc.	2,107	276,586	James River Group Holdings Ltd.	667	17,742
ResMed, Inc.	457	112,765	Kemper Corp.	873	46,653
Select Medical Holdings Corp.	1,438	33,290	Lincoln National Corp.	4,289	289,164
STERIS plc	639	153,360	Loews Corp.	5,013	307,497
Stryker Corp.	1,806	475,610	Markel Corp. *	123	152,878
Teleflex, Inc.	205	68,944	Marsh & McLennan Cos., Inc.	3,705	575,794
Tenet Healthcare Corp. *	2,287	196,659	MBIA, Inc. *	2,543	38,781
The Cooper Cos., Inc.	201	82,213	Mercury General Corp.	543	29,865
The Ensign Group, Inc.	315	26,473	MetLife, Inc.	15,602	1,053,915
UnitedHealth Group, Inc.	9,930	4,725,389			
Universal Health Services, Inc., Class B	2,002	288,148			

Schwab Fundamental U.S. Broad Market Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Old Republic International Corp.	5,933	156,335	Hecla Mining Co.	3,407	19,624
Primerica, Inc.	537	69,751	Huntsman Corp.	5,246	212,148
Principal Financial Group, Inc.	4,572	322,966	Ingevity Corp. *	340	23,198
ProAssurance Corp.	2,144	51,670	Innospec, Inc.	398	38,009
Prudential Financial, Inc.	10,184	1,137,145	International Flavors & Fragrances, Inc.	948	126,084
Reinsurance Group of America, Inc.	1,511	167,509	International Paper Co.	9,497	413,404
RenaissanceRe Holdings Ltd.	435	65,589	Kaiser Aluminum Corp.	343	33,100
RLI Corp.	257	26,086	Koppers Holdings, Inc. *	408	11,681
Safety Insurance Group, Inc.	264	22,028	Kraton Corp. *	821	37,889
Selective Insurance Group, Inc.	600	49,914	Linde plc *	3,969	1,163,870
SiriusPoint Ltd. *	1,340	9,903	Livent Corp. *	707	16,650
Stewart Information Services Corp.	610	41,407	Louisiana-Pacific Corp.	1,238	89,074
The Allstate Corp.	6,978	853,828	LyondellBasell Industries N.V., Class A	7,411	720,572
The Hanover Insurance Group, Inc.	700	97,657	Martin Marietta Materials, Inc.	482	182,871
The Hartford Financial Services Group, Inc.	7,057	490,320	Materion Corp.	394	32,919
The Progressive Corp.	5,747	608,780	Minerals Technologies, Inc.	625	43,744
The Travelers Cos., Inc.	7,724	1,327,215	Myers Industries, Inc.	660	10,969
United Fire Group, Inc.	579	15,986	Neenah, Inc.	516	20,098
Universal Insurance Holdings, Inc.	1,560	18,034	NewMarket Corp.	131	41,627
Unum Group	8,729	243,714	Newmont Corp.	5,789	383,232
W.R. Berkley Corp.	1,717	155,045	Nucor Corp.	6,564	863,954
White Mountains Insurance Group Ltd.	49	51,460	O-I Glass, Inc. *	7,802	99,710
Willis Towers Watson plc	880	195,624	Olin Corp.	2,586	133,205
		<b>15,514,033</b>	Orion Engineered Carbons S.A.	1,572	24,429
			Packaging Corp. of America	1,501	220,932
			PPG Industries, Inc.	3,086	411,827
			Quaker Chemical Corp.	58	10,765
			Reliance Steel & Aluminum Co.	1,888	360,363
			Royal Gold, Inc.	278	33,710
			RPM International, Inc.	1,281	108,334
			Schnitzer Steel Industries, Inc., Class A	830	40,380
			Schweitzer-Mauduit International, Inc.	769	24,008
			Sealed Air Corp.	2,744	184,205
			Sensient Technologies Corp.	491	40,326
			Silgan Holdings, Inc.	1,421	59,511
			Sonoco Products Co.	1,925	113,036
			Southern Copper Corp.	662	45,936
			Steel Dynamics, Inc.	4,570	322,551
			Stepan Co.	373	38,650
			Summit Materials, Inc., Class A *	1,412	44,083
			SunCoke Energy, Inc.	3,967	31,458
			Sylvamo Corp. *	898	31,340
			The Chemours Co.	3,588	99,029
			The Mosaic Co.	7,259	380,589
			The Scotts Miracle-Gro Co.	304	42,578
			The Sherwin-Williams Co.	1,099	289,180
			Tredegar Corp.	1,186	13,651

**Materials 3.6%**

AdvanSix, Inc.	687	27,521
Air Products and Chemicals, Inc.	1,532	362,012
Albemarle Corp.	715	140,061
Alcoa Corp.	5,868	442,095
Allegheny Technologies, Inc. *	2,739	70,502
AptarGroup, Inc.	580	70,690
Arconic Corp. *	4,563	140,084
Ashland Global Holdings, Inc.	834	76,962
Avery Dennison Corp.	708	124,750
Avient Corp.	1,285	67,321
Axalta Coating Systems Ltd. *	2,529	68,384
Balchem Corp.	172	23,794
Ball Corp.	1,828	164,045
Berry Global Group, Inc. *	1,749	106,077
Cabot Corp.	1,070	78,281
Carpenter Technology Corp.	1,583	60,771
Celanese Corp.	1,669	232,458
Century Aluminum Co. *	1,074	25,368
CF Industries Holdings, Inc.	3,689	299,510
Clearwater Paper Corp. *	770	22,199



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**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Cable One, Inc.	21	30,090	Biogen, Inc. *	2,238	472,240
Cars.com, Inc. *	1,683	27,231	BioMarin Pharmaceutical, Inc. *	314	24,530
Charter Communications, Inc., Class A *	1,528	919,520	Bio-Rad Laboratories, Inc., Class A *	66	41,313
Cinemark Holdings, Inc. *	4,262	74,755	Bio-Techne Corp.	77	32,295
Comcast Corp., Class A	60,337	2,821,358	Bristol-Myers Squibb Co.	19,040	1,307,477
Discovery, Inc., Class A *	2,683	75,258	Bruker Corp.	513	36,100
Discovery, Inc., Class C *	4,846	135,543	Catalent, Inc. *	406	41,428
DISH Network Corp., Class A *	4,097	130,940	Charles River Laboratories International, Inc. *	147	42,801
Electronic Arts, Inc.	2,291	298,036	Danaher Corp.	1,852	508,207
Fox Corp., Class A	5,508	230,400	Elanco Animal Health, Inc. *	2,076	58,979
Fox Corp., Class B	2,635	100,815	Eli Lilly & Co.	2,916	728,854
Gannett Co., Inc. *	5,507	27,315	Emergent BioSolutions, Inc. *	316	13,076
Gray Television, Inc.	1,618	37,910	Exelixis, Inc. *	1,259	25,847
iHeartMedia, Inc., Class A *	2,280	48,906	Gilead Sciences, Inc.	33,589	2,028,776
IMAX Corp. *	679	14,042	Horizon Therapeutics plc *	236	21,516
John Wiley & Sons, Inc., Class A	733	36,877	ICON plc *	540	128,525
Liberty Media Corp. - Liberty Formula One, Class C *	858	52,106	Illumina, Inc. *	323	105,492
Liberty Media Corp. - Liberty SiriusXM, Class A *	2,314	116,533	Incyte Corp. *	485	33,126
Liberty Media Corp. - Liberty SiriusXM, Class C *	4,910	247,071	IQVIA Holdings, Inc. *	1,448	333,214
Liberty TripAdvisor Holdings, Inc., Class A *	3,660	7,759	Jazz Pharmaceuticals plc *	727	99,904
Lions Gate Entertainment Corp., Class A *	989	15,191	Johnson & Johnson	26,539	4,367,523
Lions Gate Entertainment Corp., Class B *	1,846	26,305	Ligand Pharmaceuticals, Inc. *	81	8,199
Live Nation Entertainment, Inc. *	551	66,572	Medpace Holdings, Inc. *	78	11,932
Loyalty Ventures, Inc. *	1,096	26,304	Merck & Co., Inc.	32,081	2,456,763
Madison Square Garden Entertainment Corp. *	421	32,990	Mettler-Toledo International, Inc. *	96	135,239
Madison Square Garden Sports Corp. *	108	18,684	Myriad Genetics, Inc. *	1,088	26,525
Match Group, Inc. *	546	60,873	Organon & Co.	3,565	133,081
Meta Platforms, Inc., Class A *	8,054	1,699,636	PerkinElmer, Inc.	476	85,494
National CineMedia, Inc.	4,754	14,119	Perrigo Co., plc	3,251	115,476
Netflix, Inc. *	294	115,989	Pfizer, Inc.	89,389	4,195,920
News Corp., Class A	5,847	130,505	Prestige Consumer Healthcare, Inc. *	564	33,575
News Corp., Class B	1,860	41,720	Regeneron Pharmaceuticals, Inc. *	463	286,301
Nexstar Media Group, Inc., Class A	476	88,084	Royalty Pharma plc, Class A	266	10,443
Omnicom Group, Inc.	3,932	329,855	Syneos Health, Inc. *	539	42,689
Paramount Global, Class B	9,889	302,702	Thermo Fisher Scientific, Inc.	1,543	839,392
Scholastic Corp.	969	40,775	United Therapeutics Corp. *	576	95,731
Sinclair Broadcast Group, Inc., Class A	1,780	53,400	Vertex Pharmaceuticals, Inc. *	404	92,928
Sirius XM Holdings, Inc.	10,816	66,627	Viatis, Inc.	22,220	244,642
Spotify Technology S.A. *	166	25,928	Waters Corp. *	483	152,981
Take-Two Interactive Software, Inc. *	426	69,012	West Pharmaceutical Services, Inc.	171	66,191
TEGNA, Inc.	3,845	88,127	Zoetis, Inc.	1,356	262,589
The E.W. Scripps Co., Class A *	750	16,695			<b>24,406,287</b>
The Interpublic Group of Cos., Inc.	5,168	190,182	<b>Real Estate 2.7%</b>		
The Marcus Corp. *	893	16,235	Acadia Realty Trust	1,042	22,340
			Alexander & Baldwin, Inc.	1,845	41,383

The New York Times Co., Class A	929	40,867	Alexandria Real Estate Equities, Inc.	499	94,511
The Walt Disney Co. *	13,832	2,053,499	American Assets Trust, Inc.	553	20,218
TripAdvisor, Inc. *	1,298	33,021	American Campus Communities, Inc.	1,535	82,598
Twitter, Inc. *	1,412	50,197	American Homes 4 Rent, Class A	1,303	49,527
World Wrestling Entertainment, Inc., Class A	258	15,289	American Tower Corp.	1,662	377,058
Yandex N.V., Class A *(c)(d)	836	8,191	Americold Realty Trust	897	23,968
Yelp, Inc. *	1,045	35,415	Apartment Income REIT Corp.	1,601	82,628
Ziff Davis, Inc. *	405	40,743	Apple Hospitality REIT, Inc.	5,611	99,259
Zynga, Inc., Class A *	3,070	27,876	AvalonBay Communities, Inc.	966	230,478
		<b>17,461,846</b>	Boston Properties, Inc.	1,728	211,352
			Brandywine Realty Trust	3,331	44,402
			Brixmor Property Group, Inc.	4,633	116,381
			Camden Property Trust	633	104,515
			CareTrust REIT, Inc.	531	9,292
			CBRE Group, Inc., Class A	3,378	327,159
			Centerspace	188	17,670
			Chatham Lodging Trust *	1,600	22,000
			Corporate Office Properties Trust	1,540	40,363
			Cousins Properties, Inc.	947	36,583
			Crown Castle International Corp.	2,088	347,840

#### Pharmaceuticals, Biotechnology & Life Sciences 5.7%

AbbVie, Inc.	17,035	2,517,262
Agilent Technologies, Inc.	1,471	191,760
Alkermes plc *	674	16,756
Amgen, Inc.	8,411	1,904,923
Avantor, Inc. *	815	28,272

## Schwab Fundamental U.S. Broad Market Index ETF

# Portfolio Holdings

 as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
CubeSmart	1,101	53,079	Realty Income Corp.	3,486	230,390
Cushman & Wakefield plc *	1,383	30,315	Regency Centers Corp.	1,322	87,107
CyrusOne, Inc.	675	60,986	Retail Opportunity Investments Corp.	1,275	23,154
DiamondRock Hospitality Co. *	5,172	49,393	Rexford Industrial Realty, Inc.	251	17,603
Digital Realty Trust, Inc.	1,320	178,094	RLJ Lodging Trust	5,903	82,583
DigitalBridge Group, Inc. *	15,523	112,542	RPT Realty	1,689	21,872
Diversified Healthcare Trust	24,942	71,833	Ryman Hospitality Properties, Inc. *	624	54,981
Douglas Elliman, Inc. *	1,394	10,511	Sabra Health Care REIT, Inc.	2,469	33,159
Douglas Emmett, Inc.	1,632	51,734	SBA Communications Corp.	223	67,656
Duke Realty Corp.	1,715	90,895	Seritage Growth Properties, Class A *	701	7,143
Easterly Government Properties, Inc.	573	11,930	Service Properties Trust	10,810	93,290
EastGroup Properties, Inc.	154	29,377	Simon Property Group, Inc.	3,381	465,090
Empire State Realty Trust, Inc., Class A	3,192	30,196	SITE Centers Corp.	3,140	48,827
EPR Properties	1,032	51,394	SL Green Realty Corp.	1,542	122,620
Equinix, Inc.	373	264,729	Spirit Realty Capital, Inc.	993	46,045
Equity Commonwealth *	1,176	31,246	STAG Industrial, Inc.	711	27,701
Equity LifeStyle Properties, Inc.	832	62,084	STORE Capital Corp.	1,155	35,482
Equity Residential	3,034	258,800	Summit Hotel Properties, Inc. *	2,689	26,594
Essex Property Trust, Inc.	408	129,405	Sun Communities, Inc.	416	75,296
Extra Space Storage, Inc.	587	110,444	Sunstone Hotel Investors, Inc. *	5,979	63,258
Federal Realty Investment Trust	659	77,485	Tanger Factory Outlet Centers, Inc.	2,182	36,396
First Industrial Realty Trust, Inc.	628	36,160	Terreno Realty Corp.	188	12,932
Gaming & Leisure Properties, Inc.	1,590	72,202	The Howard Hughes Corp. *	241	23,035
Global Net Lease, Inc.	1,290	18,331	The Macerich Co.	5,618	85,955
Healthcare Realty Trust, Inc.	1,310	34,165	The Necessity Retail REIT, Inc.	1,825	12,848
Healthcare Trust of America, Inc., Class A	1,808	53,137	UDR, Inc.	1,822	99,973
Healthpeak Properties, Inc.	5,249	163,034	Uniti Group, Inc.	4,809	62,373
Hersha Hospitality Trust *	2,053	18,949	Urban Edge Properties	1,628	29,662
Highwoods Properties, Inc.	1,332	58,075	Ventas, Inc.	6,477	349,758
Host Hotels & Resorts, Inc. *	19,452	355,388	Veris Residential, Inc. *	1,623	27,429
Hudson Pacific Properties, Inc.	1,869	49,342	VICI Properties, Inc.	2,135	59,695
Independence Realty Trust, Inc.	772	19,508	Vornado Realty Trust	3,259	141,049
Industrial Logistics Properties Trust	638	14,272	Washington Real Estate Investment Trust	1,197	27,962
Invitation Homes, Inc.	2,482	93,820	Welltower, Inc.	4,888	407,121
Iron Mountain, Inc.	4,342	213,540	Weyerhaeuser Co.	10,894	423,559
iStar, Inc.	1,259	31,626	WP Carey, Inc.	1,169	90,481
JBG SMITH Properties	1,092	29,135	Xenia Hotels & Resorts, Inc. *	2,965	54,971
Jones Lang LaSalle, Inc. *	908	223,568	Zillow Group, Inc., Class A *	47	2,692
Kennedy-Wilson Holdings, Inc.	1,617	35,800	Zillow Group, Inc., Class C *	114	6,557
Kilroy Realty Corp.	939	67,251			<b>11,429,203</b>
Kimco Realty Corp.	6,683	157,251			
Kite Realty Group Trust	4,026	88,290			
Lamar Advertising Co., Class A	862	94,010	<b>Retailing 4.2%</b>		
Life Storage, Inc.	426	53,927	Abercrombie & Fitch Co., Class A *	1,830	69,686
LTC Properties, Inc.	386	13,058	Advance Auto Parts, Inc.	935	191,189
LXP Industrial Trust	2,731	42,221	Amazon.com, Inc. *	766	2,352,585
Marcus & Millichap, Inc. *	326	16,212	American Eagle Outfitters, Inc.	3,524	74,286

Medical Properties Trust, Inc.	2,850	57,969	America's Car-Mart, Inc. *	85	8,175
Mid-America Apartment Communities, Inc.	711	145,478	Asbury Automotive Group, Inc. *	456	88,514
National Health Investors, Inc.	399	21,271	AutoNation, Inc. *	1,585	181,736
National Retail Properties, Inc.	1,174	50,024	AutoZone, Inc. *	129	240,377
Newmark Group, Inc., Class A	1,237	21,870	Bath & Body Works, Inc.	3,045	162,512
Office Properties Income Trust	1,245	31,187	Bed Bath & Beyond, Inc. *	9,088	153,496
Omega Healthcare Investors, Inc.	2,284	64,340	Best Buy Co., Inc.	5,179	500,499
Orion Office REIT, Inc. *	349	5,943	Big 5 Sporting Goods Corp. (b)	572	9,472
Outfront Media, Inc.	2,836	75,721	Big Lots, Inc.	1,701	59,127
Paramount Group, Inc.	4,630	51,810	Boot Barn Holdings, Inc. *	155	13,488
Park Hotels & Resorts, Inc. *	7,337	138,229	Burlington Stores, Inc. *	331	74,770
Pebblebrook Hotel Trust	2,478	55,780	Caleres, Inc.	1,708	35,458
Physicians Realty Trust	1,583	25,740	CarMax, Inc. *	2,204	240,963
Piedmont Office Realty Trust, Inc., Class A	2,801	47,729	Chico's FAS, Inc. *	13,986	65,734
PotlatchDeltic Corp.	621	34,093	Citi Trends, Inc. *	183	6,828
Preferred Apartment Communities, Inc.	1,708	43,144	Conn's, Inc. *	933	17,111
Prologis, Inc.	2,042	297,826	Designer Brands, Inc., Class A *	3,852	50,269
PS Business Parks, Inc.	144	22,938	Dick's Sporting Goods, Inc.	1,284	134,820
Public Storage	719	255,259	Dillard's, Inc., Class A	376	94,267
Rayonier, Inc.	1,304	51,769	Dollar General Corp.	2,894	573,996
Realogy Holdings Corp. *	6,959	126,515	Dollar Tree, Inc. *	3,049	433,202

Schwab Fundamental U.S. Broad Market Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
SECURITY			SECURITY		
eBay, Inc.	9,753	532,416	CMC Materials, Inc.	160	29,669
Etsy, Inc. *	57	8,829	Diodes, Inc. *	328	29,386
Express, Inc. *	9,194	43,764	Entegris, Inc.	376	49,060
Five Below, Inc. *	160	26,178	First Solar, Inc. *	766	57,672
Floor & Decor Holdings, Inc., Class A *	231	22,088	FormFactor, Inc. *	369	14,941
Foot Locker, Inc.	3,463	109,500	Intel Corp.	83,269	3,971,931
GameStop Corp., Class A *(b)	868	107,059	KLA Corp.	795	277,058
Genesco, Inc. *	786	50,422	Kulicke & Soffa Industries, Inc.	551	28,784
Genuine Parts Co.	2,362	288,542	Lam Research Corp.	746	418,767
Group 1 Automotive, Inc.	647	117,709	Marvell Technology, Inc.	2,126	145,270
Groupon, Inc. *	1,224	26,585	Microchip Technology, Inc.	2,151	151,280
Guess?, Inc.	1,383	30,288	Micron Technology, Inc.	15,186	1,349,428
Haverty Furniture Cos., Inc.	604	17,160	MKS Instruments, Inc.	389	58,583
Hibbett, Inc.	340	15,327	Monolithic Power Systems, Inc.	58	26,605
Kohl's Corp.	9,156	509,257	NVIDIA Corp.	2,593	632,303
Lithia Motors, Inc.	336	114,516	NXP Semiconductor N.V.	2,075	394,499
LKQ Corp.	4,193	196,861	ON Semiconductor Corp. *	3,156	197,597
Lowe's Cos., Inc.	6,586	1,455,901	Photronics, Inc. *	1,495	27,538
Macy's, Inc.	24,248	628,508	Power Integrations, Inc.	251	22,590
MarineMax, Inc. *	400	18,304	Qorvo, Inc. *	1,114	152,373
MercadoLibre, Inc. *	12	13,520	QUALCOMM, Inc.	10,464	1,799,703
Monro, Inc.	458	21,379	Semtech Corp. *	317	21,993
Murphy USA, Inc.	1,042	188,331	Silicon Laboratories, Inc. *	162	24,901
National Vision Holdings, Inc. *	485	17,785	Skyworks Solutions, Inc.	1,665	230,053
Nordstrom, Inc. *	5,400	111,996	SolarEdge Technologies, Inc. *	65	20,762
Ollie's Bargain Outlet Holdings, Inc. *	344	14,854	Synaptics, Inc. *	295	67,387
O'Reilly Automotive, Inc. *	651	422,655	Teradyne, Inc.	832	98,109
Overstock.com, Inc. *	160	9,104	Texas Instruments, Inc.	6,897	1,172,421
Party City Holdco, Inc. *	3,693	15,991	Ultra Clean Holdings, Inc. *	323	14,797
Penske Automotive Group, Inc.	1,021	100,354	Universal Display Corp.	70	10,844
PetMed Express, Inc.	398	10,726	Wolfspeed, Inc. *	495	50,846
Pool Corp.	147	67,411			
Qurate Retail, Inc., Class A	23,186	127,755			<b>14,733,833</b>
Rent-A-Center, Inc.	432	12,273			
RH *	28	11,252			
Ross Stores, Inc.	3,187	291,260			
Sally Beauty Holdings, Inc. *	3,461	59,806			
Shoe Carnival, Inc.	526	15,338			
Signet Jewelers Ltd.	1,302	91,791			
Sleep Number Corp. *	342	22,469			
Sonic Automotive, Inc., Class A	1,105	59,350			
Stitch Fix, Inc., Class A *	311	3,903			
Target Corp.	7,136	1,425,559			
The Buckle, Inc.	586	21,096			
The Children's Place, Inc. *	352	22,162			
The Gap, Inc.	6,817	99,187			
The Home Depot, Inc.	8,608	2,718,665			
			<b>Software &amp; Services 5.5%</b>		
			Accenture plc, Class A	3,831	1,210,673
			ACI Worldwide, Inc. *	918	30,771
			Adobe, Inc. *	852	398,463
			Akamai Technologies, Inc. *	1,333	144,311
			Alliance Data Systems Corp.	2,728	184,004
			Amdocs Ltd.	2,432	191,398
			ANSYS, Inc. *	230	74,564
			Aspen Technology, Inc. *	302	46,028
			Autodesk, Inc. *	274	60,343
			Automatic Data Processing, Inc.	2,680	547,899
			Avaya Holdings Corp. *	1,238	17,047
			Black Knight, Inc. *	715	40,176



The ODP Corp. *	3,443	151,492	Blackbaud, Inc. *	230	14,373
The TJX Cos., Inc.	14,031	927,449	Block, Inc. *	92	11,730
Tractor Supply Co.	1,069	217,852	Broadridge Financial Solutions, Inc.	852	124,571
TravelCenters of America, Inc. *	1,001	42,272	Cadence Design Systems, Inc. *	722	109,332
Ulta Beauty, Inc. *	411	153,920	CDK Global, Inc.	2,394	108,544
Urban Outfitters, Inc. *	2,316	63,713	Cerence, Inc. *	236	8,522
Victoria's Secret & Co. *	1,034	55,453	Check Point Software Technologies Ltd. *	1,102	159,658
Williams-Sonoma, Inc.	745	107,921	Citrix Systems, Inc.	1,697	173,942
Zumiez, Inc. *	460	20,465	Cognizant Technology Solutions Corp., Class A	9,182	790,846
		<b>17,868,283</b>	Cognyte Software Ltd. *	513	5,725
			CommVault Systems, Inc. *	287	18,055
			Concentrix Corp.	305	60,966
			Conduent, Inc. *	8,768	42,700
			Consensus Cloud Solutions, Inc. *	127	7,069
			CSG Systems International, Inc.	558	34,440
			Dolby Laboratories, Inc., Class A	455	34,171
			Dropbox, Inc., Class A *	723	16,405
			DXC Technology Co. *	8,326	283,334
			Ebix, Inc.	575	16,968
			Envestnet, Inc. *	186	13,917

#### Semiconductors & Semiconductor Equipment 3.5%

Advanced Micro Devices, Inc. *	3,227	398,018
Ambarella, Inc. *	98	13,692
Amkor Technology, Inc.	1,915	43,413
Analog Devices, Inc.	2,930	469,650
Applied Materials, Inc.	6,134	823,183
Azenta, Inc.	218	19,079
Broadcom, Inc.	2,296	1,348,762
Cirrus Logic, Inc. *	816	70,886

## Schwab Fundamental U.S. Broad Market Index ETF

## Portfolio Holdings as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
EPAM Systems, Inc. *	96	19,944	Arrow Electronics, Inc. *	2,790	340,045
Euronet Worldwide, Inc. *	427	54,754	Avnet, Inc.	9,516	400,338
EVERTEC, Inc.	466	18,808	Badger Meter, Inc.	163	16,204
ExlService Holdings, Inc. *	235	28,386	Belden, Inc.	939	52,913
Fair Isaac Corp. *	101	47,590	Benchmark Electronics, Inc.	2,253	58,893
Fidelity National Information Services, Inc.	3,068	292,166	CDW Corp.	1,222	210,746
Fiserv, Inc. *	1,888	184,401	Ciena Corp. *	1,310	89,630
FleetCor Technologies, Inc. *	577	135,133	Cisco Systems, Inc.	69,360	3,868,207
Fortinet, Inc. *	164	56,501	Cognex Corp.	512	34,591
Gartner, Inc. *	273	76,555	Coherent, Inc. *	194	51,278
Genpact Ltd.	2,027	84,810	CommScope Holding Co., Inc. *	5,055	48,225
Global Payments, Inc.	1,013	135,114	Comtech Telecommunications Corp.	549	11,298
Globant S.A. *	53	14,522	Corning, Inc.	18,262	737,785
GoDaddy, Inc., Class A *	386	32,196	CTS Corp.	425	16,125
Guidewire Software, Inc. *	118	10,402	Dell Technologies, Inc., Class C *	1,717	87,498
InterDigital, Inc.	544	35,044	ePlus, Inc. *	632	29,641
International Business Machines Corp.	21,313	2,611,056	F5, Inc. *	711	142,804
Intuit, Inc.	750	355,777	Fabrinet *	347	34,745
Jack Henry & Associates, Inc.	564	99,715	Flex Ltd. *	13,238	218,295
Kyndryl Holdings, Inc. *	4,541	72,020	Hewlett Packard Enterprise Co.	61,828	984,302
LiveRamp Holdings, Inc. *	854	36,859	HP, Inc.	21,848	750,697
Manhattan Associates, Inc. *	254	33,955	II-VI, Inc. *	459	31,882
Mastercard, Inc., Class A	2,774	1,000,915	Insight Enterprises, Inc. *	808	84,032
Maximus, Inc.	1,017	80,201	IPG Photonics Corp. *	259	33,761
Microsoft Corp.	26,417	7,893,135	Itron, Inc. *	364	17,352
MicroStrategy, Inc., Class A *	21	9,303	Jabil, Inc.	4,093	236,616
NCR Corp. *	2,679	108,553	Juniper Networks, Inc.	9,082	306,881
NortonLifeLock, Inc.	8,010	232,130	Keysight Technologies, Inc. *	510	80,259
Nuance Communications, Inc. *	609	33,812	Knowles Corp. *	1,294	28,183
Oracle Corp.	22,737	1,727,330	Littelfuse, Inc.	167	43,121
Pagseguro Digital Ltd., Class A *	388	6,185	Lumentum Holdings, Inc. *	305	30,152
Palo Alto Networks, Inc. *	89	52,888	Methode Electronics, Inc.	593	27,065
Paychex, Inc.	2,136	254,312	Motorola Solutions, Inc.	1,280	282,150
Paycom Software, Inc. *	47	15,943	National Instruments Corp.	1,437	57,696
PayPal Holdings, Inc. *	2,136	239,082	NetApp, Inc.	3,799	297,766
Pegasystems, Inc.	110	9,583	NETGEAR, Inc. *	697	18,547
Perficient, Inc. *	188	19,157	NetScout Systems, Inc. *	1,995	62,104
Progress Software Corp.	478	21,070	Novanta, Inc. *	84	11,477
PTC, Inc. *	212	23,591	OSI Systems, Inc. *	266	21,458
Sabre Corp. *	9,915	108,371	PC Connection, Inc.	499	24,346
salesforce.com, Inc. *	1,090	229,478	Plantronics, Inc. *	816	22,987
ServiceNow, Inc. *	34	19,717	Plexus Corp. *	640	52,141
Splunk, Inc. *	184	21,730	Rogers Corp. *	130	35,490
SS&C Technologies Holdings, Inc.	1,076	80,668	Sanmina Corp. *	2,989	118,902
StoneCo Ltd., Class A *	286	3,215	ScanSource, Inc. *	1,913	60,413
Synopsys, Inc. *	375	117,146	Seagate Technology Holdings plc	4,059	418,726
Teradata Corp. *	1,722	86,083	Stratasys Ltd. *	549	13,769

The Western Union Co.	8,701	158,184	Super Micro Computer, Inc. *	1,184	46,519
Tyler Technologies, Inc. *	67	28,693	TD SYNEX Corp.	805	81,973
Unisys Corp. *	844	18,036	TE Connectivity Ltd.	3,356	477,995
Verint Systems, Inc. *	420	21,097	Teledyne Technologies, Inc. *	351	150,712
VeriSign, Inc. *	368	78,649	Trimble, Inc. *	1,079	75,260
Visa, Inc., Class A	5,769	1,246,796	TTM Technologies, Inc. *	3,314	41,657
VMware, Inc., Class A	957	112,275	ViaSat, Inc. *	732	33,408
Vonage Holdings Corp. *	1,427	28,997	Viavi Solutions, Inc. *	1,128	18,499
WEX, Inc. *	240	40,442	Vishay Intertechnology, Inc.	2,945	56,515
Workday, Inc., Class A *	66	15,117	Western Digital Corp. *	7,742	394,378
Xperi Holding Corp.	1,061	18,377	Xerox Holdings Corp.	9,003	177,449
		<b>23,576,914</b>	Zebra Technologies Corp., Class A *	156	64,481
					<b>30,114,687</b>

#### Technology Hardware & Equipment 7.1%

3D Systems Corp. *	424	7,556
ADTRAN, Inc.	950	19,561
Advanced Energy Industries, Inc.	266	22,836
Amphenol Corp., Class A	3,500	266,035
Apple Inc.	106,052	17,511,306
Arista Networks, Inc. *	546	67,011

#### Telecommunication Services 3.1%

AT&T, Inc.	257,258	6,094,442
ATN International, Inc.	334	11,132
Cogent Communications Holdings, Inc.	323	20,478
Consolidated Communications Holdings, Inc. *	4,891	34,824

Schwab Fundamental U.S. Broad Market Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
EchoStar Corp., Class A *	1,292	31,447	American States Water Co.	261	21,966
Iridium Communications, Inc. *	522	20,666	American Water Works Co., Inc.	1,158	174,962
Liberty Global plc, Class A *	5,444	140,346	Atlantica Sustainable Infrastructure plc	810	27,338
Liberty Global plc, Class C *	11,536	298,436	Atmos Energy Corp.	1,468	161,201
Liberty Latin America Ltd., Class A *	1,139	11,447	Avangrid, Inc.	949	42,582
Liberty Latin America Ltd., Class C *	3,933	39,684	Avista Corp.	1,391	62,080
Lumen Technologies, Inc.	58,282	603,802	Black Hills Corp.	983	68,800
Shenandoah Telecommunications Co.	593	13,254	California Water Service Group	394	22,430
Telephone and Data Systems, Inc.	6,605	114,597	CenterPoint Energy, Inc.	10,528	287,941
T-Mobile US, Inc. *	4,097	504,792	Chesapeake Utilities Corp.	138	18,347
United States Cellular Corp. *	587	16,148	Clearway Energy, Inc., Class A	248	7,586
Verizon Communications, Inc.	100,539	5,395,928	Clearway Energy, Inc., Class C	576	19,238
		<b>13,351,423</b>	CMS Energy Corp.	3,989	255,336
			Consolidated Edison, Inc.	7,046	604,335
			Constellation Energy Corp.	7,923	364,300
			Dominion Energy, Inc.	10,676	849,062
			DTE Energy Co.	2,792	339,479
			Duke Energy Corp.	12,621	1,267,275
			Edison International	6,644	421,363
			Entergy Corp.	3,242	341,091
			Essential Utilities, Inc.	1,263	59,500
			Evergy, Inc.	5,872	366,472
			Eversource Energy	4,172	341,270
			Exelon Corp.	23,771	1,011,694
			FirstEnergy Corp.	11,966	500,777
			Hawaiian Electric Industries, Inc.	1,786	73,190
			IDACORP, Inc.	635	66,008
			MGE Energy, Inc.	344	24,775
			National Fuel Gas Co.	1,145	71,265
			New Jersey Resources Corp.	1,426	62,202
			NextEra Energy, Inc.	12,993	1,016,962
			NiSource, Inc.	6,630	191,806
			Northwest Natural Holding Co.	535	27,825
			NorthWestern Corp.	963	58,242
			NRG Energy, Inc.	3,934	148,863
			OGE Energy Corp.	3,529	132,514
			ONE Gas, Inc.	835	69,380
			Ormat Technologies, Inc.	307	21,904
			Otter Tail Corp.	568	35,137
			PG&E Corp. *	10,285	116,940
			Pinnacle West Capital Corp.	2,312	163,759
			PNM Resources, Inc.	1,098	49,597
			Portland General Electric Co.	1,787	90,726
			PPL Corp.	17,307	452,924
			Public Service Enterprise Group, Inc.	7,725	500,812
			Sempra Energy	3,602	519,480
			SJW Group	212	13,827

**Transportation 2.2%**

Air Transport Services Group, Inc. *	1,024	32,266
Alaska Air Group, Inc. *	931	52,266
Allegiant Travel Co. *	83	14,449
AMERCO	96	55,451
American Airlines Group, Inc. *	9,019	155,578
ArcBest Corp.	722	66,915
Atlas Air Worldwide Holdings, Inc. *	570	44,665
Atlas Corp.	1,381	19,928
Avis Budget Group, Inc. *	2,120	388,893
C.H. Robinson Worldwide, Inc.	2,978	287,913
Copa Holdings S.A., Class A *	189	16,035
Costamare, Inc.	974	13,149
CSX Corp.	27,763	941,443
Delta Air Lines, Inc. *	6,015	240,119
Expeditors International of Washington, Inc.	2,127	219,847
FedEx Corp.	4,225	939,091
Forward Air Corp.	429	44,264
GXO Logistics, Inc. *	1,244	104,409
Hawaiian Holdings, Inc. *	822	15,766
Heartland Express, Inc.	1,017	14,604
Hub Group, Inc., Class A *	973	82,121
J.B. Hunt Transport Services, Inc.	1,015	205,974
JetBlue Airways Corp. *	3,408	52,040
Kirby Corp. *	1,277	83,197
Knight-Swift Transportation Holdings, Inc.	1,942	105,800
Landstar System, Inc.	586	90,484
Marten Transport Ltd.	1,309	22,580
Mesa Air Group, Inc. *	1,429	6,216
Norfolk Southern Corp.	2,880	738,778
Old Dominion Freight Line, Inc.	501	157,329
Ryder System, Inc.	2,490	196,312

Saia, Inc. *	160	45,957	South Jersey Industries, Inc.	1,548	52,524
Schneider National, Inc., Class B	1,700	44,404	Southwest Gas Holdings, Inc.	1,210	85,837
SkyWest, Inc. *	436	12,256	Spire, Inc.	909	61,003
Southwest Airlines Co. *	4,012	175,726	The AES Corp.	13,038	276,797
Spirit Airlines, Inc. *	615	15,424	The Southern Co.	16,096	1,042,538
Uber Technologies, Inc. *	1,371	49,397	UGI Corp.	4,069	156,412
Union Pacific Corp.	8,176	2,010,887	Unitil Corp.	313	15,803
United Airlines Holdings, Inc. *	3,757	166,811	Vistra Corp.	15,629	356,654
United Parcel Service, Inc., Class B	5,206	1,095,446	WEC Energy Group, Inc.	3,629	329,804
Werner Enterprises, Inc.	1,495	64,973	Xcel Energy, Inc.	6,970	469,290
XPO Logistics, Inc. *	1,362	98,990			<b>15,607,977</b>
Yellow Corp. *	1,718	15,479			
		<b>9,203,632</b>	<b>Total Common Stocks</b>		
			<b>(Cost \$309,595,721)</b>		<b>424,182,432</b>

#### Utilities 3.7%

ALLETE, Inc.	932	58,660
Alliant Energy Corp.	2,751	160,658
Ameren Corp.	3,392	291,542
American Electric Power Co., Inc.	7,787	705,892

Schwab Fundamental U.S. Broad Market Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)
<b>INVESTMENT COMPANIES 0.1% OF NET ASSETS</b>		
<b>Equity Funds 0.1%</b>		
iShares Core S&P Total U.S. Stock Market ETF	2,800	274,624
<b>Total Investment Companies (Cost \$263,728)</b>		<b>274,624</b>

<b>SHORT-TERM INVESTMENTS 0.1% OF NET ASSETS</b>		
<b>Money Market Funds 0.1%</b>		
State Street Institutional U.S. Government Money Market Fund, Premier Class 0.03% (e)	154,298	154,298
State Street Institutional U.S. Government Money Market Fund, Premier Class 0.03% (e)(f)	186,600	186,600
		<b>340,898</b>
<b>Total Short-Term Investments (Cost \$340,898)</b>		<b>340,898</b>
<b>Total Investments in Securities (Cost \$310,200,347)</b>		<b>424,797,954</b>

	NUMBER OF CONTRACTS	NOTIONAL AMOUNT (\$)	CURRENT VALUE/ UNREALIZED DEPRECIATION (\$)
<b>FUTURES CONTRACTS</b>			
<b>Long</b>			
S&P 500 Index, e-mini, expires 03/18/22	4	873,600	(23,474)

- \* Non-income producing security.
- (a) Issuer is affiliated with the fund's investment adviser.
- (b) All or a portion of this security is on loan. Securities on loan were valued at \$182,762.
- (c) Trading in Russian securities listed on the Moscow Exchange, Russian ADRs, and Russian GDRs had ceased and suspended the fund's ability to buy or sell these securities as of February 28, 2022.
- (d) Fair valued by management using significant unobservable inputs in accordance with procedures approved by the fund's Board of Trustees.
- (e) The rate shown is the 7-day yield.
- (f) Security purchased with cash collateral received for securities on loan.

ADR American Depositary Receipt  
 —  
 ETF Exchange traded fund  
 —  
 GDR Global Depositary Receipt  
 —  
 REIT Real Estate Investment Trust  
 —

Below is a summary of the fund's transactions with affiliated issuers during the period ended February 28, 2022:

	VALUE AT 2/28/21	PURCHASES	SALES	REALIZED GAINS (LOSSES)	NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION)	VALUE AT 2/28/22	BALANCE OF SHARES HELD AT 2/28/22	DIVIDENDS RECEIVED
<b>COMMON STOCKS 0.1% OF NET ASSETS</b>								
<b>Diversified Financials 0.1%</b>								
The Charles Schwab Corp.	\$370,567	\$127,014	(\$259,500)	\$77,709	\$36,746	<b>\$352,536</b>	4,174	\$3,808

The following is a summary of the inputs used to value the fund's investments as of February 28, 2022 (see financial note 2(a) for additional information):

DESCRIPTION	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	TOTAL
<b>Assets</b>				
Common Stocks <sup>1</sup>	\$406,720,586	\$—	\$—	\$406,720,586
Media & Entertainment	17,453,655	—	8,191 <sup>2</sup>	17,461,846
Investment Companies <sup>1</sup>	274,624	—	—	274,624
Short-Term Investments <sup>1</sup>	340,898	—	—	340,898
<b>Liabilities</b>				
Futures Contracts <sup>3</sup>	(23,474)	—	—	(23,474)
<b>Total</b>	<b>\$424,766,289</b>	<b>\$—</b>	<b>\$8,191</b>	<b>\$424,774,480</b>

1 As categorized in the Portfolio Holdings.

2 Trading in Russian securities listed on the Moscow Exchange, Russian ADRs, and Russian GDRs had ceased and suspended the fund's ability to buy or sell these securities as of February 28, 2022.

3 Futures contracts are reported at cumulative unrealized appreciation or depreciation.

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Schwab Fundamental U.S. Broad Market Index ETF

## Portfolio Holdings as of February 28, 2022 (continued)

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Fund investments in mutual funds and ETFs are classified as Level 1, without consideration to the classification level of the underlying securities held by the mutual funds and ETFs, which could be Level 1, Level 2 or Level 3.





## Schwab Fundamental U.S. Broad Market Index ETF

# Statement of Assets and Liabilities

As of February 28, 2022

<b>ASSETS</b>	
Investments in securities, at value - affiliated (cost \$169,309)	\$352,536
Investments in securities, at value - unaffiliated (cost \$310,031,038) including securities on loan of \$182,762	424,445,418
Deposit with broker for futures contracts	57,500
Receivables:	
Dividends	868,799
Income from securities on loan	+ 88
<b>Total assets</b>	<b>425,724,341</b>
<b>LIABILITIES</b>	
Collateral held for securities on loan	186,600
Payables:	
Investments bought	112,866
Management fees	81,945
Variation margin on futures contracts	+ 2,400
<b>Total liabilities</b>	<b>383,811</b>
<b>Net assets</b>	<b>\$425,340,530</b>
<b>NET ASSETS BY SOURCE</b>	
Capital received from investors	\$327,846,854
Total distributable earnings	+ 97,493,676
<b>Net assets</b>	<b>\$425,340,530</b>

**Net Asset Value (NAV)**

<b>Net Assets</b>	<b>÷</b>	<b>Shares Outstanding</b>	<b>=</b>	<b>NAV</b>
\$425,340,530		7,550,000		\$56.34

*See financial notes*

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## Schwab Fundamental U.S. Broad Market Index ETF

# Statement of Operations

For the period March 1, 2021 through February 28, 2022

<b>INVESTMENT INCOME</b>	
Dividends received from securities - unaffiliated (net of foreign withholding tax of \$1,099)	\$7,732,615
Dividends received from securities - affiliated	3,808
Securities on loan, net	+ 4,781
<b>Total investment income</b>	<b>7,741,204</b>
<b>EXPENSES</b>	
Management fees	948,944
<b>Total expenses</b>	<b>- 948,944</b>
<b>Net investment income</b>	<b>6,792,260</b>
<b>REALIZED AND UNREALIZED GAINS (LOSSES)</b>	
Net realized gains on sales of securities - affiliated	27,830
Net realized losses on sales of securities - unaffiliated	(4,585,873)
Net realized gains on sales of in-kind redemptions - affiliated	49,879
Net realized gains on sales of in-kind redemptions - unaffiliated	11,394,471
Net realized gains on futures contracts	+ 57,109
<b>Net realized gains</b>	<b>6,943,416</b>
Net change in unrealized appreciation (depreciation) on securities - affiliated	36,746
Net change in unrealized appreciation (depreciation) on securities - unaffiliated	44,224,233
Net change in unrealized appreciation (depreciation) on futures contracts	+ (10,590)
<b>Net change in unrealized appreciation (depreciation)</b>	<b>+ 44,250,389</b>
<b>Net realized and unrealized gains</b>	<b>51,193,805</b>
<b>Increase in net assets resulting from operations</b>	<b>\$57,986,065</b>



## Schwab Fundamental U.S. Broad Market Index ETF

# Statement of Changes in Net Assets

For the current and prior report periods

<b>OPERATIONS</b>			
	3/1/21-2/28/22	3/1/20-2/28/21	
Net investment income	\$6,792,260	\$5,688,763	
Net realized gains	6,943,416	14,112,119	
Net change in unrealized appreciation (depreciation)	+ 44,250,389	48,236,523	
<b>Increase in net assets resulting from operations</b>	<b>\$57,986,065</b>	<b>\$68,037,405</b>	
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>			
<b>Total distributions</b>	<b>(\$6,475,295)</b>	<b>(\$6,024,890)</b>	

<b>TRANSACTIONS IN FUND SHARES</b>				
	3/1/21-2/28/22		3/1/20-2/28/21	
	SHARES	VALUE	SHARES	VALUE
Shares sold	1,950,000	\$105,060,157	500,000	\$20,303,160
Shares redeemed	+ (300,000)	(15,956,138)	(1,650,000)	(59,607,587)
<b>Net transactions in fund shares</b>	<b>1,650,000</b>	<b>\$89,104,019</b>	<b>(1,150,000)</b>	<b>(\$39,304,427)</b>

<b>SHARES OUTSTANDING AND NET ASSETS</b>				
	3/1/21-2/28/22		3/1/20-2/28/21	
	SHARES	NET ASSETS	SHARES	NET ASSETS
Beginning of period	5,900,000	\$284,725,741	7,050,000	\$262,017,653
Total increase (decrease)	+ 1,650,000	140,614,789	(1,150,000)	22,708,088
<b>End of period</b>	<b>7,550,000</b>	<b>\$425,340,530</b>	<b>5,900,000</b>	<b>\$284,725,741</b>

*See financial notes*

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## Schwab Fundamental U.S. Large Company Index ETF

## Financial Statements

FINANCIAL HIGHLIGHTS					
	3/1/21– 2/28/22	3/1/20– 2/28/21	3/1/19– 2/29/20	3/1/18– 2/28/19	3/1/17– 2/28/18
<b>Per-Share Data</b>					
Net asset value at beginning of period	\$48.49	\$37.67	\$37.83	\$37.20	\$33.91
Income (loss) from investment operations:					
Net investment income (loss) <sup>1</sup>	1.02	0.98	0.99	0.87	0.78
Net realized and unrealized gains (losses)	8.43	10.88	(0.20)	0.57	3.21
Total from investment operations	9.45	11.86	0.79	1.44	3.99
Less distributions:					
Distributions from net investment income	(0.96)	(1.04)	(0.95)	(0.81)	(0.70)
Net asset value at end of period	\$56.98	\$48.49	\$37.67	\$37.83	\$37.20
Total return	19.61%	32.40%	1.98%	3.92%	11.91%
<b>Ratios/Supplemental Data</b>					
Ratios to average net assets:					
Total expenses	0.25%	0.25%	0.25%	0.25%	0.25%
Net investment income (loss)	1.84%	2.49%	2.47%	2.33%	2.22%
Portfolio turnover rate <sup>2</sup>	11%	13%	12%	11%	9%
Net assets, end of period (x 1,000)	\$9,889,450	\$5,862,523	\$5,557,983	\$4,596,260	\$4,016,040

1 Calculated based on the average shares outstanding during the period.

2 Portfolio turnover rate excludes securities received or delivered from processing of in-kind creations or redemptions.





Truist Financial Corp.	258,944	16,111,496	nVent Electric plc	61,081	2,072,478
U.S. Bancorp	568,038	32,116,868	Oshkosh Corp.	33,727	3,745,046
Wells Fargo & Co.	2,849,817	152,094,733	Otis Worldwide Corp.	70,493	5,521,717
Zions Bancorp NA	68,432	4,851,144	Owens Corning	52,238	4,868,059
		<b>686,454,822</b>	PACCAR, Inc.	163,047	14,969,345
			Parker-Hannifin Corp.	34,372	10,187,517
			Pentair plc	42,940	2,486,655
			Quanta Services, Inc.	50,727	5,526,199
			Raytheon Technologies Corp.	320,587	32,924,285
			Regal Rexnord Corp.	20,910	3,352,919
			Rockwell Automation, Inc.	24,554	6,545,605
			Roper Technologies, Inc.	11,516	5,161,702
			Sensata Technologies Holding plc *	45,018	2,606,992
			Snap-on, Inc.	20,690	4,348,624
			Spirit AeroSystems Holdings, Inc., Class A	108,100	5,405,000
			Stanley Black & Decker, Inc.	41,577	6,764,578
<b>Capital Goods 7.0%</b>					
3M Co.	201,017	29,881,177			
A.O. Smith Corp.	36,329	2,491,443			
Acuity Brands, Inc.	17,541	3,198,952			
AECOM	73,316	5,327,141			
AerCap Holdings N.V. *	105,536	5,744,325			
AGCO Corp.	27,059	3,251,409			
Allegion plc	15,508	1,775,976			
Allison Transmission Holdings, Inc.	96,262	3,844,704			

Schwab Fundamental U.S. Large Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Textron, Inc.	107,301	7,846,922	Whirlpool Corp.	37,548	7,557,286
The Boeing Co. *	223,914	45,978,501			<b>128,611,678</b>
The Toro Co.	19,648	1,843,179			
Trane Technologies plc	44,215	6,806,015			
TransDigm Group, Inc. *	9,714	6,475,255			
UFP Industries, Inc.	30,877	2,647,703			
United Rentals, Inc. *	26,975	8,675,700			
Univar Solutions, Inc. *	97,600	2,997,296			
W.W. Grainger, Inc.	16,304	7,777,986			
Watsco, Inc.	9,408	2,568,949			
WESCO International, Inc. *	33,268	4,049,714			
Westinghouse Air Brake Technologies Corp.	36,879	3,423,109			
Xylem, Inc.	27,118	2,412,146			
		<b>690,044,758</b>			
<b>Commercial &amp; Professional Services 0.8%</b>			<b>Consumer Services 2.1%</b>		
ABM Industries, Inc.	47,126	2,112,659	Aramark	133,405	4,930,649
Booz Allen Hamilton Holding Corp.	32,482	2,620,973	Booking Holdings, Inc. *	10,670	23,177,907
CACI International, Inc., Class A *	8,460	2,367,023	Carnival Corp. *	457,861	9,308,314
Cintas Corp.	13,889	5,212,819	Chipotle Mexican Grill, Inc. *	2,352	3,582,919
Copart, Inc. *	16,373	2,011,914	Cracker Barrel Old Country Store, Inc.	14,412	1,935,099
CoreCivic, Inc. *	228,332	2,080,105	Darden Restaurants, Inc.	31,264	4,540,158
Equifax, Inc.	13,011	2,840,822	Domino's Pizza, Inc.	8,703	3,761,524
Jacobs Engineering Group, Inc.	43,510	5,351,730	Expedia Group, Inc. *	35,627	6,986,811
KBR, Inc.	53,312	2,646,408	H&R Block, Inc.	94,344	2,340,675
Kelly Services, Inc., Class A	90,487	1,920,134	Hilton Worldwide Holdings, Inc. *	47,510	7,072,339
Leidos Holdings, Inc.	57,368	5,842,357	Las Vegas Sands Corp. *	176,273	7,555,061
ManpowerGroup, Inc.	71,117	7,558,315	Marriott International, Inc., Class A *	56,615	9,632,476
Nielsen Holdings plc	226,025	3,937,355	Marriott Vacations Worldwide Corp.	12,554	2,017,051
Republic Services, Inc.	55,628	6,690,936	McDonald's Corp.	180,367	44,148,431
Robert Half International, Inc.	46,923	5,644,368	MGM Resorts International	178,993	7,927,600
Science Applications International Corp.	26,971	2,365,087	Norwegian Cruise Line Holdings Ltd. *	193,572	3,772,718
Verisk Analytics, Inc.	13,926	2,469,637	Royal Caribbean Cruises Ltd. *	99,443	8,027,039
Waste Management, Inc.	105,161	15,185,248	Service Corp. International	38,094	2,318,020
		<b>78,857,890</b>	Six Flags Entertainment Corp. *	50,846	2,219,936
			Starbucks Corp.	281,929	25,878,263
<b>Consumer Durables &amp; Apparel 1.3%</b>			The Wendy's Co.	88,243	2,006,646
Brunswick Corp.	28,787	2,749,734	Travel & Leisure Co.	45,172	2,531,891
Capri Holdings Ltd. *	79,861	5,409,784	Vail Resorts, Inc.	6,729	1,753,241
Carter's, Inc.	26,121	2,525,378	Wynn Resorts Ltd. *	33,699	2,915,637
D.R. Horton, Inc.	106,101	9,061,025	Yum China Holdings, Inc.	89,060	4,632,901
Garmin Ltd.	25,496	2,815,778	Yum! Brands, Inc.	80,713	9,893,799
Hanesbrands, Inc.	201,999	3,120,885			<b>204,867,105</b>
Hasbro, Inc.	35,779	3,472,352			
Leggett & Platt, Inc.	64,494	2,391,438			
			<b>Diversified Financials 6.0%</b>		
			Affiliated Managers Group, Inc.	18,630	2,577,647
			AGNC Investment Corp.	150,179	1,938,811
			Ally Financial, Inc.	242,109	12,081,239
			American Express Co.	220,927	42,979,139
			Ameriprise Financial, Inc.	46,907	14,062,250
			Annaly Capital Management, Inc.	363,469	2,529,744
			Berkshire Hathaway, Inc., Class B *	568,055	182,601,280
			BlackRock, Inc.	24,266	18,051,235
			Capital One Financial Corp.	244,676	37,501,491
			Cboe Global Markets, Inc.	17,404	2,041,315
			CME Group, Inc.	41,081	9,716,889
			Discover Financial Services	177,677	21,932,449
			Equitable Holdings, Inc.	110,461	3,607,656

Lennar Corp., Class A	93,258	8,382,029	Evercore, Inc., Class A	15,642	1,986,690
Lululemon Athletica, Inc. *	8,283	2,650,063	Franklin Resources, Inc.	246,124	7,317,267
Mattel, Inc. *	95,120	2,376,098	Intercontinental Exchange, Inc.	70,264	9,002,224
Mohawk Industries, Inc. *	29,370	4,134,709	Invesco Ltd.	212,643	4,516,537
Newell Brands, Inc.	152,846	3,630,092	Jackson Financial, Inc., Class A	18,256	746,488
NIKE, Inc., Class B	163,662	22,348,046	Janus Henderson Group plc	53,529	1,796,969
NVR, Inc. *	1,084	5,374,949	Jefferies Financial Group, Inc.	80,479	2,860,224
Polaris, Inc.	24,383	2,962,778	KKR & Co., Inc.	86,461	5,198,035
PulteGroup, Inc.	141,759	7,039,752	Lazard Ltd., Class A	52,672	1,821,398
PVH Corp.	53,849	5,271,279	LPL Financial Holdings, Inc.	20,537	3,716,170
Ralph Lauren Corp.	28,251	3,730,262	Moody's Corp.	16,329	5,258,428
Skechers U.S.A., Inc., Class A *	48,813	2,244,422	Morgan Stanley	354,527	32,169,780
Tapestry, Inc.	112,589	4,604,890	MSCI, Inc.	4,777	2,396,573
Taylor Morrison Home Corp. *	64,707	1,908,856	Nasdaq, Inc.	15,042	2,574,438
Toll Brothers, Inc.	55,028	2,985,819	Navient Corp.	302,643	5,329,543
Tri Pointe Homes, Inc. *	87,791	1,963,885	New Residential Investment Corp.	336,111	3,488,832
Under Armour, Inc., Class A *	46,047	823,781	Northern Trust Corp.	55,731	6,347,761
Under Armour, Inc., Class C *	47,950	749,459	OneMain Holdings, Inc.	38,327	1,953,910
VF Corp.	109,046	6,326,849	PROG Holdings, Inc. *	39,660	1,215,182
			Raymond James Financial, Inc.	40,843	4,478,435

Schwab Fundamental U.S. Large Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)
S&P Global, Inc.	38,942	14,630,470
SEI Investments Co.	37,230	2,180,933
Starwood Property Trust, Inc.	93,158	2,220,887
State Street Corp.	124,237	10,601,143
Synchrony Financial	503,357	21,533,612
T. Rowe Price Group, Inc.	60,593	8,759,324
The Bank of New York Mellon Corp.	409,996	21,791,287
The Charles Schwab Corp. (a)	104,791	8,850,648
The Goldman Sachs Group, Inc.	115,556	39,438,107
Voya Financial, Inc.	41,237	2,777,312

**588,579,752**

**Energy 9.9%**

Antero Resources Corp. *	202,344	4,639,748
APA Corp.	155,241	5,531,237
Baker Hughes Co.	556,368	16,346,092
Cheniere Energy, Inc.	31,300	4,159,770
Chevron Corp.	1,267,152	182,469,888
ConocoPhillips	665,152	63,096,319
Coterra Energy, Inc.	209,730	4,893,001
Delek US Holdings, Inc. *	136,125	2,345,434
Devon Energy Corp.	122,776	7,311,311
Diamondback Energy, Inc.	44,401	6,131,778
DTE Midstream LLC *	33,250	1,765,575
EOG Resources, Inc.	186,976	21,487,282
Exxon Mobil Corp.	3,474,041	272,434,295
Halliburton Co.	431,684	14,474,364
Helmerich & Payne, Inc.	131,094	4,749,536
Hess Corp.	46,265	4,675,541
HollyFrontier Corp. *	273,942	8,341,534
Kinder Morgan, Inc.	1,153,467	20,070,326
Marathon Oil Corp.	556,293	12,549,970
Marathon Petroleum Corp.	720,853	56,132,823
Murphy Oil Corp.	127,563	4,422,609
Nabors Industries Ltd. *	23,296	2,924,580
NOV, Inc.	579,966	9,946,417
Occidental Petroleum Corp.	625,303	27,344,500
ONEOK, Inc.	171,741	11,214,687
Ovintiv, Inc.	97,837	4,485,826
Patterson-UTI Energy, Inc.	263,186	3,797,774
PBF Energy, Inc., Class A *	451,491	7,503,780
Peabody Energy Corp. *	313,394	5,434,252
Phillips 66	616,462	51,930,759
Pioneer Natural Resources Co.	42,060	10,077,576
Schlumberger N.V.	866,799	34,013,193
Targa Resources Corp.	136,140	8,899,472

SECURITY	NUMBER OF SHARES	VALUE (\$)
Walmart, Inc.	763,825	103,238,587

**298,524,792**

**Food, Beverage & Tobacco 4.2%**

Altria Group, Inc.	864,182	44,323,895
Archer-Daniels-Midland Co.	497,959	39,064,884
Bunge Ltd.	143,518	15,004,807
Campbell Soup Co.	73,456	3,303,316
Coca-Cola Europacific Partners plc	102,789	5,263,825
Conagra Brands, Inc.	169,520	5,928,114
Constellation Brands, Inc., Class A	33,181	7,154,487
Darling Ingredients, Inc. *	30,658	2,222,092
Flowers Foods, Inc.	91,666	2,512,565
General Mills, Inc.	219,134	14,776,206
Hormel Foods Corp.	98,929	4,712,978
Ingredion, Inc.	48,920	4,341,161
Kellogg Co.	97,258	6,218,677
Keurig Dr Pepper, Inc.	101,442	3,922,762
McCormick & Co., Inc. Non-Voting Shares	38,771	3,689,836
Molson Coors Beverage Co., Class B	134,768	7,032,194
Mondelez International, Inc., Class A	477,881	31,291,648
Monster Beverage Corp. *	51,226	4,323,474
PepsiCo, Inc.	363,227	59,474,789
Philip Morris International, Inc.	479,635	48,476,709
Post Holdings, Inc. *	21,246	2,233,804
Sanderson Farms, Inc.	14,140	2,525,263
The Coca-Cola Co.	857,937	53,397,999
The Hershey Co.	25,217	5,100,390
The J.M. Smucker Co.	56,323	7,589,524
The Kraft Heinz Co.	328,647	12,889,535
Tyson Foods, Inc., Class A	238,416	22,091,627

**418,866,561**

**Health Care Equipment & Services 6.3%**

Abbott Laboratories	214,923	25,924,012
Align Technology, Inc. *	3,192	1,632,580
AmerisourceBergen Corp.	89,450	12,749,308
Anthem, Inc.	124,789	56,385,910
Baxter International, Inc.	132,370	11,247,479
Becton Dickinson & Co.	43,400	11,773,552
Boston Scientific Corp. *	149,724	6,613,309
Cardinal Health, Inc.	406,321	21,945,397
Centene Corp. *	220,638	18,229,112
Cerner Corp.	93,004	8,672,623
Cigna Corp.	108,385	25,771,785
CVS Health Corp.	869,218	90,094,446

TechnipFMC plc *	472,606	3,237,351	DaVita, Inc. *	57,535	6,488,222
The Williams Cos., Inc.	463,526	14,499,093	Dentsply Sirona, Inc.	60,185	3,258,416
Transocean Ltd. *	724,699	2,565,434	Edwards Lifesciences Corp. *	32,971	3,704,951
Valero Energy Corp.	687,453	57,409,200	Encompass Health Corp.	32,555	2,149,281
World Fuel Services Corp.	274,488	7,778,990	Envista Holdings Corp. *	55,556	2,666,688
		<b>981,091,317</b>	HCA Healthcare, Inc.	86,425	21,633,042
			Henry Schein, Inc. *	65,317	5,642,082
			Hologic, Inc. *	39,029	2,777,694
			Humana, Inc.	66,791	29,008,667
			Intuitive Surgical, Inc. *	16,196	4,702,185
			Laboratory Corp. of America Holdings *	24,465	6,636,376
			McKesson Corp.	126,809	34,867,403
			Medtronic plc	353,290	37,091,917
			Molina Healthcare, Inc. *	17,166	5,267,730
			Patterson Cos., Inc.	67,655	2,022,885
			Quest Diagnostics, Inc.	52,974	6,953,897
			ResMed, Inc.	11,547	2,849,222
			STERIS plc	16,202	3,888,480
			Stryker Corp.	45,454	11,970,311
<b>Food &amp; Staples Retailing 3.0%</b>					
Casey's General Stores, Inc.	18,370	3,455,030			
Costco Wholesale Corp.	117,185	60,848,311			
Performance Food Group Co. *	149,711	8,389,805			
Rite Aid Corp. *	150,974	1,382,922			
SpartanNash Co.	108,343	3,048,772			
Sprouts Farmers Market, Inc. *	84,294	2,400,693			
Sysco Corp.	197,510	17,203,121			
The Kroger Co.	826,918	38,699,762			
United Natural Foods, Inc. *	92,077	3,704,258			
US Foods Holding Corp. *	212,559	8,308,931			
Walgreens Boots Alliance, Inc.	1,038,069	47,844,600			

## Schwab Fundamental U.S. Large Company Index ETF

# Portfolio Holdings as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)
Tenet Healthcare Corp. *	57,849	4,974,436
The Cooper Cos., Inc.	5,054	2,067,187
UnitedHealth Group, Inc.	249,642	118,797,139
Universal Health Services, Inc., Class B	50,432	7,258,678
Zimmer Biomet Holdings, Inc.	42,618	5,420,583
		<b>623,136,985</b>

<b>Household &amp; Personal Products 1.3%</b>		
Church & Dwight Co., Inc.	50,251	4,917,060
Colgate-Palmolive Co.	191,152	14,709,146
Kimberly-Clark Corp.	83,243	10,834,077
Nu Skin Enterprises, Inc., Class A	38,506	1,786,293
The Clorox Co.	29,007	4,228,931
The Estee Lauder Cos., Inc., Class A	22,797	6,755,435
The Procter & Gamble Co.	572,289	89,214,132
		<b>132,445,074</b>

<b>Insurance 3.8%</b>		
Aflac, Inc.	327,383	19,999,827
Alleghany Corp. *	5,260	3,481,699
American Financial Group, Inc.	22,665	3,068,614
American International Group, Inc.	840,799	51,490,531
Aon plc, Class A	46,676	13,635,927
Arch Capital Group Ltd. *	82,287	3,876,541
Arthur J. Gallagher & Co.	27,809	4,399,106
Assurant, Inc.	15,343	2,603,860
Assured Guaranty Ltd.	72,249	4,477,270
Axis Capital Holdings Ltd.	38,584	2,107,458
Brown & Brown, Inc.	35,370	2,391,366
Chubb Ltd.	122,065	24,857,317
Cincinnati Financial Corp.	41,848	5,138,516
CNO Financial Group, Inc.	101,105	2,443,708
Everest Re Group Ltd.	16,203	4,832,059
Fidelity National Financial, Inc.	116,344	5,542,628
First American Financial Corp.	49,799	3,338,525
Genworth Financial, Inc., Class A *	755,553	3,067,545
Globe Life, Inc.	40,399	4,078,683
Lincoln National Corp.	107,750	7,264,505
Loews Corp.	126,237	7,743,378
Markel Corp. *	3,100	3,853,021
Marsh & McLennan Cos., Inc.	93,139	14,474,732
MetLife, Inc.	392,564	26,517,698
Old Republic International Corp.	148,683	3,917,797
Primerica, Inc.	13,485	1,751,567
Principal Financial Group, Inc.	114,835	8,111,944
Prudential Financial, Inc.	256,489	28,639,562

SECURITY	NUMBER OF SHARES	VALUE (\$)
Avery Dennison Corp.	17,822	3,140,236
Axalta Coating Systems Ltd. *	63,629	1,720,528
Ball Corp.	45,828	4,112,605
Berry Global Group, Inc. *	44,439	2,695,225
Celanese Corp.	41,805	5,822,600
CF Industries Holdings, Inc.	93,187	7,565,852
Commercial Metals Co.	77,123	2,973,092
Corteva, Inc.	161,553	8,405,603
Crown Holdings, Inc.	28,532	3,500,020
Dow, Inc.	284,890	16,797,114
DuPont de Nemours, Inc.	297,254	22,998,542
Eastman Chemical Co.	70,168	8,312,803
Ecolab, Inc.	50,079	8,826,925
FMC Corp.	19,144	2,244,634
Freeport-McMoRan, Inc.	134,332	6,306,887
Graphic Packaging Holding Co.	159,955	3,291,874
Huntsman Corp.	131,984	5,337,433
International Flavors & Fragrances, Inc.	23,699	3,151,967
International Paper Co.	238,333	10,374,635
Linde plc *	99,665	29,225,765
LyondellBasell Industries N.V., Class A	186,416	18,125,228
Martin Marietta Materials, Inc.	12,078	4,582,393
Newmont Corp.	145,403	9,625,679
Nucor Corp.	165,141	21,735,858
O-I Glass, Inc. *	195,875	2,503,282
Olin Corp.	65,666	3,382,456
Packaging Corp. of America	37,486	5,517,564
PPG Industries, Inc.	77,368	10,324,760
Reliance Steel & Aluminum Co.	47,163	9,002,002
RPM International, Inc.	32,173	2,720,871
Sealed Air Corp.	69,261	4,649,491
Sonoco Products Co.	48,997	2,877,104
Steel Dynamics, Inc.	115,796	8,172,882
Sylvamo Corp. *	21,676	756,492
The Chemours Co.	90,331	2,493,136
The Mosaic Co.	182,327	9,559,405
The Sherwin-Williams Co.	27,512	7,239,233
United States Steel Corp.	188,608	5,132,024
Vulcan Materials Co.	22,275	4,041,799
Westrock Co.	214,427	9,707,110
		<b>329,914,607</b>

<b>Media &amp; Entertainment 4.1%</b>		
Activision Blizzard, Inc.	100,976	8,229,544
Alphabet, Inc., Class A *	27,085	73,160,377
Alphabet, Inc., Class C *	26,109	70,437,382

Reinsurance Group of America, Inc.	37,692	4,178,535	Alltice USA, Inc., Class A *	169,261	1,956,657
The Allstate Corp.	175,519	21,476,505	Charter Communications, Inc., Class A *	38,441	23,133,025
The Hanover Insurance Group, Inc.	17,685	2,467,234	Cinemark Holdings, Inc. *	106,280	1,864,151
The Hartford Financial Services Group, Inc.	177,273	12,316,928	Comcast Corp., Class A	1,518,062	70,984,579
The Progressive Corp.	144,711	15,329,236	Discovery, Inc., Class A *(b)	67,799	1,901,762
The Travelers Cos., Inc.	193,963	33,328,662	Discovery, Inc., Class C *	120,754	3,377,489
Unum Group	219,210	6,120,343	DISH Network Corp., Class A *	102,610	3,279,416
W.R. Berkley Corp.	43,042	3,886,693	Electronic Arts, Inc.	57,641	7,498,518
Willis Towers Watson plc	22,083	4,909,051	Fox Corp., Class A	139,286	5,826,333
			Fox Corp., Class B	66,187	2,532,315
		<b>371,118,571</b>	Liberty Media Corp. - Liberty SiriusXM, Class A *	57,514	2,896,405
			Liberty Media Corp. - Liberty SiriusXM, Class C *	122,787	6,178,642
			Loyalty Ventures, Inc. *	26,988	647,712
			Match Group, Inc. *	13,989	1,559,634
			Meta Platforms, Inc., Class A *	202,577	42,749,824
			Netflix, Inc. *	7,422	2,928,128
			News Corp., Class A	146,615	3,272,447
			News Corp., Class B	45,354	1,017,290
			Omnicom Group, Inc.	99,220	8,323,566

<b>Materials 3.3%</b>		
Air Products and Chemicals, Inc.	38,480	9,092,824
Albemarle Corp.	17,950	3,516,225
Alcoa Corp.	147,458	11,109,486
AptarGroup, Inc.	14,621	1,782,007
Arconic Corp. *	114,662	3,520,123
Ashland Global Holdings, Inc.	21,032	1,940,833



## Schwab Fundamental U.S. Large Company Index ETF

# Portfolio Holdings as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Paramount Global, Class B	247,515	7,576,434	Public Storage	18,097	6,424,797
The Interpublic Group of Cos., Inc.	129,694	4,772,739	Realty Holdings Corp. *	174,761	3,177,155
The Walt Disney Co. *	347,930	51,653,688	Realty Income Corp.	86,781	5,735,356
Twitter, Inc. *	35,411	1,258,861	Regency Centers Corp.	32,720	2,155,921
		<b>409,016,918</b>	RLJ Lodging Trust	147,796	2,067,666
			Service Properties Trust	271,216	2,340,594
			Simon Property Group, Inc.	84,698	11,651,057
			SL Green Realty Corp.	39,181	3,115,673
			The Macerich Co.	140,916	2,156,015
			UDR, Inc.	45,547	2,499,164
			Ventas, Inc.	163,138	8,809,452
			Vornado Realty Trust	82,816	3,584,276
			Welltower, Inc.	123,399	10,277,903
			Weyerhaeuser Co.	274,005	10,653,314
			WP Carey, Inc.	29,947	2,317,898
					<b>206,795,914</b>
<b>Pharmaceuticals, Biotechnology &amp; Life Sciences 6.0%</b>			<b>Retailing 4.3%</b>		
AbbVie, Inc.	428,011	63,247,185	Advance Auto Parts, Inc.	23,578	4,821,229
Agilent Technologies, Inc.	36,951	4,816,932	Amazon.com, Inc. *	19,271	59,186,251
Amgen, Inc.	211,618	47,927,245	American Eagle Outfitters, Inc.	88,364	1,862,713
Biogen, Inc. *	56,255	11,870,368	Asbury Automotive Group, Inc. *	11,501	2,232,459
Bristol-Myers Squibb Co.	478,321	32,846,303	AutoNation, Inc. *	40,147	4,603,255
Danaher Corp.	46,558	12,775,981	AutoZone, Inc. *	3,233	6,024,340
Eli Lilly & Co.	73,251	18,309,087	Bath & Body Works, Inc.	76,509	4,083,285
Gilead Sciences, Inc.	844,542	51,010,337	Bed Bath & Beyond, Inc. *	228,059	3,851,916
ICON plc *	13,411	3,191,952	Best Buy Co., Inc.	129,581	12,522,708
Illumina, Inc. *	8,237	2,690,204	Big Lots, Inc.	42,321	1,471,078
IQVIA Holdings, Inc. *	36,223	8,335,637	Burlington Stores, Inc. *	8,345	1,885,052
Jazz Pharmaceuticals plc *	17,898	2,459,543	CarMax, Inc. *	55,088	6,022,771
Johnson & Johnson	667,091	109,783,166	Dick's Sporting Goods, Inc.	32,629	3,426,045
Merck & Co., Inc.	806,929	61,794,623	Dollar General Corp.	72,584	14,396,311
Mettler-Toledo International, Inc. *	2,418	3,406,333	Dollar Tree, Inc. *	76,777	10,908,476
Organon & Co.	90,680	3,385,084	eBay, Inc.	244,635	13,354,625
Perrigo Co., plc	81,483	2,894,276	Foot Locker, Inc.	87,101	2,754,134
Pfizer, Inc.	2,246,885	105,468,782	GameStop Corp., Class A *(b)	21,967	2,709,410
Regeneron Pharmaceuticals, Inc. *	11,705	7,237,904	Genuine Parts Co.	59,167	7,227,841
Thermo Fisher Scientific, Inc.	38,775	21,093,600	Group 1 Automotive, Inc.	16,503	3,002,391
United Therapeutics Corp. *	14,254	2,369,015	Kohl's Corp.	230,579	12,824,804
Vertex Pharmaceuticals, Inc. *	10,025	2,305,951	Lithia Motors, Inc.	8,602	2,931,734
Viatis, Inc.	560,930	6,175,839	LKQ Corp.	105,790	4,966,840
Waters Corp. *	12,213	3,868,223	Lowe's Cos., Inc.	165,691	36,627,652
Zoetis, Inc.	34,064	6,596,494	Macy's, Inc.	608,922	15,783,258
		<b>595,860,064</b>	Murphy USA, Inc.	26,003	4,699,782
			Nordstrom, Inc. *	135,803	2,816,554
			O'Reilly Automotive, Inc. *	16,342	10,609,880
<b>Real Estate 2.1%</b>					
Alexandria Real Estate Equities, Inc.	12,783	2,421,100			
American Tower Corp.	41,764	9,474,999			
Apartment Income REIT Corp.	40,873	2,109,456			
Apple Hospitality REIT, Inc.	140,963	2,493,635			
AvalonBay Communities, Inc.	24,377	5,816,108			
Boston Properties, Inc.	43,542	5,325,622			
Brixmor Property Group, Inc.	116,234	2,919,798			
Camden Property Trust	15,957	2,634,660			
CBRE Group, Inc., Class A	84,632	8,196,609			
Crown Castle International Corp.	52,561	8,756,137			
Digital Realty Trust, Inc.	32,837	4,430,368			

DigitalBridge Group, Inc. *	390,034	2,827,747	Penske Automotive Group, Inc.	26,061	2,561,536
Diversified Healthcare Trust	625,070	1,800,202	Qurate Retail, Inc., Class A	582,256	3,208,231
Duke Realty Corp.	42,976	2,277,728	Ross Stores, Inc.	79,515	7,266,876
Equinix, Inc.	9,374	6,653,009	Signet Jewelers Ltd.	32,628	2,300,274
Equity Residential	76,583	6,532,530	Target Corp.	179,093	35,777,409
Essex Property Trust, Inc.	10,367	3,288,101	The Gap, Inc.	171,103	2,489,549
Extra Space Storage, Inc.	14,779	2,780,669	The Home Depot, Inc.	216,410	68,348,770
Healthpeak Properties, Inc.	131,979	4,099,268	The ODP Corp. *	87,333	3,842,652
Host Hotels & Resorts, Inc. *	487,438	8,905,492	The TJX Cos., Inc.	352,911	23,327,417
Invitation Homes, Inc.	63,258	2,391,152	Tractor Supply Co.	26,948	5,491,733
Iron Mountain, Inc.	110,169	5,418,111	Ulta Beauty, Inc. *	10,438	3,909,031
Jones Lang LaSalle, Inc. *	23,018	5,667,492	Urban Outfitters, Inc. *	57,869	1,591,976
Kimco Realty Corp.	167,711	3,946,240	Victoria's Secret & Co. *	25,887	1,388,320
Lamar Advertising Co., Class A	21,409	2,334,866	Williams-Sonoma, Inc.	18,792	2,722,209
Mid-America Apartment Communities, Inc.	17,773	3,636,534			<b>421,832,777</b>
Omega Healthcare Investors, Inc.	57,219	1,611,859			
Orion Office REIT, Inc. *	8,450	143,904			
Park Hotels & Resorts, Inc. *	184,225	3,470,799			
Prologis, Inc.	51,186	7,465,478			
			<b>Semiconductors &amp; Semiconductor Equipment 3.6%</b>		
			Advanced Micro Devices, Inc. *	81,140	10,007,876
			Analog Devices, Inc.	73,719	11,816,419
			Applied Materials, Inc.	154,436	20,725,311

## Schwab Fundamental U.S. Large Company Index ETF

# Portfolio Holdings as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Broadcom, Inc.	57,726	33,910,561	Avnet, Inc.	239,640	10,081,655
Intel Corp.	2,093,013	99,836,720	CDW Corp.	30,906	5,330,049
KLA Corp.	20,038	6,983,243	Cisco Systems, Inc.	1,743,556	97,238,118
Lam Research Corp.	18,657	10,473,107	Corning, Inc.	458,890	18,539,156
Marvell Technology, Inc.	53,285	3,640,964	Dell Technologies, Inc., Class C *	42,980	2,190,261
Microchip Technology, Inc.	54,548	3,836,361	F5, Inc. *	17,716	3,558,259
Micron Technology, Inc.	381,542	33,903,822	Flex Ltd. *	332,134	5,476,890
NVIDIA Corp.	65,025	15,856,346	Hewlett Packard Enterprise Co.	1,552,984	24,723,505
NXP Semiconductor N.V.	52,143	9,913,427	HP, Inc.	548,822	18,857,524
ON Semiconductor Corp. *	79,956	5,006,045	Insight Enterprises, Inc. *	20,470	2,128,880
Qorvo, Inc. *	28,025	3,833,260	Jabil, Inc.	102,847	5,945,585
QUALCOMM, Inc.	263,206	45,268,800	Juniper Networks, Inc.	229,590	7,757,846
Skyworks Solutions, Inc.	42,171	5,826,767	Keysight Technologies, Inc. *	12,979	2,042,505
Teradyne, Inc.	20,974	2,473,254	Motorola Solutions, Inc.	32,182	7,093,878
Texas Instruments, Inc.	173,260	29,452,467	NetApp, Inc.	95,168	7,459,268
		<b>352,764,750</b>	Sanmina Corp. *	76,435	3,040,584
			Seagate Technology Holdings plc	102,019	10,524,280
			TD SYNnex Corp.	20,242	2,061,243
			TE Connectivity Ltd.	84,378	12,017,958
			Teledyne Technologies, Inc. *	8,741	3,753,211
			Trimble, Inc. *	27,237	1,899,781
			Western Digital Corp. *	193,695	9,866,823
			Xerox Holdings Corp.	226,149	4,457,397
			Zebra Technologies Corp., Class A *	3,882	1,604,586
					<b>723,145,964</b>
<b>Software &amp; Services 5.6%</b>					
Accenture plc, Class A	96,377	30,457,060			
Adobe, Inc. *	21,516	10,062,603			
Akamai Technologies, Inc. *	33,336	3,608,955			
Alliance Data Systems Corp.	68,834	4,642,853			
Amdocs Ltd.	61,038	4,803,691			
ANSYS, Inc. *	5,755	1,865,713			
Autodesk, Inc. *	6,801	1,497,784			
Automatic Data Processing, Inc.	67,458	13,791,114			
Broadridge Financial Solutions, Inc.	21,224	3,103,161			
Cadence Design Systems, Inc. *	18,106	2,741,792			
CDK Global, Inc.	60,085	2,724,254			
Check Point Software Technologies Ltd. *	27,905	4,042,876			
Citrix Systems, Inc.	42,987	4,406,168			
Cognizant Technology Solutions Corp., Class A	231,067	19,901,801			
DXC Technology Co. *	208,584	7,098,114			
Fidelity National Information Services, Inc.	77,175	7,349,375			
Fiserv, Inc. *	47,264	4,616,275			
FleetCor Technologies, Inc. *	14,572	3,412,762			
Genpact Ltd.	50,381	2,107,941			
Global Payments, Inc.	25,515	3,403,191			
International Business Machines Corp.	535,735	65,632,895			
Intuit, Inc.	18,901	8,966,067			
Jack Henry & Associates, Inc.	13,974	2,470,603			
Kyndryl Holdings, Inc. *	113,674	1,802,870			
Mastercard, Inc., Class A	69,703	25,150,236			
Maximus, Inc.	25,538	2,013,927			
Microsoft Corp.	664,118	198,431,817			
NCR Corp. *	67,487	2,734,573			
			<b>Telecommunication Services 3.4%</b>		
			AT&T, Inc.	6,465,712	153,172,717
			Liberty Global plc, Class A *	137,496	3,544,647
			Liberty Global plc, Class C *	288,804	7,471,359
			Lumen Technologies, Inc.	1,463,971	15,166,740
			Telephone and Data Systems, Inc.	165,535	2,872,032
			T-Mobile US, Inc. *	102,637	12,645,905
			Verizon Communications, Inc.	2,527,879	135,671,266
					<b>330,544,666</b>
			<b>Transportation 2.1%</b>		
			American Airlines Group, Inc. *	226,652	3,909,747
			Avis Budget Group, Inc. *	53,407	9,796,980
			C.H. Robinson Worldwide, Inc.	75,054	7,256,221
			CSX Corp.	698,060	23,671,214
			Delta Air Lines, Inc. *	151,910	6,064,247
			Expeditors International of Washington, Inc.	53,634	5,543,610
			FedEx Corp.	106,032	23,567,733
			GXO Logistics, Inc. *	31,284	2,625,666

NortonLifeLock, Inc.	201,350	5,835,123	J.B. Hunt Transport Services, Inc.	25,389	5,152,190
Oracle Corp.	571,767	43,437,139	Kirby Corp. *	31,385	2,044,733
Paychex, Inc.	53,724	6,396,379	Knight-Swift Transportation Holdings, Inc.	48,978	2,668,321
PayPal Holdings, Inc. *	53,718	6,012,656	Landstar System, Inc.	14,720	2,272,915
Sabre Corp. *	248,845	2,719,876	Norfolk Southern Corp.	72,448	18,584,361
salesforce.com, Inc. *	27,404	5,769,364	Old Dominion Freight Line, Inc.	12,474	3,917,210
SS&C Technologies Holdings, Inc.	27,235	2,041,808	Ryder System, Inc.	62,594	4,934,911
Synopsys, Inc. *	9,353	2,921,784	Southwest Airlines Co. *	100,681	4,409,828
Teradata Corp. *	43,112	2,155,169	Union Pacific Corp.	205,687	50,588,718
The Western Union Co.	218,913	3,979,838	United Airlines Holdings, Inc. *	94,197	4,182,347
VeriSign, Inc. *	9,213	1,969,002	United Parcel Service, Inc., Class B	130,940	27,552,395
Visa, Inc., Class A	144,881	31,311,682	XPO Logistics, Inc. *	33,573	2,440,086
		<b>557,390,291</b>			<b>211,183,433</b>

#### Technology Hardware & Equipment 7.3%

Amphenol Corp., Class A	87,957	6,685,611
Apple Inc.	2,666,279	440,255,988
Arrow Electronics, Inc. *	70,193	8,555,123

#### Utilities 3.7%

Alliant Energy Corp.	69,211	4,041,922
Ameren Corp.	85,597	7,357,062
American Electric Power Co., Inc.	195,887	17,757,157

Schwab Fundamental U.S. Large Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)
American Water Works Co., Inc.	28,967	4,376,624
Atmos Energy Corp.	36,489	4,006,857
CenterPoint Energy, Inc.	266,200	7,280,570
CMS Energy Corp.	100,733	6,447,919
Consolidated Edison, Inc.	177,052	15,185,750
Constellation Energy Corp.	198,866	9,143,859
Dominion Energy, Inc.	268,572	21,359,531
DTE Energy Co.	70,023	8,514,097
Duke Energy Corp.	317,448	31,874,954
Edison International	166,681	10,570,909
Entergy Corp.	81,395	8,563,568
Evergy, Inc.	147,363	9,196,925
Eversource Energy	104,755	8,568,959
Exelon Corp.	597,492	25,429,259
FirstEnergy Corp.	300,754	12,586,555
NextEra Energy, Inc.	327,049	25,598,125
NiSource, Inc.	166,697	4,822,544
NRG Energy, Inc.	98,602	3,731,100
OGE Energy Corp.	88,407	3,319,683
PG&E Corp. *	258,484	2,938,963
Pinnacle West Capital Corp.	58,459	4,140,651
Portland General Electric Co.	45,582	2,314,198
PPL Corp.	435,272	11,391,068
Public Service Enterprise Group, Inc.	193,914	12,571,445
Sempra Energy	90,719	13,083,494
Southwest Gas Holdings, Inc.	30,512	2,164,521
The AES Corp.	327,097	6,944,269
The Southern Co.	404,972	26,230,036
UGI Corp.	102,268	3,931,182
Vistra Corp.	391,929	8,943,820
WEC Energy Group, Inc.	91,035	8,273,261
Xcel Energy, Inc.	174,508	11,749,624
		<b>364,410,461</b>
<b>Total Common Stocks</b>		
<b>(Cost \$8,117,962,984)</b>		<b>9,870,247,960</b>

	NUMBER OF CONTRACTS	NOTIONAL AMOUNT (\$)	CURRENT VALUE/ UNREALIZED DEPRECIATION (\$)
<b>FUTURES CONTRACTS</b>			
<b>Long</b>			
S&P 500 Index, e-mini, expires 03/18/22	85	18,564,000	<b>(245,433)</b>
* Non-income producing security.			
(a) Issuer is affiliated with the fund's investment adviser.			
(b) All or a portion of this security is on loan. Securities on loan were valued at \$3,885,136.			
(c) The rate shown is the 7-day yield.			
(d) Security purchased with cash collateral received for securities on loan.			

REIT Real Estate Investment Trust  
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**SHORT-TERM INVESTMENTS 0.1% OF NET ASSETS**

<b>Money Market Funds 0.1%</b>		
State Street Institutional U.S. Government Money Market Fund, Premier Class 0.03% (c)		
	7,471,770	7,471,770
State Street Institutional U.S. Government Money Market Fund, Premier Class 0.03% (c)(d)		
	3,896,800	3,896,800

	<b>11,368,570</b>
<b>Total Short-Term Investments</b> (Cost \$11,368,570)	<b>11,368,570</b>
<b>Total Investments in Securities</b> (Cost \$8,129,331,554)	<b>9,881,616,530</b>

Below is a summary of the fund's transactions with affiliated issuers during the period ended February 28, 2022:

	VALUE AT 2/28/21	PURCHASES	SALES	REALIZED GAINS (LOSSES)	NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION)	VALUE AT 2/28/22	BALANCE OF SHARES HELD AT 2/28/22	DIVIDENDS RECEIVED
<b>COMMON STOCKS 0.1% OF NET ASSETS</b>								
<b>Diversified Financials 0.1%</b>								
The Charles Schwab Corp.	\$8,403,178	\$4,411,830	(\$6,390,137)	\$1,521,579	\$904,198	<b>\$8,850,648</b>	104,791	\$83,768

## Schwab Fundamental U.S. Large Company Index ETF

## Portfolio Holdings

 as of February 28, 2022 (continued)

The following is a summary of the inputs used to value the fund's investments as of February 28, 2022 (see financial note 2(a) for additional information):

DESCRIPTION	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	TOTAL
<b>Assets</b>				
Common Stocks <sup>1</sup>	\$9,870,247,960	\$—	\$—	\$9,870,247,960
Short-Term Investments <sup>1</sup>	11,368,570	—	—	11,368,570
<b>Liabilities</b>				
Futures Contracts <sup>2</sup>	(245,433)	—	—	(245,433)
<b>Total</b>	<b>\$9,881,371,097</b>	<b>\$—</b>	<b>\$—</b>	<b>\$9,881,371,097</b>

1 As categorized in the Portfolio Holdings.

2 Futures contracts are reported at cumulative unrealized appreciation or depreciation.

Fund investments in mutual funds are classified as Level 1, without consideration to the classification level of the underlying securities held by the mutual funds, which could be Level 1, Level 2 or Level 3.





## Schwab Fundamental U.S. Large Company Index ETF

# Statement of Assets and Liabilities

As of February 28, 2022

<b>ASSETS</b>	
Investments in securities, at value - affiliated (cost \$5,247,139)	\$8,850,648
Investments in securities, at value - unaffiliated (cost \$8,124,084,415) including securities on loan of \$3,885,136	9,872,765,882
Deposit with broker for futures contracts	1,414,499
Receivables:	
Investments sold	84,000,603
Fund shares sold	82,625,768
Dividends	21,131,309
Income from securities on loan	+ 1,912
<b>Total assets</b>	<b>10,070,790,621</b>
<b>LIABILITIES</b>	
Collateral held for securities on loan	3,896,800
Payables:	
Investments bought	89,646,374
Fund shares redeemed	85,844,226
Management fees	1,909,197
Variation margin on futures contracts	+ 44,278
<b>Total liabilities</b>	<b>181,340,875</b>
<b>Net assets</b>	<b>\$9,889,449,746</b>
<b>NET ASSETS BY SOURCE</b>	
Capital received from investors	\$8,456,981,798
Total distributable earnings	+ 1,432,467,948
<b>Net assets</b>	<b>\$9,889,449,746</b>

**Net Asset Value (NAV)**

<b>Net Assets</b>	÷	<b>Shares Outstanding</b>	=	<b>NAV</b>
\$9,889,449,746		173,550,000		\$56.98

*See financial notes*

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## Schwab Fundamental U.S. Large Company Index ETF

# Statement of Operations

For the period March 1, 2021 through February 28, 2022

<b>INVESTMENT INCOME</b>	
Dividends received from securities - unaffiliated (net of foreign withholding tax of \$18,965)	\$160,141,226
Dividends received from securities - affiliated	83,768
Securities on loan, net	+ 26,860
<b>Total investment income</b>	<b>160,251,854</b>
<b>EXPENSES</b>	
Management fees	19,208,020
<b>Total expenses</b>	<b>- 19,208,020</b>
<b>Net investment income</b>	<b>141,043,834</b>
<b>REALIZED AND UNREALIZED GAINS (LOSSES)</b>	
Net realized gains on sales of securities - affiliated	310,676
Net realized losses on sales of securities - unaffiliated	(104,766,775)
Net realized gains on sales of in-kind redemptions - affiliated	1,210,903
Net realized gains on sales of in-kind redemptions - unaffiliated	496,763,671
Net realized gains on futures contracts	+ 379,888
<b>Net realized gains</b>	<b>393,898,363</b>
Net change in unrealized appreciation (depreciation) on securities - affiliated	904,198
Net change in unrealized appreciation (depreciation) on securities - unaffiliated	629,162,157
Net change in unrealized appreciation (depreciation) on futures contracts	+ 31,343
<b>Net change in unrealized appreciation (depreciation)</b>	<b>+ 630,097,698</b>
<b>Net realized and unrealized gains</b>	<b>1,023,996,061</b>
<b>Increase in net assets resulting from operations</b>	<b>\$1,165,039,895</b>



Schwab Fundamental U.S. Large Company Index ETF

# Statement of Changes in Net Assets

For the current and prior report periods

OPERATIONS		
	3/1/21-2/28/22	3/1/20-2/28/21
Net investment income	\$141,043,834	\$126,653,300
Net realized gains	393,898,363	422,934,207
Net change in unrealized appreciation (depreciation)	+ 630,097,698	883,468,597
<b>Increase in net assets resulting from operations</b>	<b>\$1,165,039,895</b>	<b>\$1,433,056,104</b>
DISTRIBUTIONS TO SHAREHOLDERS		
Total distributions	(\$130,197,615)	(\$134,608,220)

TRANSACTIONS IN FUND SHARES				
	3/1/21-2/28/22		3/1/20-2/28/21	
	SHARES	VALUE	SHARES	VALUE
Shares sold	71,200,000	\$4,014,710,303	30,500,000	\$1,133,770,691
Shares redeemed	+ (18,550,000)	(1,022,625,679)	(57,150,000)	(2,127,678,557)
<b>Net transactions in fund shares</b>	<b>52,650,000</b>	<b>\$2,992,084,624</b>	<b>(26,650,000)</b>	<b>(\$993,907,866)</b>

SHARES OUTSTANDING AND NET ASSETS				
	3/1/21-2/28/22		3/1/20-2/28/21	
	SHARES	NET ASSETS	SHARES	NET ASSETS
Beginning of period	120,900,000	\$5,862,522,842	147,550,000	\$5,557,982,824
Total increase (decrease)	+ 52,650,000	4,026,926,904	(26,650,000)	304,540,018
<b>End of period</b>	<b>173,550,000</b>	<b>\$9,889,449,746</b>	<b>120,900,000</b>	<b>\$5,862,522,842</b>

*See financial notes*

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Schwab Fundamental U.S. Small Company Index ETF

## Financial Statements

FINANCIAL HIGHLIGHTS					
	3/1/21– 2/28/22	3/1/20– 2/28/21	3/1/19– 2/29/20	3/1/18– 2/28/19	3/1/17– 2/28/18
<b>Per-Share Data</b>					
Net asset value at beginning of period	\$48.75	\$34.73	\$38.08	\$36.90	\$34.89
Income (loss) from investment operations:					
Net investment income (loss) <sup>1</sup>	0.65	0.49	0.55	0.59	0.52
Net realized and unrealized gains (losses)	4.26	14.09	(3.34)	1.14	1.98
Total from investment operations	4.91	14.58	(2.79)	1.73	2.50
Less distributions:					
Distributions from net investment income	(0.64)	(0.56)	(0.56)	(0.55)	(0.49)
Net asset value at end of period	\$53.02	\$48.75	\$34.73	\$38.08	\$36.90
Total return	10.06%	42.73%	(7.46%)	4.69%	7.22%
<b>Ratios/Supplemental Data</b>					
Ratios to average net assets:					
Total expenses	0.25%	0.25%	0.25%	0.25%	0.25%
Net investment income (loss)	1.21%	1.40%	1.43%	1.53%	1.45%
Portfolio turnover rate <sup>2</sup>	25%	24%	26%	23%	21%
Net assets, end of period (x 1,000)	\$4,843,112	\$4,085,618	\$3,424,710	\$3,402,783	\$2,782,002

1 Calculated based on the average shares outstanding during the period.

2 Portfolio turnover rate excludes securities received or delivered from processing of in-kind creations or redemptions.

## Schwab Fundamental U.S. Small Company Index ETF

Portfolio Holdings as of February 28, 2022

This section shows all the securities in the fund's portfolio and their values as of the report date.

The fund files its complete schedule of portfolio holdings with the U.S. Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-PORT Part F. The fund's Form N-PORT Part F is available on the SEC's website at [www.sec.gov](http://www.sec.gov). You can also obtain this information at no cost on the fund's website at [www.schwabassetmanagement.com/schwabetfs\\_prospectus](http://www.schwabassetmanagement.com/schwabetfs_prospectus), by calling 1-866-414-6349, or by sending an email request to [orders@mysummaryprospectus.com](mailto:orders@mysummaryprospectus.com). The fund also makes available its complete schedule of portfolio holdings on a daily basis on the fund's website.

SECURITY	NUMBER OF SHARES	VALUE (\$)
<b>COMMON STOCKS 99.9% OF NET ASSETS</b>		
<b>Automobiles &amp; Components 1.4%</b>		
American Axle & Manufacturing Holdings, Inc. *	1,159,849	10,740,202
Cooper-Standard Holding, Inc. *	331,099	4,211,579
Dorman Products, Inc. *	47,283	4,417,178
Fox Factory Holding Corp. *	16,493	1,946,504
Gentherm, Inc. *	62,010	5,260,928
LCI Industries	54,236	6,753,467
Modine Manufacturing Co. *	290,026	2,929,263
Patrick Industries, Inc.	50,635	3,612,301
Standard Motor Products, Inc.	90,669	3,963,142
Stoneridge, Inc. *	100,915	1,666,107
Tenneco, Inc., Class A *	785,094	15,136,612
Veoneer, Inc. *	91,925	3,258,741
Winnebago Industries, Inc.	73,021	4,678,455
		<b>68,574,479</b>

<b>Banks 10.0%</b>		
Ameris Bancorp	44,492	2,202,354
Associated Banc-Corp.	358,927	8,754,230
Atlantic Union Bankshares Corp.	87,495	3,554,922
Axos Financial, Inc. *	54,728	2,995,811
Bank of Hawaii Corp.	75,430	6,500,557
Bank OZK	174,839	8,220,930
BankUnited, Inc.	208,940	9,235,148
Banner Corp.	68,260	4,205,499
Berkshire Hills Bancorp, Inc.	86,854	2,701,159
BOK Financial Corp.	50,266	5,162,318
Brookline Bancorp, Inc.	133,251	2,283,922
Cadence Bank	286,922	9,072,474
Capitol Federal Financial, Inc.	287,353	3,137,895
Cathay General Bancorp	134,092	6,306,347
Central Pacific Financial Corp.	86,245	2,517,492
City Holding Co.	22,529	1,794,885
Columbia Banking System, Inc.	119,343	4,371,534
Commerce Bancshares, Inc.	113,000	8,111,140
Community Bank System, Inc.	53,310	3,888,431

SECURITY	NUMBER OF SHARES	VALUE (\$)
First Interstate BancSystem, Inc., Class A	177,580	7,209,748
First Merchants Corp.	62,733	2,743,941
Flagstar Bancorp, Inc.	92,380	4,210,680
Fulton Financial Corp.	368,549	6,641,253
Glacier Bancorp, Inc.	85,215	4,720,911
Hancock Whitney Corp.	149,569	8,328,002
Hanmi Financial Corp.	85,937	2,244,674
Heartland Financial USA, Inc.	43,533	2,160,107
Hilltop Holdings, Inc.	109,562	3,387,657
Home BancShares, Inc.	233,882	5,475,178
Hope Bancorp, Inc.	297,660	5,048,314
Independent Bank Corp.	34,919	3,003,383
Independent Bank Group, Inc.	28,059	2,164,752
International Bancshares Corp.	94,500	4,064,445
Investors Bancorp, Inc.	624,048	10,446,564
MGIC Investment Corp.	786,415	11,937,780
National Bank Holdings Corp., Class A	45,980	2,040,592
NBT Bancorp, Inc.	78,697	3,019,604
Northwest Bancshares, Inc.	211,636	2,979,835
OFG Bancorp	110,032	3,100,702
Old National Bancorp	525,674	9,609,323
Pacific Premier Bancorp, Inc.	48,735	1,886,532
Park National Corp.	21,990	2,947,979
PennyMac Financial Services, Inc.	42,053	2,428,561
Pinnacle Financial Partners, Inc.	54,414	5,500,167
Prosperity Bancshares, Inc.	105,185	7,832,075
Provident Financial Services, Inc.	126,847	3,010,079
Radian Group, Inc.	486,677	11,631,580
Renasant Corp.	74,565	2,722,368
S&T Bancorp, Inc.	75,372	2,343,316
Sandy Spring Bancorp, Inc.	52,513	2,472,837
ServisFirst Bancshares, Inc.	31,031	2,711,489
Signature Bank	39,014	13,455,539
Simmons First National Corp., Class A	144,604	4,124,106
Southside Bancshares, Inc.	44,178	1,841,781
SouthState Corp.	57,662	5,189,580
Synovus Financial Corp.	246,251	12,965,115
Texas Capital Bancshares, Inc. *	74,944	4,991,270
The Bank of NT Butterfield & Son Ltd.	89,026	3,418,598
Tompkins Financial Corp.	23,036	1,822,148



Cullen/Frost Bankers, Inc.	74,565	10,493,532	Towne Bank	87,786	2,737,168
CVB Financial Corp.	166,995	3,937,742	Trustmark Corp.	138,007	4,345,840
Eagle Bancorp, Inc.	40,989	2,456,061	UMB Financial Corp.	49,164	5,007,845
Essent Group Ltd.	118,244	5,224,020	Umpqua Holdings Corp.	529,637	11,307,750
F.N.B. Corp.	710,249	9,538,644	United Bankshares, Inc.	162,814	5,962,249
Federal Agricultural Mortgage Corp., Class C	25,496	3,153,855	United Community Banks, Inc.	92,946	3,593,292
First BanCorp	280,948	3,966,986	Valley National Bancorp	506,238	7,072,145
First Busey Corp.	81,278	2,231,081	Walker & Dunlop, Inc.	46,644	6,453,197
First Citizens BancShares, Inc., Class A	34,773	27,416,772	Washington Federal, Inc.	213,516	7,596,899
First Commonwealth Financial Corp.	164,311	2,653,623	Webster Financial Corp.	256,203	15,425,983
First Financial Bancorp	151,796	3,731,146	WesBanco, Inc.	92,945	3,396,210
First Financial Bankshares, Inc.	60,643	2,906,013	Westamerica BanCorp	33,076	1,962,068
First Hawaiian, Inc.	279,954	8,138,263	Western Alliance Bancorp	56,774	5,321,995
First Horizon Corp.	570,728	13,400,693	Wintrust Financial Corp.	86,059	8,550,822

Schwab Fundamental U.S. Small Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
WSFS Financial Corp.	46,150	2,345,805	Lindsay Corp.	16,198	2,125,340
		<b>483,177,312</b>	Masonite International Corp. *	62,953	5,938,356
<b>Capital Goods 11.7%</b>			Matrix Service Co. *	321,874	2,233,806
AAON, Inc.	33,871	1,983,486	Maxar Technologies, Inc.	129,652	4,205,911
AAR Corp. *	146,839	6,598,945	McGrath RentCorp	49,875	4,053,840
Advanced Drainage Systems, Inc.	21,044	2,456,256	Mercury Systems, Inc. *	39,931	2,404,645
Aerojet Rocketdyne Holdings, Inc.	90,897	3,522,259	Meritor, Inc. *	246,384	8,773,734
Air Lease Corp.	243,432	10,165,720	Moog, Inc., Class A	120,062	9,978,353
Alamo Group, Inc.	19,932	2,772,740	MRC Global, Inc. *	582,393	5,882,169
Albany International Corp., Class A	49,313	4,330,668	Mueller Industries, Inc.	191,445	10,921,937
Altra Industrial Motion Corp.	73,271	3,111,819	Mueller Water Products, Inc., Class A	303,846	3,855,806
American Woodmark Corp. *	56,653	3,035,468	MYR Group, Inc. *	45,181	4,054,995
API Group Corp. *	196,189	4,231,797	National Presto Industries, Inc.	21,693	1,724,593
Apogee Enterprises, Inc.	120,983	5,452,704	NOW, Inc. *	924,952	8,639,052
Applied Industrial Technologies, Inc.	94,807	9,584,988	Parsons Corp. *	51,262	1,776,741
Arcosa, Inc.	147,390	7,763,031	PGT Innovations, Inc. *	92,966	1,999,699
Argan, Inc.	56,300	2,189,507	Primoris Services Corp.	226,915	5,983,749
Armstrong World Industries, Inc.	67,891	6,001,564	Proto Labs, Inc. *	31,882	1,792,725
Astec Industries, Inc.	67,860	3,379,428	Quanex Building Products Corp.	126,575	2,893,504
Astronics Corp. *	148,335	2,182,008	RBC Bearings, Inc. *	20,595	3,992,341
Atkore, Inc. *	39,824	4,050,499	Resideo Technologies, Inc. *	336,566	8,663,209
AZZ, Inc.	79,196	3,898,819	Rush Enterprises, Inc., Class A	222,831	11,573,842
Barnes Group, Inc.	147,629	6,857,367	Simpson Manufacturing Co., Inc.	61,011	7,230,414
Beacon Roofing Supply, Inc. *	152,171	9,083,087	SiteOne Landscape Supply, Inc. *	20,050	3,457,221
Boise Cascade Co.	179,864	14,378,328	SPX Corp. *	38,485	1,951,189
Builders FirstSource, Inc. *	213,997	15,925,657	SPX FLOW, Inc.	55,893	4,800,650
BWX Technologies, Inc.	147,268	7,867,057	Standex International Corp.	29,979	3,175,675
Chart Industries, Inc. *	18,536	2,676,598	Tennant Co.	36,680	2,889,650
CIRCOR International, Inc. *	59,448	1,601,529	Terex Corp.	193,969	8,007,040
Colfax Corp. *	194,158	7,807,093	Textainer Group Holdings Ltd.	67,277	2,389,006
Columbus McKinnon Corp.	49,476	2,258,085	The Greenbrier Cos., Inc.	230,026	10,220,055
Comfort Systems USA, Inc.	75,085	6,455,808	The Manitowoc Co., Inc. *	134,355	2,220,888
Crane Co.	98,848	9,991,556	The Middleby Corp. *	65,397	11,615,815
CSW Industrials, Inc.	14,399	1,732,632	The Timken Co.	148,512	9,736,447
Douglas Dynamics, Inc.	55,487	2,038,592	Trex Co., Inc. *	40,296	3,700,785
Dycom Industries, Inc. *	119,201	10,377,639	Trinity Industries, Inc.	319,934	9,233,295
Encore Wire Corp.	61,768	7,191,031	Triton International Ltd.	153,759	10,098,891
Enerpac Tool Group Corp.	103,219	1,780,528	Tutor Perini Corp. *	476,719	4,671,846
EnerSys	107,209	7,797,311	Valmont Industries, Inc.	42,091	9,110,597
EnPro Industries, Inc.	47,089	5,200,509	Vectrus, Inc. *	52,733	2,417,281
ESCO Technologies, Inc.	33,548	2,333,934	Wabash National Corp.	421,283	7,178,662
Evoqua Water Technologies Corp. *	60,645	2,587,116	Watts Water Technologies, Inc., Class A	36,344	5,231,719
Federal Signal Corp.	103,003	3,719,438	Welbilt, Inc. *	162,548	3,842,635
Franklin Electric Co., Inc.	67,648	5,720,315	Woodward, Inc.	78,294	9,757,781
Generac Holdings, Inc. *	19,903	6,278,799	Zurn Water Solutions Corp.	149,195	4,851,821
					<b>565,051,155</b>

Gibraltar Industries, Inc. *	50,023	2,417,111		
GMS, Inc. *	118,241	6,414,574		
GrafTech International Ltd.	145,961	1,471,287		
Granite Construction, Inc.	226,574	6,858,395		
Great Lakes Dredge & Dock Corp. *	126,751	1,788,457		
Griffon Corp.	149,996	3,457,408		
H&E Equipment Services, Inc.	142,712	5,959,653		
HEICO Corp.	23,182	3,419,577		
HEICO Corp., Class A	39,541	4,860,380		
Helios Technologies, Inc.	25,512	2,000,396		
Herc Holdings, Inc.	51,843	8,249,258		
Hillenbrand, Inc.	143,780	6,859,744		
Hyster-Yale Materials Handling, Inc.	51,081	1,955,381		
Ingersoll Rand, Inc.	126,124	6,371,784		
JELD-WEN Holding, Inc. *	208,597	4,814,419		
John Bean Technologies Corp.	30,626	3,472,070		
Kadant, Inc.	12,138	2,395,434		
Kaman Corp.	107,569	4,669,570		
Kennametal, Inc.	203,637	6,457,329		
Kratos Defense & Security Solutions, Inc. *	73,112	1,529,503		
			<b>Commercial &amp; Professional Services 4.9%</b>	
			ACCO Brands Corp.	567,347 4,879,184
			ADT, Inc.	590,953 4,319,866
			ASGN, Inc. *	85,962 9,523,730
			Brady Corp., Class A	110,016 5,069,537
			BrightView Holdings, Inc. *	173,916 2,349,605
			CBIZ, Inc. *	88,387 3,439,138
			Cimpress plc *	34,087 2,147,140
			Clean Harbors, Inc. *	99,664 9,510,936
			CoStar Group, Inc. *	84,246 5,139,849
			Deluxe Corp.	246,528 7,669,486
			Exponent, Inc.	26,371 2,498,916
			FTI Consulting, Inc. *	65,146 9,511,316
			Harsco Corp. *	269,360 3,208,078
			Healthcare Services Group, Inc.	292,590 4,628,774
			Heidrick & Struggles International, Inc.	44,208 1,889,892
			HNI Corp.	196,547 7,997,497
			Huron Consulting Group, Inc. *	51,164 2,523,920
			IAA, Inc. *	85,033 3,124,112
			ICF International, Inc.	45,308 4,015,195

Schwab Fundamental U.S. Small Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Insperty, Inc.	44,181	3,974,081	Bally's Corp. *	38,596	1,390,228
Interface, Inc.	273,187	3,565,090	BJ's Restaurants, Inc. *	98,292	3,152,224
KAR Auction Services, Inc. *	510,821	9,429,756	Bloomin' Brands, Inc. *	378,770	9,321,530
Kforce, Inc.	71,542	5,378,528	Boyd Gaming Corp. *	115,888	8,221,095
Korn Ferry	103,048	6,827,961	Bright Horizons Family Solutions, Inc. *	54,262	7,088,788
ManTech International Corp., Class A	70,148	5,848,239	Brinker International, Inc. *	190,975	8,124,077
Mathews International Corp., Class A	136,185	4,518,618	Caesars Entertainment, Inc. *	45,451	3,826,520
MillerKnoll, Inc.	260,689	10,135,588	Choice Hotels International, Inc.	27,357	3,948,983
MSA Safety, Inc.	31,195	4,339,225	Churchill Downs, Inc.	39,567	9,530,503
Pitney Bowes, Inc.	1,307,367	6,510,688	Dave & Buster's Entertainment, Inc. *	150,021	6,501,910
Resources Connection, Inc.	196,215	3,257,169	Denny's Corp. *	165,866	2,624,000
Rollins, Inc.	137,030	4,471,289	Dine Brands Global, Inc.	41,414	3,472,150
SP Plus Corp. *	106,469	3,178,100	Everi Holdings, Inc. *	88,748	2,076,703
Steelcase, Inc., Class A	571,049	6,949,666	Frontdoor, Inc. *	56,586	1,700,409
Stericycle, Inc. *	142,281	8,303,519	Graham Holdings Co., Class B	15,388	9,250,188
Tetra Tech, Inc.	60,594	9,620,509	Grand Canyon Education, Inc. *	77,396	6,720,295
The Brink's Co.	71,715	5,024,353	Hilton Grand Vacations, Inc. *	178,567	9,260,485
The GEO Group, Inc. *	1,482,789	8,837,422	Houghton Mifflin Harcourt Co. *	397,273	8,322,869
TransUnion	105,183	9,546,409	Hyatt Hotels Corp., Class A *	133,096	12,924,953
TriNet Group, Inc. *	43,378	3,787,333	International Game Technology plc	452,543	13,856,867
TrueBlue, Inc. *	310,338	8,441,194	Jack in the Box, Inc.	94,692	8,169,079
UniFirst Corp.	35,003	6,344,294	Laureate Education, Inc.	477,713	5,178,409
US Ecology, Inc. *	70,345	3,337,167	Papa John's International, Inc.	31,627	3,378,396
Viad Corp. *	84,161	2,940,585	Penn National Gaming, Inc. *	150,185	7,712,000
		<b>238,012,954</b>	Perdoceo Education Corp. *	214,792	2,248,872
			Planet Fitness, Inc., Class A *	56,055	4,743,935
			Red Robin Gourmet Burgers, Inc. *	143,666	2,521,338
			Red Rock Resorts, Inc., Class A	95,950	4,824,366
			Regis Corp. *(a)	632,151	1,144,193
			Ruth's Hospitality Group, Inc.	88,631	2,198,935
			Scientific Games Corp., Class A *	88,014	5,537,841
			SeaWorld Entertainment, Inc. *	67,227	4,664,882
			Strategic Education, Inc.	48,051	2,835,970
			Stride, Inc. *	146,382	4,915,508
			Terminix Global Holdings, Inc. *	153,190	6,519,766
			Texas Roadhouse, Inc.	105,914	10,052,298
			The Cheesecake Factory, Inc. *	161,130	6,894,753
			WW International, Inc. *	100,113	1,020,151
			Wyndham Hotels & Resorts, Inc.	111,857	9,665,563
					<b>236,905,901</b>
<b>Consumer Durables &amp; Apparel 3.4%</b>			<b>Diversified Financials 4.6%</b>		
Acushnet Holdings Corp.	59,387	2,601,151	Apollo Commercial Real Estate Finance, Inc.	300,193	3,917,519
Beazer Homes USA, Inc. *	144,874	2,371,587	Apollo Global Management, Inc.	346,841	22,634,844
Callaway Golf Co. *	128,355	3,175,503	Arbor Realty Trust, Inc.	124,428	2,239,704
Cavco Industries, Inc. *	15,677	4,274,020	Ares Management Corp., Class A	30,917	2,507,060
Century Communities, Inc.	51,564	3,285,658			
Columbia Sportswear Co.	61,189	5,673,444			
Crocs, Inc. *	28,419	2,379,523			
Deckers Outdoor Corp. *	30,268	8,736,555			
Ethan Allen Interiors, Inc.	151,901	3,958,540			
Fossil Group, Inc. *	412,111	5,571,741			
G-III Apparel Group Ltd. *	260,650	7,230,431			
Helen of Troy Ltd. *	34,915	7,180,968			
Installed Building Products, Inc.	17,977	1,738,376			
iRobot Corp. *	47,932	2,979,453			
KB Home	243,860	9,415,435			
Kontoor Brands, Inc.	151,442	7,502,437			
La-Z-Boy, Inc.	176,442	5,148,578			
LGI Homes, Inc. *	27,601	3,481,314			
M.D.C Holdings, Inc.	148,395	6,579,834			

M/I Homes, Inc. *	92,131	4,541,137	Artisan Partners Asset Management, Inc., Class A	94,591	3,604,863
Meritage Homes Corp. *	109,788	10,822,901	BGC Partners, Inc., Class A	858,514	3,931,994
Movado Group, Inc.	70,720	2,787,782	Blackstone Mortgage Trust, Inc., Class A	217,201	6,902,648
Oxford Industries, Inc.	49,472	4,372,830	Blucora, Inc. *	119,402	2,376,100
Skyline Champion Corp. *	34,767	2,337,733	BrightSphere Investment Group, Inc.	156,188	3,728,208
Smith & Wesson Brands, Inc.	118,841	2,095,167	BrightSpire Capital, Inc.	195,419	1,731,412
Steven Madden Ltd.	218,092	9,303,805	Cannae Holdings, Inc. *	159,553	4,283,998
Sturm Ruger & Co., Inc.	50,888	3,684,800	Chimera Investment Corp.	699,151	8,508,668
Tempur Sealy International, Inc.	196,824	6,497,160	Cohen & Steers, Inc.	31,882	2,590,731
TopBuild Corp. *	34,003	7,299,764	Compass Diversified Holdings	182,633	4,339,360
Tupperware Brands Corp. *(a)	266,560	4,859,389	Credit Acceptance Corp. *	12,880	7,085,546
Universal Electronics, Inc. *	50,176	1,667,348	Donnelley Financial Solutions, Inc. *	88,011	2,825,153
Vista Outdoor, Inc. *	120,666	4,398,276	Encore Capital Group, Inc. *	69,445	4,582,676
Wolverine World Wide, Inc.	261,039	6,011,728	Enova International, Inc. *	90,974	3,709,010
		<b>163,964,368</b>	FactSet Research Systems, Inc.	23,916	9,712,048
			Federated Hermes, Inc.	291,684	9,529,316
			FirstCash Holdings, Inc.	103,212	7,435,392
			Green Dot Corp., Class A *	89,331	2,559,333
			Houlihan Lokey, Inc.	53,125	5,464,437
<b>Consumer Services 4.9%</b>					
Adtalem Global Education, Inc. *	230,516	4,790,122			
American Public Education, Inc. *	76,241	1,521,770			
Arcos Dorados Holdings, Inc., Class A *	653,684	5,052,977			

Schwab Fundamental U.S. Small Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)
Interactive Brokers Group, Inc., Class A	28,496	1,885,865
Invesco Mortgage Capital, Inc.	1,746,552	3,807,483
Ladder Capital Corp.	395,413	4,531,433
MarketAxess Holdings, Inc.	11,042	4,211,750
MFA Financial, Inc.	1,409,788	5,723,739
Moelis & Co., Class A	73,660	3,551,149
Morningstar, Inc.	13,737	3,855,289
Nelnet, Inc., Class A	44,712	3,601,552
New York Mortgage Trust, Inc.	927,925	3,257,017
PennyMac Mortgage Investment Trust	250,544	3,908,486
Piper Sandler Cos.	24,048	3,559,344
PRA Group, Inc. *	102,437	4,571,763
Redwood Trust, Inc.	332,449	3,454,145
SLM Corp.	589,878	11,620,597
Stifel Financial Corp.	107,028	7,866,558
The Carlyle Group, Inc.	90,864	4,258,796
TPG RE Finance Trust, Inc.	167,724	1,985,852
Tradeweb Markets, Inc., Class A	28,296	2,390,446
Two Harbors Investment Corp.	1,216,767	6,156,841
Virtu Financial, Inc., Class A	62,327	2,186,431
Virtus Investment Partners, Inc.	8,263	1,988,243
WisdomTree Investments, Inc.	347,936	1,958,880
World Acceptance Corp. *	19,140	3,760,436
		<b>220,292,115</b>

**Energy 5.1%**

Alto Ingredients, Inc. *	425,861	2,482,770
Arch Resources, Inc. (a)	153,013	18,265,162
Archrock, Inc.	526,269	4,394,346
Callon Petroleum Co. *	90,730	5,113,543
Centennial Resource Development, Inc., Class A *	786,579	6,906,164
ChampionX Corp. *	198,845	4,257,271
CNX Resources Corp. *	743,073	12,141,813
CONSOL Energy, Inc. *	316,865	9,740,430
Continental Resources, Inc.	169,568	9,399,154
Core Laboratories N.V.	140,905	3,883,342
CVR Energy, Inc.	322,986	5,616,726
DHT Holdings, Inc.	422,538	2,657,764
Dril-Quip, Inc. *	144,129	4,156,680
EQT Corp.	455,111	10,531,268
Equitrans Midstream Corp.	1,161,119	7,442,773
Golar LNG Ltd. *	155,804	2,710,990
Green Plains, Inc. *	228,107	7,468,223
Helix Energy Solutions Group, Inc. *	603,391	2,443,733
International Seaways, Inc.	245,841	4,496,432
Kosmos Energy Ltd. *	1,674,293	8,137,064

SECURITY	NUMBER OF SHARES	VALUE (\$)
<b>Food &amp; Staples Retailing 0.8%</b>		
BJ's Wholesale Club Holdings, Inc. *	92,615	5,822,705
Grocery Outlet Holding Corp. *	103,432	2,876,444
Ingles Markets, Inc., Class A	99,706	8,197,827
PriceSmart, Inc.	91,733	6,670,824
The Andersons, Inc.	222,080	10,126,848
The Chefs' Warehouse, Inc. *	74,593	2,450,380
Weis Markets, Inc.	76,926	4,744,026
		<b>40,889,054</b>

**Food, Beverage & Tobacco 2.3%**

B&G Foods, Inc. (a)	243,057	7,194,487
Brown-Forman Corp., Class B	139,951	9,129,004
Calavo Growers, Inc.	73,101	3,120,682
Cal-Maine Foods, Inc.	155,412	6,880,089
Coca-Cola Consolidated, Inc.	6,869	3,413,412
Fresh Del Monte Produce, Inc.	308,891	7,994,099
Hostess Brands, Inc. *	180,865	3,895,832
J&J Snack Foods Corp.	31,261	5,118,051
John B Sanfilippo & Son, Inc.	33,020	2,625,750
Lamb Weston Holdings, Inc.	145,031	9,634,409
Lancaster Colony Corp.	32,666	5,494,748
Nomad Foods Ltd. *	176,627	4,447,468
Pilgrim's Pride Corp. *	265,180	6,252,944
The Boston Beer Co., Inc., Class A *	7,085	2,716,814
The Hain Celestial Group, Inc. *	165,528	6,018,598
TreeHouse Foods, Inc. *	247,383	9,709,783
Universal Corp.	191,122	10,341,612
Vector Group Ltd.	424,460	4,758,197
		<b>108,745,979</b>

**Health Care Equipment & Services 3.8%**

ABIOMED, Inc. *	13,221	4,108,293
Acadia Healthcare Co., Inc. *	146,685	8,318,506
Addus HomeCare Corp. *	17,940	1,525,618
Allscripts Healthcare Solutions, Inc. *	305,785	5,950,576
Amedisys, Inc. *	24,212	3,879,731
AMN Healthcare Services, Inc. *	66,451	7,053,109
Avanos Medical, Inc. *	68,313	2,417,597
Brookdale Senior Living, Inc. *	998,344	6,868,607
Change Healthcare, Inc. *	291,673	6,247,636
Chemed Corp.	18,939	9,058,334
Community Health Systems, Inc. *	478,203	5,025,913
CONMED Corp.	23,941	3,499,216
Covetrus, Inc. *	311,309	5,516,395
Globus Medical, Inc., Class A *	54,582	3,838,206

Liberty Oilfield Services, Inc., Class A *	176,629	2,204,330	Haemonetics Corp. *	76,425	4,410,487
Magnolia Oil & Gas Corp., Class A	218,246	4,877,798	ICU Medical, Inc. *	19,768	4,679,679
Matador Resources Co.	115,258	5,716,797	IDEXX Laboratories, Inc. *	10,300	5,483,205
NexTier Oilfield Solutions, Inc. *	879,681	7,002,261	Integer Holdings Corp. *	50,223	4,212,203
Nordic American Tankers Ltd.	1,065,335	2,578,111	Integra LifeSciences Holdings Corp. *	52,811	3,541,506
Oceaneering International, Inc. *	709,629	10,388,969	LHC Group, Inc. *	29,276	3,986,513
Oil States International, Inc. *	685,804	3,586,755	LivaNova plc *	32,152	2,534,221
Par Pacific Holdings, Inc. *	257,227	3,498,287	Masimo Corp. *	21,830	3,437,133
PDC Energy, Inc.	169,441	10,932,333	MEDNAX, Inc. *	384,907	9,033,767
ProPetro Holding Corp. *	461,687	5,895,743	Merit Medical Systems, Inc. *	44,459	2,891,169
Range Resources Corp. *	305,008	6,999,934	ModivCare, Inc. *	24,165	2,851,470
Renewable Energy Group, Inc. *	133,877	8,233,435	National HealthCare Corp.	50,480	3,282,210
Scorpio Tankers, Inc.	242,964	4,225,144	Natus Medical, Inc. *	67,084	1,866,277
SFL Corp., Ltd.	514,907	5,123,325	Neogen Corp. *	55,986	1,998,700
SM Energy Co.	512,908	18,213,363	NextGen Healthcare, Inc. *	113,111	2,209,058
Southwestern Energy Co. *	1,329,936	6,636,381	NuVasive, Inc. *	79,177	4,285,059
Teekay Tankers Ltd., Class A *	207,127	2,959,845	Omnicell, Inc. *	20,624	2,666,271
US Silica Holdings, Inc. *	235,792	3,409,552	Orthofix Medical, Inc. *	45,182	1,535,284
		<b>244,728,011</b>	Owens & Minor, Inc.	248,825	10,985,624

Schwab Fundamental U.S. Small Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
<b>SECURITY</b>					
Premier, Inc., Class A	245,619	8,827,547	GCP Applied Technologies, Inc. *	104,005	3,284,478
Select Medical Holdings Corp.	219,919	5,091,125	Glatfelter Corp.	205,015	2,816,906
Teleflex, Inc.	30,610	10,294,449	Greif, Inc., Class A	98,853	5,683,059
The Ensign Group, Inc.	46,715	3,925,928	H.B. Fuller Co.	109,462	7,483,917
US Physical Therapy, Inc.	15,373	1,413,855	Hawkins, Inc.	54,349	2,459,836
Varex Imaging Corp. *	94,940	2,244,382	Hecla Mining Co.	506,195	2,915,683
Veeva Systems, Inc., Class A *	13,874	3,177,840	Ingevity Corp. *	54,136	3,693,699
		<b>184,172,699</b>	Innospec, Inc.	60,277	5,756,453
			Kaiser Aluminum Corp.	51,565	4,976,023
			Koppers Holdings, Inc. *	63,295	1,812,136
			Kraton Corp. *	123,471	5,698,187
			Livent Corp. *	103,196	2,430,266
			Louisiana-Pacific Corp.	191,185	13,755,761
			Materion Corp.	60,908	5,088,863
			Minerals Technologies, Inc.	96,161	6,730,308
			Myers Industries, Inc.	96,372	1,601,703
			Neenah, Inc.	77,479	3,017,807
			NewMarket Corp.	20,048	6,370,452
			Orion Engineered Carbons S.A.	249,150	3,871,791
			Quaker Chemical Corp.	9,681	1,796,890
			Royal Gold, Inc.	44,047	5,341,139
			Schnitzer Steel Industries, Inc., Class A	128,480	6,250,552
			Schweitzer-Mauduit International, Inc.	117,784	3,677,216
			Sensient Technologies Corp.	74,351	6,106,448
			Silgan Holdings, Inc.	214,806	8,996,075
			Southern Copper Corp.	100,725	6,989,308
			Stepan Co.	57,953	6,005,090
			Summit Materials, Inc., Class A *	217,172	6,780,110
			SunCoke Energy, Inc.	590,984	4,686,503
			The Scotts Miracle-Gro Co.	45,226	6,334,354
			Tredegar Corp.	184,781	2,126,829
			TriMas Corp.	91,253	2,966,635
			Trinseo plc	179,140	9,308,114
			Tronox Holdings plc, Class A	184,338	3,742,061
			Valvoline, Inc.	186,086	6,016,160
			Verso Corp., Class A	445,180	11,801,722
			Warrior Met Coal, Inc.	552,614	17,407,341
			Westlake Corp.	97,936	10,803,320
			Worthington Industries, Inc.	115,362	6,577,941
					<b>315,495,501</b>
			<b>Household &amp; Personal Products 1.0%</b>		
Central Garden & Pet Co., Class A *	82,099	3,615,640			
Coty, Inc., Class A *	971,993	8,913,176			
Edgewell Personal Care Co.	208,765	7,448,735			
Energizer Holdings, Inc.	104,561	3,491,292			
Herbalife Nutrition Ltd. *	135,980	4,838,168			
Inter Parfums, Inc.	22,113	2,053,856			
Medifast, Inc.	9,049	1,683,114			
Spectrum Brands Holdings, Inc.	119,600	11,096,488			
USANA Health Sciences, Inc. *	37,999	3,344,292			
WD-40 Co.	11,453	2,426,776			
		<b>48,911,537</b>			
			<b>Insurance 2.4%</b>		
Ambac Financial Group, Inc. *	222,427	2,853,738			
American Equity Investment Life Holding Co.	326,905	12,321,049			
American National Group, Inc.	17,357	3,280,994			
AMERISAFE, Inc.	54,433	2,563,794			
Argo Group International Holdings Ltd.	75,633	3,189,444			
Brighthouse Financial, Inc. *	44,981	2,350,707			
CNA Financial Corp.	93,827	4,287,894			
Employers Holdings, Inc.	89,311	3,470,625			
Enstar Group Ltd. *	12,405	3,535,797			
Horace Mann Educators Corp.	83,610	3,477,340			
James River Group Holdings Ltd.	101,970	2,712,402			
Kemper Corp.	134,814	7,204,460			
MBIA, Inc. *	390,837	5,960,264			
Mercury General Corp.	81,505	4,482,775			
ProAssurance Corp.	329,163	7,932,828			
RenaissanceRe Holdings Ltd.	65,750	9,913,785			
RLI Corp.	38,931	3,951,497			
Safety Insurance Group, Inc.	40,268	3,359,962			
Selective Insurance Group, Inc.	92,341	7,681,848			
SiriusPoint Ltd. *	205,894	1,521,557			
Stewart Information Services Corp.	93,520	6,348,138			
United Fire Group, Inc.	92,001	2,540,148			
			<b>Media &amp; Entertainment 3.8%</b>		
			AMC Entertainment Holdings, Inc., Class A		
			*(a)	152,678	2,879,507
			AMC Networks, Inc., Class A *	197,653	8,192,717
			Cable One, Inc.	3,287	4,709,778
			Cars.com, Inc. *	263,537	4,264,029



Universal Insurance Holdings, Inc.	223,645	2,585,336	Gannett Co., Inc. *	843,759	4,185,045
White Mountains Insurance Group Ltd.	7,629	8,011,976	Gray Television, Inc.	239,726	5,616,780
		<b>115,538,358</b>	iHeartMedia, Inc., Class A *	347,963	7,463,806
			IMAX Corp. *	104,864	2,168,587
			John Wiley & Sons, Inc., Class A	113,508	5,710,587
			Liberty Media Corp. - Liberty Formula One, Class A *	15,044	844,871
			Liberty Media Corp. - Liberty Formula One, Class C *	118,148	7,175,128
			Liberty TripAdvisor Holdings, Inc., Class A *	599,714	1,271,394
			Lions Gate Entertainment Corp., Class A *	150,169	2,306,596
			Lions Gate Entertainment Corp., Class B *	285,692	4,071,111
			Live Nation Entertainment, Inc. *	83,599	10,100,431
			Madison Square Garden Entertainment Corp. *	65,338	5,119,886
			Madison Square Garden Sports Corp. *	16,308	2,821,284
<b>Materials 6.5%</b>					
AdvanSix, Inc.	106,028	4,247,482			
Allegheny Technologies, Inc. *	411,991	10,604,648			
Avient Corp.	197,968	10,371,544			
Balchem Corp.	26,640	3,685,378			
Cabot Corp.	164,597	12,041,917			
Carpenter Technology Corp.	240,942	9,249,763			
Century Aluminum Co. *	173,488	4,097,787			
Clearwater Paper Corp. *	116,620	3,362,155			
Cleveland-Cliffs, Inc. *	251,475	5,622,981			
Compass Minerals International, Inc.	103,337	6,057,615			
Constellium SE *	232,949	4,526,199			
Eagle Materials, Inc.	62,697	8,578,831			
Element Solutions, Inc.	270,566	6,650,512			
Ferro Corp. *	148,990	3,237,553			

Schwab Fundamental U.S. Small Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
National CineMedia, Inc.	739,306	2,195,739	Empire State Realty Trust, Inc., Class A	482,132	4,560,969
Nexstar Media Group, Inc., Class A	73,035	13,515,127	EPR Properties	158,980	7,917,204
Scholastic Corp.	148,951	6,267,858	Equity Commonwealth *	183,694	4,880,750
Sinclair Broadcast Group, Inc., Class A	270,939	8,128,170	Equity LifeStyle Properties, Inc.	128,227	9,568,299
Sirius XM Holdings, Inc. (a)	1,663,475	10,247,006	Federal Realty Investment Trust	99,425	11,690,391
Spotify Technology S.A. *	25,571	3,993,934	First Industrial Realty Trust, Inc.	97,244	5,599,310
Take-Two Interactive Software, Inc. *	64,166	10,394,892	Gaming & Leisure Properties, Inc.	245,464	11,146,520
TEGNA, Inc.	592,552	13,581,292	Global Net Lease, Inc.	198,033	2,814,049
The E.W. Scripps Co., Class A *	108,927	2,424,715	Healthcare Realty Trust, Inc.	199,331	5,198,552
The Marcus Corp. *	127,003	2,308,915	Healthcare Trust of America, Inc., Class A	272,069	7,996,108
The New York Times Co., Class A	142,844	6,283,708	Hersha Hospitality Trust *	305,768	2,822,239
TripAdvisor, Inc. *	197,738	5,030,455	Highwoods Properties, Inc.	207,016	9,025,898
World Wrestling Entertainment, Inc., Class A	40,548	2,402,874	Hudson Pacific Properties, Inc.	287,728	7,596,019
Yandex N.V., Class A *(b)(c)	126,894	1,243,264	Independence Realty Trust, Inc.	118,641	2,998,058
Yelp, Inc. *	161,186	5,462,594	Industrial Logistics Properties Trust	98,976	2,214,093
Ziff Davis, Inc. *	61,109	6,147,565	iStar, Inc.	187,610	4,712,763
Zynga, Inc., Class A *	458,108	4,159,621	JBG SMITH Properties	168,298	4,490,191
		<b>182,689,266</b>	Kennedy-Wilson Holdings, Inc.	245,721	5,440,263
			Kilroy Realty Corp.	144,638	10,358,974
			Kite Realty Group Trust	619,239	13,579,911
			Life Storage, Inc.	66,301	8,393,044
			LTC Properties, Inc.	62,363	2,109,740
			LXP Industrial Trust	423,016	6,539,827
			Marcus & Millichap, Inc. *	53,243	2,647,774
			Medical Properties Trust, Inc.	439,611	8,941,688
			National Health Investors, Inc.	59,141	3,152,807
			National Retail Properties, Inc.	178,062	7,587,222
			Newmark Group, Inc., Class A	190,270	3,363,974
			Office Properties Income Trust	191,012	4,784,851
			Outfront Media, Inc.	436,297	11,649,130
			Paramount Group, Inc.	709,083	7,934,639
			Pebblebrook Hotel Trust	380,585	8,566,968
			Physicians Realty Trust	245,294	3,988,480
			Piedmont Office Realty Trust, Inc., Class A	422,540	7,200,082
			PotlatchDeltic Corp.	94,051	5,163,400
			Preferred Apartment Communities, Inc.	255,520	6,454,435
			PS Business Parks, Inc.	21,882	3,485,584
			Rayonier, Inc.	201,279	7,990,776
			Retail Opportunity Investments Corp.	197,401	3,584,802
			Rexford Industrial Realty, Inc.	39,308	2,756,670
			RPT Realty	264,533	3,425,702
			Ryman Hospitality Properties, Inc. *	93,707	8,256,524
			Sabra Health Care REIT, Inc.	380,062	5,104,233
			SBA Communications Corp.	33,547	10,177,824
			Seritage Growth Properties, Class A *	118,863	1,211,214
			SITE Centers Corp.	482,501	7,502,891
			Spirit Realty Capital, Inc.	149,465	6,930,692
<b>Pharmaceuticals, Biotechnology &amp; Life Sciences 2.2%</b>					
Alkermes plc *	108,289	2,692,064			
Avantor, Inc. *	125,181	4,342,529			
BioMarin Pharmaceutical, Inc. *	47,973	3,747,651			
Bio-Rad Laboratories, Inc., Class A *	10,096	6,319,692			
Bio-Techne Corp.	11,068	4,642,030			
Bruker Corp.	78,590	5,530,378			
Catalent, Inc. *	61,674	6,293,215			
Charles River Laboratories International, Inc. *	22,416	6,526,642			
Elanco Animal Health, Inc. *	320,961	9,118,502			
Emergent BioSolutions, Inc. *	48,494	2,006,682			
Exelixis, Inc. *	193,812	3,978,960			
Horizon Therapeutics plc *	34,590	3,153,570			
Incyte Corp. *	74,532	5,090,536			
Ligand Pharmaceuticals, Inc. *	13,013	1,317,176			
Medpace Holdings, Inc. *	12,509	1,913,502			
Myriad Genetics, Inc. *	166,901	4,069,046			
PerkinElmer, Inc.	71,965	12,925,634			
Prestige Consumer Healthcare, Inc. *	86,475	5,147,857			
Royalty Pharma plc, Class A	41,768	1,639,812			
Syneos Health, Inc. *	83,151	6,585,559			
West Pharmaceutical Services, Inc.	26,436	10,232,847			
		<b>107,273,884</b>			
<b>Real Estate 10.1%</b>					

Acadia Realty Trust	152,727	3,274,467	STAG Industrial, Inc.	105,829	4,123,098
Alexander & Baldwin, Inc.	280,700	6,296,101	STORE Capital Corp.	178,555	5,485,210
American Assets Trust, Inc.	81,247	2,970,390	Summit Hotel Properties, Inc. *	420,477	4,158,518
American Campus Communities, Inc.	232,032	12,485,642	Sun Communities, Inc.	64,736	11,717,216
American Homes 4 Rent, Class A	195,447	7,428,940	Sunstone Hotel Investors, Inc. *	919,124	9,724,332
Americold Realty Trust	139,382	3,724,287	Tanger Factory Outlet Centers, Inc.	335,440	5,595,139
Brandywine Realty Trust	519,101	6,919,616	Terreno Realty Corp.	29,352	2,019,124
CareTrust REIT, Inc.	83,074	1,453,795	The Howard Hughes Corp. *	35,858	3,427,308
Centerspace	26,792	2,518,180	The Necessity Retail REIT, Inc.	295,752	2,082,094
Chatham Lodging Trust *	239,822	3,297,552	Uniti Group, Inc.	739,883	9,596,283
Corporate Office Properties Trust	233,411	6,117,702	Urban Edge Properties	247,767	4,514,315
Cousins Properties, Inc.	145,188	5,608,612	Veris Residential, Inc. *	248,520	4,199,988
CubeSmart	169,557	8,174,343	VICI Properties, Inc.	328,017	9,171,355
Cushman & Wakefield plc *	206,416	4,524,639	Washington Real Estate Investment Trust	177,487	4,146,096
CyrusOne, Inc.	104,240	9,418,084	Xenia Hotels & Resorts, Inc. *	444,623	8,243,310
DiamondRock Hospitality Co. *	797,973	7,620,642	Zillow Group, Inc., Class A *	7,797	446,534
Douglas Elliman, Inc. *	212,506	1,602,295			
Douglas Emmett, Inc.	252,239	7,995,976			
Easterly Government Properties, Inc.	89,923	1,872,197			
EastGroup Properties, Inc.	22,842	4,357,340			

Schwab Fundamental U.S. Small Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Zillow Group, Inc., Class C *	18,237	1,048,992	Wolfspeed, Inc. *	76,280	7,835,482
		<b>490,875,246</b>			<b>108,265,378</b>

<b>Retailing 3.4%</b>		
Abercrombie & Fitch Co., Class A *	280,861	10,695,187
America's Car-Mart, Inc. *	13,600	1,308,048
Big 5 Sporting Goods Corp. (a)	88,415	1,464,152
Boot Barn Holdings, Inc. *	23,488	2,043,926
Caleres, Inc.	261,775	5,434,449
Chico's FAS, Inc. *	2,147,355	10,092,569
Citi Trends, Inc. *	28,275	1,054,940
Conn's, Inc. *	141,231	2,590,177
Designer Brands, Inc., Class A *	590,904	7,711,297
Dillard's, Inc., Class A	57,093	14,313,786
Etsy, Inc. *	9,159	1,418,638
Express, Inc. *	1,410,488	6,713,923
Five Below, Inc. *	24,021	3,930,076
Floor & Decor Holdings, Inc., Class A *	33,508	3,204,035
Genesco, Inc. *	120,555	7,733,603
Groupon, Inc. *	188,120	4,085,966
Guess?, Inc.	212,110	4,645,209
Haverty Furniture Cos., Inc.	86,509	2,457,721
Hibbett, Inc.	52,560	2,369,405
MarineMax, Inc. *	60,933	2,788,294
MercadoLibre, Inc. *	1,854	2,088,809
Monro, Inc.	72,697	3,393,496
National Vision Holdings, Inc. *	75,977	2,786,077
Ollie's Bargain Outlet Holdings, Inc. *	53,369	2,304,473
Overstock.com, Inc. *	24,617	1,400,707
Party City Holdco, Inc. *	537,276	2,326,405
PetMed Express, Inc.	61,997	1,670,819
Pool Corp.	22,523	10,328,597
Rent-A-Center, Inc.	62,505	1,775,767
RH *	4,521	1,816,854
Sally Beauty Holdings, Inc. *	532,367	9,199,302
Shoe Carnival, Inc.	81,089	2,364,555
Sleep Number Corp. *	50,172	3,296,300
Sonic Automotive, Inc., Class A	168,999	9,076,936
Stitch Fix, Inc., Class A *	44,710	561,111
The Buckle, Inc.	90,552	3,259,872
The Children's Place, Inc. *	54,496	3,431,068
TravelCenters of America, Inc. *	153,963	6,501,858
Zumiez, Inc. *	68,035	3,026,877
		<b>166,665,284</b>

**Semiconductors & Semiconductor Equipment 2.2%**

<b>Software &amp; Services 4.5%</b>		
ACI Worldwide, Inc. *	139,049	4,660,922
Aspen Technology, Inc. *	46,325	7,060,393
Avaya Holdings Corp. *	184,133	2,535,511
Black Knight, Inc. *	110,292	6,197,307
Blackbaud, Inc. *	36,461	2,278,448
Block, Inc. *	14,742	1,879,605
Cerence, Inc. *	33,592	1,213,007
Cognyte Software Ltd. *	71,106	793,543
CommVault Systems, Inc. *	42,794	2,692,171
Concentrix Corp.	45,722	9,139,371
Conduent, Inc. *	1,344,621	6,548,304
Consensus Cloud Solutions, Inc. *	20,864	1,161,290
CSG Systems International, Inc.	83,654	5,163,125
Dolby Laboratories, Inc., Class A	69,476	5,217,648
Dropbox, Inc., Class A *	110,977	2,518,068
Ebix, Inc.	92,937	2,742,571
Investnet, Inc. *	28,554	2,136,410
EPAM Systems, Inc. *	14,581	3,029,203
Euronet Worldwide, Inc. *	66,452	8,521,140
EVERTEC, Inc.	69,304	2,797,109
ExlService Holdings, Inc. *	35,101	4,239,850
Fair Isaac Corp. *	15,458	7,283,655
Fortinet, Inc. *	25,122	8,655,031
Gartner, Inc. *	41,520	11,643,038
Globant S.A. *	8,589	2,353,386
GoDaddy, Inc., Class A *	60,077	5,011,023
Guidewire Software, Inc. *	18,683	1,646,906
InterDigital, Inc.	85,011	5,476,409
LiveRamp Holdings, Inc. *	131,707	5,684,474
Manhattan Associates, Inc. *	39,589	5,292,258
MicroStrategy, Inc., Class A *(a)	3,347	1,482,721
Nuance Communications, Inc. *	93,404	5,185,790
Pagseguro Digital Ltd., Class A *	60,125	958,393
Palo Alto Networks, Inc. *	13,520	8,034,260
Paycom Software, Inc. *	7,278	2,468,770
Pegasystems, Inc.	16,082	1,401,064
Perficient, Inc. *	29,159	2,971,302
Progress Software Corp.	73,204	3,226,832
PTC, Inc. *	33,539	3,732,220
ServiceNow, Inc. *	5,343	3,098,513
Splunk, Inc. *	28,404	3,354,512
StoneCo Ltd., Class A *	44,874	504,384





Alaska Air Group, Inc. *	141,260	7,930,336	<b>Total Short-Term Investments (Cost \$44,330,677)</b>	<b>44,330,677</b>
Allegiant Travel Co. *	10,972	1,910,115		
AMERCO	14,778	8,535,921	<b>Total Investments in Securities (Cost \$4,092,278,260)</b>	<b>4,879,841,062</b>
ArcBest Corp.	111,719	10,354,117		
Atlas Air Worldwide Holdings, Inc. *	88,062	6,900,538		
Atlas Corp.	216,054	3,117,659		
Copa Holdings S.A., Class A *	30,952	2,625,968		
Costamare, Inc.	158,836	2,144,286		
Forward Air Corp.	64,674	6,673,063		
Hawaiian Holdings, Inc. *	119,484	2,291,703		
Heartland Express, Inc.	166,095	2,385,124		
Hub Group, Inc., Class A *	147,540	12,452,376		
JetBlue Airways Corp. *	519,666	7,935,300		
Marten Transport Ltd.	195,127	3,365,941		
Mesa Air Group, Inc. *	217,340	945,429		
Saia, Inc. *	24,524	7,044,029		
Schneider National, Inc., Class B	258,274	6,746,117		
SkyWest, Inc. *	65,110	1,830,242		
Spirit Airlines, Inc. *	99,769	2,502,207		
Uber Technologies, Inc. *	210,259	7,575,632		

Schwab Fundamental U.S. Small Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

	NUMBER OF CONTRACTS	NOTIONAL AMOUNT (\$)	CURRENT VALUE/ UNREALIZED APPRECIATION (\$)
<b>FUTURES CONTRACTS</b>			
<b>Long</b>			
Russell 2000 Index, e-mini, expires 03/18/22	73	7,462,425	<b>48,782</b>

- (b) Trading in Russian securities listed on the Moscow Exchange, Russian ADRs, and Russian GDRs had ceased and suspended the fund's ability to buy or sell these securities as of February 28, 2022.
- (c) Fair valued by management using significant unobservable inputs in accordance with procedures approved by the fund's Board of Trustees.
- (d) The rate shown is the 7-day yield.
- (e) Security purchased with cash collateral received for securities on loan.

\* Non-income producing security.

(a) All or a portion of this security is on loan. Securities on loan were valued at \$40,098,369.

ADR American Depositary Receipt

GDR Global Depositary Receipt

REIT Real Estate Investment Trust

The following is a summary of the inputs used to value the fund's investments as of February 28, 2022 (see financial note 2(a) for additional information):

DESCRIPTION	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	TOTAL
<b>Assets</b>				
Common Stocks <sup>1</sup>	\$4,652,821,119	\$—	\$—	\$4,652,821,119
Media & Entertainment	181,446,002	—	1,243,264 <sup>2</sup>	182,689,266
Short-Term Investments <sup>1</sup>	44,330,677	—	—	44,330,677
Futures Contracts <sup>3</sup>	48,782	—	—	48,782
<b>Total</b>	<b>\$4,878,646,580</b>	<b>\$—</b>	<b>\$1,243,264</b>	<b>\$4,879,889,844</b>

<sup>1</sup> As categorized in the Portfolio Holdings.

<sup>2</sup> Trading in Russian securities listed on the Moscow Exchange, Russian ADRs, and Russian GDRs had ceased and suspended the fund's ability to buy or sell these securities as of February 28, 2022.

<sup>3</sup> Futures contracts are reported at cumulative unrealized appreciation or depreciation.

Fund investments in mutual funds are classified as Level 1, without consideration to the classification level of the underlying securities held by the mutual funds, which could be Level 1, Level 2 or Level 3.



*See financial notes*

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## Schwab Fundamental U.S. Small Company Index ETF

# Statement of Assets and Liabilities

As of February 28, 2022

<b>ASSETS</b>	
Investments in securities, at value - unaffiliated (cost \$4,092,278,260) including securities on loan of \$40,098,369	\$4,879,841,062
Deposit with broker for futures contracts	346,500
Receivables:	
Fund shares sold	5,300,051
Dividends	4,139,812
Investments sold	2,613,185
Income from securities on loan	27,132
Variation margin on future contracts	+ 17,484
<b>Total assets</b>	<b>4,892,285,226</b>
<b>LIABILITIES</b>	
Collateral held for securities on loan	40,377,530
Payables:	
Investments bought	5,226,370
Fund shares redeemed	2,650,026
Management fees	+ 919,299
<b>Total liabilities</b>	<b>49,173,225</b>
<b>Net assets</b>	<b>\$4,843,112,001</b>
<b>NET ASSETS BY SOURCE</b>	
Capital received from investors	\$4,535,235,630
Total distributable earnings	+ 307,876,371
<b>Net assets</b>	<b>\$4,843,112,001</b>

**Net Asset Value (NAV)**

<b>Net Assets</b>	÷	<b>Shares Outstanding</b>	=	<b>NAV</b>
\$4,843,112,001		91,350,000		\$53.02



## Schwab Fundamental U.S. Small Company Index ETF

## Statement of Operations

For the period March 1, 2021 through February 28, 2022

<b>INVESTMENT INCOME</b>	
Dividends received from securities - unaffiliated (net of foreign withholding tax of \$34,600)	\$67,369,414
Securities on loan, net	+ 549,183
<b>Total investment income</b>	<b>67,918,597</b>
<b>EXPENSES</b>	
Management fees	11,635,781
<b>Total expenses</b>	<b>- 11,635,781</b>
<b>Net investment income</b>	<b>56,282,816</b>
<b>REALIZED AND UNREALIZED GAINS (LOSSES)</b>	
Net realized gains on sales of securities - unaffiliated	5,682,212
Net realized gains on sales of in-kind redemptions - unaffiliated	441,947,802
Net realized losses on futures contracts	+ (1,431,490)
<b>Net realized gains</b>	<b>446,198,524</b>
Net change in unrealized appreciation (depreciation) on securities - unaffiliated	(107,762,044)
Net change in unrealized appreciation (depreciation) on futures contracts	+ 123,462
<b>Net change in unrealized appreciation (depreciation)</b>	<b>+ (107,638,582)</b>
<b>Net realized and unrealized gains</b>	<b>338,559,942</b>
<b>Increase in net assets resulting from operations</b>	<b>\$394,842,758</b>

*See financial notes*

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## Schwab Fundamental U.S. Small Company Index ETF

# Statement of Changes in Net Assets

For the current and prior report periods

<b>OPERATIONS</b>			
	3/1/21-2/28/22		3/1/20-2/28/21
Net investment income	\$56,282,816		\$45,715,884
Net realized gains	446,198,524		74,363,692
Net change in unrealized appreciation (depreciation)	+ (107,638,582)		1,138,500,407
<b>Increase in net assets resulting from operations</b>	<b>\$394,842,758</b>		<b>\$1,258,579,983</b>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>			
<b>Total distributions</b>	<b>(\$56,395,300)</b>		<b>(\$51,561,985)</b>

<b>TRANSACTIONS IN FUND SHARES</b>				
	3/1/21-2/28/22		3/1/20-2/28/21	
	SHARES	VALUE	SHARES	VALUE
Shares sold	23,050,000	\$1,234,091,769	30,900,000	\$953,673,482
Shares redeemed	+ (15,500,000)	(815,045,637)	(45,700,000)	(1,499,782,894)
<b>Net transactions in fund shares</b>	<b>7,550,000</b>	<b>\$419,046,132</b>	<b>(14,800,000)</b>	<b>(\$546,109,412)</b>

<b>SHARES OUTSTANDING AND NET ASSETS</b>				
	3/1/21-2/28/22		3/1/20-2/28/21	
	SHARES	NET ASSETS	SHARES	NET ASSETS
Beginning of period	83,800,000	\$4,085,618,411	98,600,000	\$3,424,709,825
Total increase (decrease)	+ 7,550,000	757,493,590	(14,800,000)	660,908,586
<b>End of period</b>	<b>91,350,000</b>	<b>\$4,843,112,001</b>	<b>83,800,000</b>	<b>\$4,085,618,411</b>



## Schwab Fundamental International Large Company Index ETF

# Financial Statements

FINANCIAL HIGHLIGHTS					
	3/1/21– 2/28/22	3/1/20– 2/28/21	3/1/19– 2/29/20	3/1/18– 2/28/19	3/1/17– 2/28/18
<b>Per-Share Data</b>					
Net asset value at beginning of period	\$30.94	\$25.24	\$27.54	\$30.28	\$26.00
Income (loss) from investment operations:					
Net investment income (loss) <sup>1</sup>	1.04	0.70	0.91	0.94	0.80
Net realized and unrealized gains (losses)	1.42	5.64	(2.29)	(2.81)	4.19
Total from investment operations	2.46	6.34	(1.38)	(1.87)	4.99
Less distributions:					
Distributions from net investment income	(1.15)	(0.64)	(0.92)	(0.87)	(0.71)
Net asset value at end of period	\$32.25	\$30.94	\$25.24	\$27.54	\$30.28
Total return	7.95%	25.47%	(5.32%)	(6.00%)	19.19%
<b>Ratios/Supplemental Data</b>					
Ratios to average net assets:					
Total expenses	0.25%	0.25%	0.25%	0.25%	0.25%
Net investment income (loss)	3.16%	2.74%	3.27%	3.29%	2.76%
Portfolio turnover rate <sup>2</sup>	15%	15%	20%	14%	10%
Net assets, end of period (x 1,000)	\$7,381,580	\$5,721,053	\$4,416,696	\$4,083,580	\$3,630,569

1 Calculated based on the average shares outstanding during the period.

2 Portfolio turnover rate excludes securities received or delivered from processing of in-kind creations or redemptions.



## Schwab Fundamental International Large Company Index ETF

# Portfolio Holdings as of February 28, 2022

This section shows all the securities in the fund's portfolio and their values as of the report date.

The fund files its complete schedule of portfolio holdings with the U.S. Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-PORT Part F. The fund's Form N-PORT Part F is available on the SEC's website at [www.sec.gov](http://www.sec.gov). You can also obtain this information at no cost on the fund's website at [www.schwabassetmanagement.com/schwabefis\\_prospectus](http://www.schwabassetmanagement.com/schwabefis_prospectus), by calling 1-866-414-6349, or by sending an email request to [orders@mysummaryprospectus.com](mailto:orders@mysummaryprospectus.com). The fund also makes available its complete schedule of portfolio holdings on a daily basis on the fund's website.

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
<b>COMMON STOCKS 98.6% OF NET ASSETS</b>					
<b>Australia 5.5%</b>					
AGL Energy Ltd.	1,219,367	6,653,948	Westpac Banking Corp.	1,715,480	28,394,753
Amcor plc	416,645	4,795,087	Woodside Petroleum Ltd.	508,254	10,525,965
AMP Ltd. *	4,636,887	3,179,695	Woolworths Group Ltd.	587,516	15,130,485
Ampol Ltd.	289,146	6,183,359			<b>408,063,000</b>
APA Group	370,374	2,701,057	<b>Austria 0.2%</b>		
Aristocrat Leisure Ltd.	72,095	1,949,807	Erste Group Bank AG	133,194	4,785,818
Aurizon Holdings Ltd.	1,283,929	3,260,890	OMV AG	105,309	5,012,839
Australia & New Zealand Banking Group Ltd.	1,241,986	23,441,435	Raiffeisen Bank International AG	90,146	1,485,367
Bendigo & Adelaide Bank Ltd.	242,791	1,693,102	voestalpine AG	108,055	3,573,057
BHP Group Ltd.	1,876,601	63,539,505	Wienerberger AG	53,707	1,615,470
BlueScope Steel Ltd.	332,552	4,884,243			<b>16,472,551</b>
Boral Ltd. (a)	396,461	1,044,322	<b>Belgium 0.8%</b>		
Brambles Ltd.	580,084	4,167,285	Ageas S.A. N.V.	90,063	4,347,806
Coles Group Ltd.	660,822	8,334,152	Anheuser-Busch InBev S.A. N.V.	368,089	22,796,957
Commonwealth Bank of Australia	511,645	34,699,375	Etablissements Franz Colruyt N.V.	36,919	1,479,558
Computershare Ltd.	145,667	2,289,532	Groupe Bruxelles Lambert S.A.	53,839	5,620,267
Crown Resorts Ltd. *	266,109	2,390,602	KBC Group N.V.	96,187	6,970,566
CSL Ltd.	38,327	7,230,560	Proximus SADP	130,637	2,605,952
Downer EDI Ltd.	584,938	2,139,280	Solvay S.A.	41,655	4,665,591
Endeavour Group Ltd.	579,219	3,009,421	UCB S.A.	30,590	3,356,845
Fortescue Metals Group Ltd.	381,299	5,021,916	Umicore S.A.	76,631	3,157,981
Goodman Group	140,888	2,272,692			<b>55,001,523</b>
Incitec Pivot Ltd.	1,024,664	2,297,561	<b>Canada 8.2%</b>		
Insurance Australia Group Ltd.	1,234,562	4,120,955	Agnico Eagle Mines Ltd.	62,695	3,165,026
James Hardie Industries plc	48,324	1,565,711	Air Canada *	122,023	2,304,136
JB Hi-Fi Ltd.	44,347	1,586,815	Alimentation Couche-Tard, Inc.	364,986	14,316,280
Lendlease Corp., Ltd.	545,541	4,180,406	AltaGas Ltd.	94,220	2,074,051
Macquarie Group Ltd.	71,577	9,389,685	ARC Resources Ltd.	470,102	5,807,938
Medibank Pvt Ltd.	1,336,811	3,084,781	Atco Ltd., Class I	62,537	2,052,600
Metcash Ltd.	889,034	2,657,925	Bank of Montreal	166,452	18,993,652
Mirvac Group	1,234,245	2,319,681	Barrick Gold Corp.	437,457	9,881,455
National Australia Bank Ltd.	1,254,003	26,334,450	Bausch Health Cos., Inc. *	126,262	3,035,226
Newcrest Mining Ltd.	215,527	4,014,715	BCE, Inc.	138,681	7,278,743
Orica Ltd.	185,473	1,963,646	Brookfield Asset Management Reinsurance Partners Ltd., Class A *	1,376	76,223
Origin Energy Ltd.	1,409,023	5,828,007			
Qantas Airways Ltd. *	595,898	2,192,336			

QBE Insurance Group Ltd.	561,419	4,680,953	Brookfield Asset Management, Inc., Class A	340,245	18,582,230
Ramsay Health Care Ltd.	46,537	2,160,239	Canadian Imperial Bank of Commerce	132,911	16,811,536
Rio Tinto Ltd.	170,187	14,593,544	Canadian National Railway Co.	163,208	20,233,237
Santos Ltd.	814,125	4,288,988	Canadian Natural Resources Ltd.	483,551	26,995,897
Scentre Group	1,949,747	4,343,540	Canadian Pacific Railway Ltd.	166,001	11,680,994
Sims Ltd.	184,021	2,431,669	Canadian Tire Corp., Ltd., Class A	31,887	4,698,012
Sonic Healthcare Ltd.	111,668	2,840,167	CCL Industries, Inc., Class B	33,473	1,507,981
South32 Ltd.	2,440,955	8,519,851	Cenovus Energy, Inc.	518,972	8,154,777
Stockland	900,634	2,718,747	CGI, Inc. *	76,115	6,236,347
Suncorp Group Ltd.	888,873	6,946,764	CI Financial Corp.	139,702	2,285,502
Tabcorp Holdings Ltd.	580,872	2,103,334	Crescent Point Energy Corp.	885,092	6,329,313
Telstra Corp., Ltd.	3,142,301	9,029,633	Dollarama, Inc.	54,975	2,839,013
Transurban Group	391,925	3,609,040	Emera, Inc.	83,882	3,921,790
Treasury Wine Estates Ltd.	203,187	1,713,283	Empire Co., Ltd., A Shares	100,052	3,096,970
Viva Energy Group Ltd.	1,411,381	2,498,971	Enbridge, Inc.	628,437	27,132,266
Wesfarmers Ltd.	432,243	15,115,135			

Schwab Fundamental International Large Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Fairfax Financial Holdings Ltd.	11,550	5,595,378	<b>Finland 0.9%</b>		
Finning International, Inc.	81,208	2,361,297	Elisa Oyj	36,088	2,008,463
First Quantum Minerals Ltd.	99,203	2,907,222	Fortum Oyj	126,045	2,667,251
Fortis, Inc.	151,603	6,942,171	Kesko Oyj, B Shares	84,553	2,501,509
George Weston Ltd.	55,401	6,003,322	Kone Oyj, B Shares	71,813	4,224,992
Gildan Activewear, Inc.	82,945	3,254,104	Neste Oyj	93,630	3,699,714
Great-West Lifeco, Inc.	97,452	2,929,668	Nokia Oyj *	2,251,622	12,234,148
H&R Real Estate Investment Trust	140,777	1,435,130	Nokian Renkaat Oyj	60,473	1,154,696
Hydro One Ltd.	107,042	2,641,554	Nordea Bank Abp	1,305,838	14,590,910
IA Financial Corp., Inc.	33,500	1,989,108	Outokumpu Oyj *	372,829	2,213,574
Imperial Oil Ltd.	163,643	7,339,970	Sampo Oyj, A Shares	146,527	6,971,575
Intact Financial Corp.	25,220	3,614,731	Stora Enso Oyj, R Shares	282,705	5,452,066
Keyera Corp.	93,036	2,177,821	UPM-Kymmene Oyj	268,577	9,351,640
Kinross Gold Corp.	411,148	2,048,690	Wartsila Oyj Abp	220,744	2,496,753
Linamar Corp.	35,806	1,868,569			<b>69,567,291</b>
Loblaw Cos., Ltd.	100,231	7,813,174	<b>France 8.3%</b>		
Magna International, Inc.	220,793	16,393,012	Accor S.A. *	59,299	2,037,437
Manulife Financial Corp.	629,921	12,753,870	Air France-KLM *(a)	653,271	2,899,063
Methanex Corp.	51,895	2,700,005	Air Liquide S.A.	109,383	18,269,139
Metro, Inc.	110,466	5,762,156	Airbus SE *	90,456	11,673,866
National Bank of Canada	76,688	6,144,835	Alstom S.A.	122,025	3,138,641
Nutrien Ltd.	260,460	22,385,575	Arkema S.A.	37,473	5,004,464
Onex Corp.	56,040	3,760,890	Atos SE	53,653	1,924,803
Open Text Corp.	48,970	2,129,684	AXA S.A.	883,171	24,080,268
Parkland Corp.	78,515	2,053,331	BNP Paribas S.A.	603,562	35,597,639
Pembina Pipeline Corp.	170,601	5,797,219	Bollere S.A.	419,042	2,135,892
Power Corp. of Canada	206,396	6,361,036	Bouygues S.A.	199,668	7,181,036
Primaris REIT	35,174	396,569	Bureau Veritas S.A.	63,534	1,831,134
Quebecor, Inc., Class B	69,388	1,516,486	Capgemini SE	37,186	7,864,789
Restaurant Brands International, Inc.	45,507	2,545,608	Carrefour S.A.	669,242	13,455,304
RioCan Real Estate Investment Trust	111,368	2,205,672	Casino Guichard Perrachon S.A. *	117,456	2,098,953
Rogers Communications, Inc., B Shares	158,895	8,204,386	Cie de Saint-Gobain	285,316	17,930,133
Royal Bank of Canada	351,207	38,824,247	Cie Generale des Etablissements Michelin S.C.A.	102,351	14,255,126
Saputo, Inc.	107,590	2,634,719	CNP Assurances	92,492	2,261,621
Shaw Communications, Inc., B Shares	174,148	5,218,879	Credit Agricole S.A.	525,288	6,764,983
SNC-Lavalin Group, Inc.	91,745	2,064,416	Danone S.A.	224,066	13,668,254
Sun Life Financial, Inc.	160,780	8,450,029	Dassault Systemes SE	34,229	1,672,018
Suncor Energy, Inc.	1,243,993	38,015,665	Eiffage S.A.	52,411	5,375,831
TC Energy Corp.	283,039	15,196,875	Electricite de France S.A.	555,299	5,070,779
Teck Resources Ltd., Class B	277,745	9,994,309	Elis S.A. *	111,330	1,799,411
TELUS Corp.	159,576	4,027,301	Engie S.A.	1,215,896	19,485,736
TFI International, Inc.	20,324	2,117,087	EssilorLuxottica S.A.	38,628	6,799,609
The Bank of Nova Scotia	421,386	30,515,476	Eurazeo SE	19,262	1,498,230
The Toronto-Dominion Bank	450,580	36,334,862	Eutelsat Communications S.A.	175,146	1,939,306
Thomson Reuters Corp.	41,927	4,236,500	Faurecia SE	88,566	3,387,205
Vermilion Energy, Inc. *	244,299	4,564,896			
Waste Connections, Inc.	30,004	3,702,153			

West Fraser Timber Co., Ltd.	28,392	2,832,149	Hermes International	1,741	2,428,721
WSP Global, Inc.	21,337	2,616,089	Kering S.A.	9,783	7,000,627
		<b>602,869,090</b>	Klepierre S.A. *	82,540	2,378,912
			Lagardere S.A. *	94,214	2,685,742
			Legrand S.A.	50,493	4,810,461
			L'Oreal S.A.	30,008	11,965,275
			LVMH Moet Hennessy Louis Vuitton SE	27,768	20,581,642
			Orange S.A.	2,151,795	26,136,326
			Pernod-Ricard S.A.	35,997	7,910,491
			Publicis Groupe S.A.	90,526	6,064,126
			Renault S.A. *	413,526	13,256,048
			Rexel S.A. *	266,005	5,914,290
			Rubis S.C.A.	57,746	1,814,144
			Safran S.A.	71,162	9,167,879
			Sanofi	361,457	37,947,762
			Schneider Electric SE	124,811	19,595,447
			SCOR SE	105,160	3,440,712
			SES S.A.	398,768	3,157,670
		<b>67,100,159</b>			

#### Denmark 0.9%

AP Moller - Maersk A/S, A Shares	1,672	5,024,167
AP Moller - Maersk A/S, B Shares	2,413	7,658,872
Carlsberg A/S, B Shares	24,450	3,589,296
Coloplast A/S, B Shares	12,716	1,916,650
Danske Bank A/S	420,329	7,152,997
DSV A/S	19,696	3,649,197
ISS A/S *	172,241	3,165,205
Novo Nordisk A/S, B Shares	200,744	20,675,946
Novozymes A/S, B Shares	34,516	2,268,214
Orsted A/S	27,955	3,635,283
Pandora A/S	26,129	2,705,007
Vestas Wind Systems A/S	172,318	5,659,325



Knorr-Bremse AG	17,216	1,527,625	<b>Israel 0.2%</b>		
LANXESS AG	49,294	2,412,896	Bank Hapoalim B.M.	304,893	3,223,517
Mercedes-Benz Group AG	558,884	44,048,430	Bank Leumi Le-Israel B.M.	448,995	4,857,710
Merck KGaA	19,918	3,972,132	ICL Group Ltd.	309,384	3,513,260
METRO AG *	220,210	2,067,762	Teva Pharmaceutical Industries Ltd. *	535,307	4,341,974
MTU Aero Engines AG	10,717	2,602,473			<b>15,936,461</b>
Muenchener Rueckversicherungs- Gesellschaft AG in Muenchen	51,391	14,266,090	<b>Italy 2.9%</b>		
ProSiebenSat.1 Media SE	111,746	1,539,419	A2A S.p.A.	927,345	1,663,426
Rheinmetall AG	27,209	4,082,971	Assicurazioni Generali S.p.A.	627,436	12,494,977
RWE AG	248,836	11,596,153	Atlantia S.p.A. *	278,157	5,126,912
Salzgitter AG *	62,137	2,748,421	Banco BPM S.p.A.	865,266	2,994,323
SAP SE	179,146	20,387,294	CNH Industrial N.V.	405,226	5,837,299
Siemens AG	231,714	32,964,694	Enel S.p.A.	3,887,202	28,811,941
Siemens Energy AG *	153,021	3,683,244	Eni S.p.A.	2,939,628	45,670,382
Siemens Healthineers AG	39,351	2,540,562	EXOR N.V.	182,765	13,918,102
Symrise AG	16,305	1,950,418	Ferrari N.V.	9,653	2,089,845
Telefonica Deutschland Holding AG	659,825	1,812,028	Intesa Sanpaolo S.p.A.	7,671,419	19,762,038
ThyssenKrupp AG *	329,665	3,554,687			

## Schwab Fundamental International Large Company Index ETF

# Portfolio Holdings as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Iveco Group N.V. *	81,007	677,399	FUJIFILM Holdings Corp.	146,879	9,260,997
Leonardo S.p.A. *	397,505	3,571,823	Fujikura Ltd. *	384,629	2,060,483
Mediobanca Banca di Credito Finanziario S.p.A.	222,858	2,334,430	Fujitsu Ltd.	83,961	12,075,658
Pirelli & C S.p.A.	275,138	1,527,561	Furukawa Electric Co., Ltd.	96,360	1,903,356
Poste Italiane S.p.A.	151,291	1,746,032	H2O Retailing Corp.	250,819	1,872,840
Prysmian S.p.A.	74,180	2,459,577	Hakuhodo DY Holdings, Inc.	143,164	1,884,407
Saras S.p.A. *	2,625,014	1,616,912	Hankyu Hanshin Holdings, Inc.	125,114	3,731,423
Snam S.p.A.	645,151	3,597,807	Hanwa Co., Ltd.	86,855	2,514,968
Stellantis N.V.	1,444,051	26,551,466	Haseko Corp.	286,609	3,648,090
Telecom Italia S.p.A.	18,483,419	7,845,425	Hino Motors Ltd.	347,014	3,244,924
Tenaris S.A.	248,418	3,219,928	Hitachi Construction Machinery Co., Ltd.	62,600	1,523,489
Terna - Rete Elettrica Nazionale	344,368	2,839,844	Hitachi Ltd.	574,682	28,191,476
UniCredit S.p.A.	1,416,091	18,113,230	Hitachi Metals Ltd. *	113,355	2,014,653
Unipol Gruppo S.p.A.	358,818	1,826,910	Hokkaido Electric Power Co., Inc.	417,241	1,825,826
		<b>216,297,589</b>	Honda Motor Co., Ltd.	2,032,483	62,205,362
			Hoya Corp.	39,049	5,036,448
			Idemitsu Kosan Co., Ltd.	323,325	8,646,329
			IHI Corp.	145,438	3,356,407
			Iida Group Holdings Co., Ltd.	117,644	2,168,511
			Inpex Corp.	1,010,225	10,393,893
			Isetan Mitsukoshi Holdings Ltd.	556,433	4,468,856
			Isuzu Motors Ltd.	476,681	6,444,040
			ITOCHU Corp.	632,162	20,544,236
			J Front Retailing Co., Ltd.	246,107	2,055,610
			Japan Airlines Co., Ltd. *	149,560	2,982,759
			Japan Exchange Group, Inc.	74,962	1,405,843
			Japan Post Holdings Co., Ltd. *	1,023,707	8,480,303
			Japan Post Insurance Co., Ltd.	103,947	1,781,562
			Japan Tobacco, Inc.	702,438	12,929,616
			JFE Holdings, Inc.	845,446	12,625,718
			JGC Holdings Corp.	258,085	2,581,410
			JSR Corp.	63,253	1,971,593
			JTEKT Corp.	369,571	3,179,899
			Kajima Corp.	465,267	6,237,224
			Kaneka Corp.	62,901	2,050,734
			Kao Corp.	152,782	7,136,680
			Kawasaki Heavy Industries Ltd.	177,391	3,274,437
			KDDI Corp.	986,873	32,183,156
			Keio Corp.	34,543	1,409,612
			Kewpie Corp.	82,774	1,764,360
			Keyence Corp.	9,103	4,250,569
			Kikkoman Corp.	37,611	2,788,782
			Kinden Corp.	101,060	1,430,239
			Kintetsu Group Holdings Co., Ltd. *	89,564	2,686,726
			Kirin Holdings Co., Ltd.	428,597	7,098,318
			Kobe Steel Ltd.	736,209	3,911,959
			Koito Manufacturing Co., Ltd.	56,748	2,916,850
<b>Japan 24.6%</b>					
Advantest Corp.	19,104	1,504,435			
Aeon Co., Ltd.	369,012	8,322,194			
AGC, Inc.	152,422	6,736,080			
Air Water, Inc.	133,439	1,937,139			
Aisin Corp.	224,569	8,159,942			
Ajinomoto Co., Inc.	173,828	5,039,390			
Alfresa Holdings Corp.	285,442	4,376,736			
Alps Alpine Co., Ltd.	334,884	3,343,752			
Amada Co., Ltd.	212,601	1,869,892			
ANA Holdings, Inc. *	130,589	2,864,624			
Asahi Group Holdings Ltd.	170,718	6,883,563			
Asahi Kasei Corp.	946,160	8,851,638			
Astellas Pharma, Inc.	667,574	11,119,954			
Bandai Namco Holdings, Inc.	55,162	4,008,734			
Bic Camera, Inc.	173,003	1,500,586			
Bridgestone Corp.	480,337	19,705,599			
Brother Industries Ltd.	181,420	3,285,801			
Canon, Inc.	813,528	19,060,606			
Casio Computer Co., Ltd.	105,623	1,233,453			
Central Japan Railway Co.	107,334	14,435,456			
Chubu Electric Power Co., Inc.	936,661	9,376,776			
Chugai Pharmaceutical Co., Ltd.	56,288	1,857,125			
Coca-Cola Bottlers Japan Holdings, Inc.	167,708	2,137,576			
COMSYS Holdings Corp.	67,742	1,630,984			
Concordia Financial Group Ltd.	495,446	2,026,091			
Cosmo Energy Holdings Co., Ltd.	141,359	3,186,177			
Dai Nippon Printing Co., Ltd.	261,745	6,788,212			
Daicel Corp.	333,374	2,555,843			
Daido Steel Co., Ltd.	41,451	1,493,568			

Dai-ichi Life Holdings, Inc.	479,032	10,015,273	Komatsu Ltd.	497,509	11,414,522
Daiichi Sankyo Co., Ltd.	261,965	6,353,803	Konica Minolta, Inc.	828,019	3,486,774
Daikin Industries Ltd.	55,144	10,152,624	K's Holdings Corp.	199,207	2,144,707
Daito Trust Construction Co., Ltd.	49,090	5,421,531	Kubota Corp.	381,576	6,831,428
Daiwa House Industry Co., Ltd.	510,329	14,484,615	Kuraray Co., Ltd.	379,604	3,552,968
Daiwa Securities Group, Inc.	652,755	3,864,106	Kyocera Corp.	142,917	8,163,672
Denka Co., Ltd.	63,132	1,934,933	Kyushu Electric Power Co., Inc.	769,879	5,802,084
Denso Corp.	242,513	16,943,800	Kyushu Railway Co.	112,890	2,489,608
Dentsu Group, Inc.	103,351	4,105,325	Lixil Corp.	145,017	3,217,004
DIC Corp.	101,302	2,303,538	Makita Corp.	71,759	2,538,901
East Japan Railway Co.	282,695	16,715,025	Marubeni Corp.	1,428,219	14,923,912
Ebara Corp.	46,820	2,422,811	MatsukiyoCocokara & Co.	76,826	2,941,634
EDION Corp.	196,678	2,044,051	Mazda Motor Corp. *	1,269,872	9,437,903
Eisai Co., Ltd.	64,224	3,188,477	Medipal Holdings Corp.	205,629	3,743,903
Electric Power Development Co., Ltd.	259,603	4,113,527	MEIJI Holdings Co., Ltd.	89,674	5,380,051
ENEOS Holdings, Inc.	5,318,720	20,956,242	MINEBEA MITSUMI, Inc.	152,197	3,298,317
FANUC Corp.	37,237	6,839,581	MISUMI Group, Inc.	55,128	1,754,236
Fast Retailing Co., Ltd.	6,288	3,375,620	Mitsubishi Chemical Holdings Corp.	1,349,332	9,576,245
Fuji Electric Co., Ltd.	62,610	3,185,540	Mitsubishi Corp.	920,063	30,923,064
			Mitsubishi Electric Corp.	1,460,620	17,519,831



## Schwab Fundamental International Large Company Index ETF

## Portfolio Holdings as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Mitsubishi Estate Co., Ltd.	414,514	6,323,430	Ryohin Keikaku Co., Ltd.	103,393	1,516,221
Mitsubishi Gas Chemical Co., Inc.	140,642	2,487,413	Sankyu, Inc.	42,079	1,455,913
Mitsubishi Heavy Industries Ltd.	381,968	11,262,542	Santen Pharmaceutical Co., Ltd.	129,518	1,466,390
Mitsubishi Materials Corp.	214,489	3,860,523	SBI Holdings, Inc.	74,647	1,944,354
Mitsubishi Motors Corp. *	1,157,961	3,016,178	Secom Co., Ltd.	72,445	5,297,433
Mitsubishi UFJ Financial Group, Inc.	6,086,853	37,670,578	Seibu Holdings, Inc. *	144,637	1,505,707
Mitsui & Co., Ltd.	890,620	22,158,208	Seiko Epson Corp.	208,104	3,185,477
Mitsui Chemicals, Inc.	152,619	3,893,159	Seino Holdings Co., Ltd.	157,137	1,639,928
Mitsui Fudosan Co., Ltd.	385,875	8,566,810	Sekisui Chemical Co., Ltd.	262,041	4,279,567
Mitsui Mining & Smelting Co., Ltd.	54,489	1,591,973	Sekisui House Ltd.	424,106	8,638,617
Mitsui OSK Lines Ltd.	76,217	6,180,740	Seven & i Holdings Co., Ltd.	484,982	23,542,734
Mizuho Financial Group, Inc.	1,326,664	17,565,987	SG Holdings Co., Ltd.	118,186	2,495,579
MS&AD Insurance Group Holdings, Inc.	285,753	9,688,435	Shikoku Electric Power Co., Inc.	247,266	1,906,422
Murata Manufacturing Co., Ltd.	129,815	8,776,813	Shimadzu Corp.	51,055	1,819,672
Nagase & Co., Ltd.	158,519	2,526,945	Shimamura Co., Ltd.	22,762	2,053,373
Nagoya Railroad Co., Ltd. *	138,359	2,532,327	Shimano, Inc.	11,061	2,552,649
NEC Corp.	147,583	6,349,240	Shimizu Corp.	602,256	3,979,308
NGK Insulators Ltd.	154,471	2,387,310	Shin-Etsu Chemical Co., Ltd.	81,984	12,577,880
NGK Spark Plug Co., Ltd.	172,000	3,088,309	Shionogi & Co., Ltd.	69,385	4,603,176
NH Foods Ltd.	120,196	4,508,328	Shiseido Co., Ltd.	63,912	3,643,553
NHK Spring Co., Ltd.	257,657	2,044,702	Showa Denko K.K.	162,554	2,970,924
Nichirei Corp.	71,550	1,573,572	SMC Corp.	8,345	4,930,560
Nidec Corp.	51,477	4,417,167	Softbank Corp.	1,425,874	17,957,284
Nikon Corp.	322,272	3,338,142	SoftBank Group Corp.	451,142	20,074,693
Nintendo Co., Ltd.	13,350	6,725,131	Sojitz Corp.	295,555	4,875,663
Nippon Electric Glass Co., Ltd.	72,465	1,737,776	Sompo Holdings, Inc.	171,304	7,466,430
Nippon Express Holdings, Inc.	66,391	4,023,522	Sony Group Corp.	221,529	22,715,498
Nippon Light Metal Holdings Co., Ltd.	103,291	1,651,939	Stanley Electric Co., Ltd.	90,598	2,145,090
Nippon Paper Industries Co., Ltd.	208,097	1,983,855	Subaru Corp.	804,309	13,223,001
Nippon Shokubai Co., Ltd.	32,843	1,596,881	SUMCO Corp.	77,123	1,263,565
Nippon Steel Corp.	990,633	18,135,443	Sumitomo Chemical Co., Ltd.	1,466,286	7,002,017
Nippon Steel Trading Corp.	42,090	1,988,015	Sumitomo Corp.	980,310	15,950,518
Nippon Telegraph & Telephone Corp.	986,975	28,218,873	Sumitomo Electric Industries Ltd.	952,589	12,592,288
Nippon Yusen K.K.	94,612	8,765,010	Sumitomo Forestry Co., Ltd.	122,214	2,347,188
Nissan Motor Co., Ltd. *	3,616,298	17,121,487	Sumitomo Heavy Industries Ltd.	126,738	3,064,600
Nisshin Seifun Group, Inc.	166,184	2,351,899	Sumitomo Metal Mining Co., Ltd.	101,928	5,085,116
Nissin Foods Holdings Co., Ltd.	21,603	1,719,987	Sumitomo Mitsui Financial Group, Inc.	711,258	25,449,049
Nitori Holdings Co., Ltd.	15,409	2,307,169	Sumitomo Mitsui Trust Holdings, Inc.	172,047	6,139,467
Nitto Denko Corp.	72,624	5,265,122	Sumitomo Realty & Development Co., Ltd.	131,809	3,875,019
NOK Corp.	184,612	1,923,459	Sumitomo Rubber Industries Ltd.	246,348	2,376,320
Nomura Holdings, Inc.	1,257,191	5,744,820	Suntory Beverage & Food Ltd.	72,222	2,884,491
Nomura Real Estate Holdings, Inc.	71,740	1,784,546	Suzuken Co., Ltd.	121,944	3,928,042
NSK Ltd.	505,400	3,264,750	Suzuki Motor Corp.	331,927	13,179,094
NTN Corp. *	691,472	1,302,795	Systemex Corp.	21,289	1,686,484
NTT Data Corp.	228,278	4,306,908	T&D Holdings, Inc.	245,529	3,589,936
Obayashi Corp.	748,664	6,246,721	Taiheiyo Cement Corp.	157,158	3,011,484
Odakyu Electric Railway Co., Ltd.	86,100	1,415,875			

Oji Holdings Corp.	873,603	4,452,398	Taisei Corp.	181,949	6,026,789
Olympus Corp.	165,607	3,306,388	Taiyo Yuden Co., Ltd.	33,150	1,467,897
Omron Corp.	53,208	3,584,928	Takashimaya Co., Ltd.	221,012	2,154,951
Ono Pharmaceutical Co., Ltd.	94,719	2,324,491	Takeda Pharmaceutical Co., Ltd.	492,221	14,962,151
Oriental Land Co., Ltd.	16,464	3,020,485	TDK Corp.	155,116	6,195,212
ORIX Corp.	542,581	10,755,046	Teijin Ltd.	241,927	2,905,014
Osaka Gas Co., Ltd.	353,938	6,481,053	Terumo Corp.	97,403	3,136,685
Otsuka Corp.	36,311	1,398,214	The Chugoku Electric Power Co., Inc.	324,138	2,538,506
Otsuka Holdings Co., Ltd.	172,155	5,923,597	The Kansai Electric Power Co., Inc.	1,041,807	10,510,786
PALTAC Corp.	34,093	1,317,246	The Yokohama Rubber Co., Ltd.	103,389	1,442,554
Pan Pacific International Holdings Corp.	101,829	1,662,153	TIS, Inc.	81,955	1,921,237
Panasonic Corp.	1,811,375	18,715,314	Tobu Railway Co., Ltd.	108,417	2,659,240
Persol Holdings Co., Ltd.	82,780	1,835,642	Toho Gas Co., Ltd.	48,827	1,303,608
Rakuten Group, Inc.	161,584	1,366,467	Toho Holdings Co., Ltd.	113,613	1,866,341
Recruit Holdings Co., Ltd.	172,547	7,219,483	Tohoku Electric Power Co., Inc.	938,033	6,083,878
Renesas Electronics Corp. *	160,509	1,867,437	Tokio Marine Holdings, Inc.	282,261	16,110,995
Resona Holdings, Inc.	1,124,718	5,056,470	Tokyo Electric Power Co. Holdings, Inc. *	5,721,586	17,983,192
Ricoh Co., Ltd.	619,063	5,262,103	Tokyo Electron Ltd.	20,783	10,063,537
Rohm Co., Ltd.	31,240	2,449,292	Tokyo Gas Co., Ltd.	460,438	9,386,659
			Tokyu Corp.	276,455	3,677,266

Schwab Fundamental International Large Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)
Tokyu Fudosan Holdings Corp.	459,226	2,547,822
Toppan, Inc.	322,465	6,319,110
Toray Industries, Inc.	1,357,778	7,777,088
Toshiba Corp.	222,935	8,859,331
Tosoh Corp.	261,152	4,054,176
TOTO Ltd.	50,492	2,119,634
Toyo Seikan Group Holdings Ltd.	242,437	3,226,880
Toyo Suisan Kaisha Ltd.	48,240	2,027,190
Toyoda Gosei Co., Ltd.	85,280	1,614,156
Toyota Industries Corp.	64,857	4,921,643
Toyota Motor Corp.	6,732,739	125,009,441
Toyota Tsusho Corp.	199,321	8,246,274
TS Tech Co., Ltd.	144,721	1,942,597
Tsuruha Holdings, Inc.	18,050	1,440,239
Ube Industries Ltd.	149,950	2,765,303
Unicharm Corp.	63,285	2,373,703
West Japan Railway Co.	155,274	6,676,074
Yakult Honsha Co., Ltd.	36,752	1,987,974
Yamada Holdings Co., Ltd.	1,017,606	3,525,286
Yamaha Corp.	46,102	2,145,489
Yamaha Motor Co., Ltd.	233,087	5,213,216
Yamato Holdings Co., Ltd.	216,954	4,234,535
Yamazaki Baking Co., Ltd.	137,911	1,864,358
Yaskawa Electric Corp.	48,464	1,922,991
Yokogawa Electric Corp.	120,212	1,925,688
Z Holdings Corp.	570,414	2,761,561

**1,814,178,795**

**Netherlands 2.4%**

Aalberts N.V.	30,337	1,693,845
ABN AMRO Bank N.V.	401,477	5,349,040
Aegon N.V.	1,375,361	6,820,319
Akzo Nobel N.V.	89,039	8,500,735
APERAM S.A.	35,081	1,963,845
ArcelorMittal S.A.	625,815	19,474,280
ASML Holding N.V.	15,922	10,710,487
ASR Nederland N.V.	83,142	3,598,129
Heineken Holding N.V.	51,570	4,213,931
Heineken N.V.	65,386	6,637,651
ING Groep N.V.	1,935,248	22,819,204
Koninklijke Ahold Delhaize N.V.	890,293	27,479,383
Koninklijke DSM N.V.	36,520	6,862,526
Koninklijke KPN N.V.	1,635,508	5,602,860
Koninklijke Philips N.V.	271,327	9,246,255
NN Group N.V.	175,870	8,450,645
Randstad N.V.	84,147	5,736,997

SECURITY	NUMBER OF SHARES	VALUE (\$)
Telenor A.S.A.	389,483	5,777,812
Yara International A.S.A.	100,594	5,124,847
		<b>58,838,223</b>

**Poland 0.3%**

Bank Polska Kasa Opieki S.A.	78,402	2,166,433
Grupa Lotos S.A. *	147,742	1,915,508
KGHM Polska Miedz S.A.	49,200	1,946,361
PGE Polska Grupa Energetyczna S.A. *	806,856	1,573,403
Polski Koncern Naftowy Orlen S.A.	538,574	9,148,098
Polskie Gornictwo Naftowe i Gazownictwo S.A.	1,406,053	1,871,376
Powszechna Kasa Oszczednosci Bank Polski S.A. *	260,229	2,508,673
Powszechny Zaklad Ubezpieczen S.A.	325,057	2,450,651
		<b>23,580,503</b>

**Portugal 0.2%**

EDP - Energias de Portugal S.A.	1,447,303	7,094,168
Galp Energia, SGPS, S.A.	499,005	5,525,238
Jeronimo Martins, SGPS, S.A.	109,253	2,383,701
		<b>15,003,107</b>

**Republic of Korea 5.2%**

Amorepacific Corp.	10,089	1,543,956
BNK Financial Group, Inc.	305,991	2,005,414
CJ CheilJedang Corp.	6,538	2,058,164
CJ Corp.	31,176	2,180,648
Coway Co., Ltd.	27,302	1,637,189
DB Insurance Co., Ltd.	56,680	2,913,315
E-MART, Inc.	27,764	3,001,888
GS Engineering & Construction Corp.	57,696	2,056,201
GS Holdings Corp.	105,839	3,521,071
Hana Financial Group, Inc.	189,192	7,663,035
Hankook Tire & Technology Co., Ltd.	73,832	2,161,506
Hanwha Corp.	97,076	2,450,415
Hanwha Solutions Corp. *	50,417	1,419,400
Hyundai Engineering & Construction Co., Ltd.	83,706	3,014,488
Hyundai Glovis Co., Ltd.	18,699	2,737,160
Hyundai Heavy Industries Holdings Co., Ltd.	91,420	3,908,170
Hyundai Marine & Fire Insurance Co., Ltd.	102,196	2,447,910
Hyundai Mobis Co., Ltd.	56,947	10,609,330
Hyundai Motor Co.	103,443	15,055,953

Signify N.V.	82,958	4,247,075	Hyundai Steel Co.	132,035	4,359,620
Unibail-Rodamco-Westfield *	81,019	6,177,119	Industrial Bank of Korea	232,645	2,080,038
Universal Music Group NV	197,161	4,502,106	KB Financial Group, Inc.	200,424	9,951,606
Wolters Kluwer N.V.	40,709	4,152,687	Kia Corp.	197,282	12,109,129
		<b>174,239,119</b>	Korea Electric Power Corp.	677,340	13,069,645
			Korea Gas Corp.	61,787	2,109,499
			Korea Shipbuilding & Offshore Engineering Co., Ltd. *	33,202	2,435,577
<b>New Zealand 0.1%</b>			Korea Zinc Co., Ltd.	6,316	2,889,175
Contact Energy Ltd.	323,034	1,775,139	Korean Air Lines Co., Ltd. *	86,417	2,105,891
Fletcher Building Ltd.	623,221	2,830,041	KT&G Corp.	64,694	4,293,742
Spark New Zealand Ltd.	789,284	2,406,336	LG Chem Ltd.	11,238	5,280,883
		<b>7,011,516</b>	LG Corp.	29,477	1,843,615
			LG Display Co., Ltd.	378,732	5,890,372
<b>Norway 0.8%</b>			LG Electronics, Inc.	80,554	8,274,146
DNB Bank A.S.A.	328,674	7,366,867	LG Household & Health Care Ltd.	2,138	1,689,275
Equinor A.S.A.	751,432	23,794,015	LG Uplus Corp.	278,531	3,046,270
Mowi A.S.A.	147,356	3,793,806	Lotte Chemical Corp.	18,407	3,368,021
Norsk Hydro A.S.A.	845,600	8,035,154			
Orkla A.S.A.	301,451	2,829,515			
Subsea 7 S.A.	309,637	2,116,207			

Schwab Fundamental International Large Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Lotte Shopping Co., Ltd.	28,163	1,998,007	<b>Sweden 1.7%</b>		
LX Holdings Corp. *	25,752	209,040	Alfa Laval AB	60,608	1,990,685
NAVER Corp.	7,218	1,909,032	Assa Abloy AB, B Shares	176,021	4,692,302
POSCO	92,153	21,843,561	Atlas Copco AB, A Shares	93,248	4,884,598
Posco International Corp.	99,631	1,711,133	Atlas Copco AB, B Shares	55,042	2,523,434
Samsung C&T Corp.	42,196	3,860,407	Boliden AB	131,114	5,883,196
Samsung Electro-Mechanics Co., Ltd.	20,348	2,809,305	Electrolux AB, B Shares	105,035	1,900,227
Samsung Electronics Co., Ltd.	2,035,799	122,078,520	Epiroc AB, A Shares	70,772	1,342,600
Samsung Fire & Marine Insurance Co., Ltd.	28,224	4,471,803	Epiroc AB, B Shares	48,362	789,619
Samsung Life Insurance Co., Ltd.	41,754	2,076,674	Essity AB, B Shares	186,398	4,832,658
Samsung SDI Co., Ltd.	4,953	2,257,449	H & M Hennes & Mauritz AB, B Shares	450,508	7,659,142
Samsung SDS Co., Ltd.	16,536	1,925,429	Hexagon AB, B Shares	203,118	2,770,808
Shinhan Financial Group Co., Ltd.	319,894	10,389,538	Husqvarna AB, B Shares	136,024	1,649,461
SK Hynix, Inc.	226,626	23,278,006	Industrivarden AB, A Shares	39,376	1,098,066
SK Innovation Co., Ltd. *	51,188	8,535,945	Industrivarden AB, C Shares	30,511	836,950
SK Square Co., Ltd. *	34,715	1,611,092	Investor AB, A Shares	111,130	2,485,595
SK Telecom Co., Ltd.	54,282	2,465,004	Investor AB, B Shares	364,582	7,497,761
SK, Inc.	40,603	7,682,607	Lundin Energy AB	59,898	2,219,314
S-Oil Corp.	33,491	2,353,715	Sandvik AB	260,348	5,707,232
Woori Financial Group, Inc.	433,709	5,158,264	Securitas AB, B Shares	214,154	2,608,231
		<b>385,806,248</b>	Skandinaviska Enskilda Banken AB, A Shares	397,557	4,620,797
			Skanska AB, B Shares	173,416	3,959,563
			SKF AB, B Shares	171,762	3,199,313
			SSAB AB, A Shares *	170,540	1,083,425
			SSAB AB, B Shares *	587,501	3,225,647
			Svenska Cellulosa AB SCA, B Shares	119,116	1,962,507
			Svenska Handelsbanken AB, A Shares	516,269	4,966,755
			Swedbank AB, A Shares	436,322	7,097,132
			Swedish Match AB	275,104	2,021,117
			Tele2 AB, B Shares	174,537	2,325,446
			Telefonaktiebolaget LM Ericsson, B Shares	678,917	6,322,901
			Telia Co. AB	1,714,115	6,413,720
			Trelleborg AB, B Shares	87,078	1,771,416
			Volvo AB, A Shares	87,987	1,731,176
			Volvo AB, B Shares	553,124	10,770,394
					<b>124,843,188</b>
			<b>Singapore 0.8%</b>		
Capitaland Investment Ltd. *	1,624,992	4,417,268			
ComfortDelGro Corp., Ltd.	1,932,483	2,007,294			
DBS Group Holdings Ltd.	490,771	12,227,246			
Jardine Cycle & Carriage Ltd.	109,993	1,769,676			
Keppel Corp., Ltd.	783,846	3,458,866			
Oversea-Chinese Banking Corp., Ltd.	1,077,786	9,265,728			
Singapore Airlines Ltd. *	739,084	2,771,327			
Singapore Telecommunications Ltd.	4,354,309	8,083,435			
United Overseas Bank Ltd.	413,199	9,104,410			
Venture Corp., Ltd.	124,422	1,606,776			
Wilmar International Ltd.	1,424,790	4,597,282			
		<b>59,309,308</b>			
			<b>Spain 3.1%</b>		
Acciona S.A.	9,865	1,696,405			
ACS, Actividades de Construccion y Servicios S.A.	216,317	5,301,548			
Aena SME S.A. *	20,378	3,348,599			
Amadeus IT Group S.A. *	82,723	5,569,296			
Banco Bilbao Vizcaya Argentaria S.A.	4,707,155	27,968,647			
Banco de Sabadell S.A. *	8,839,864	7,692,942			
Banco Santander S.A.	15,516,841	52,015,428			
			<b>Switzerland 5.0%</b>		
			ABB Ltd.	402,654	13,671,232
			Adecco Group AG	149,045	7,073,322
			Alcon, Inc.	71,650	5,551,128
			Baloise Holding AG	14,429	2,423,575
			Barry Callebaut AG	705	1,629,081
			Chocoladefabriken Lindt & Spruengli AG	15	1,692,190

Bankinter S.A.	247,393	1,416,035	Chocoladefabriken Lindt & Spruengli AG, Participation Certificate	139	1,480,980
CaixaBank S.A.	2,150,113	7,100,124	Cie Financiere Richemont S.A.	100,469	13,699,572
Enagas S.A.	94,601	2,010,893	Clariant AG *	84,938	1,535,448
Endesa S.A.	170,355	3,762,757	Credit Suisse Group AG	678,307	5,734,317
Ferrovial S.A.	103,079	2,827,308	DKSH Holding AG	23,563	2,017,411
Grifols S.A.	90,007	1,720,147	Dufry AG *	39,517	1,865,476
Iberdrola S.A.	2,277,836	26,045,189	Geberit AG	5,184	3,398,177
Industria de Diseno Textil S.A.	261,960	6,943,913	Georg Fischer AG	1,353	1,673,830
Linea Directa Aseguradora S.A. Cia de Seguros y Reaseguros	260,442	438,500	Givaudan S.A.	1,025	4,302,442
Mapfre S.A.	908,040	1,796,573	Holcim Ltd. *	279,663	14,049,450
Naturgy Energy Group S.A.	185,736	5,013,109	Julius Baer Group Ltd.	37,611	2,205,539
Red Electrica Corp. S.A.	149,445	2,992,046	Kuehne & Nagel International AG	9,935	2,722,392
Repsol S.A.	1,748,265	22,829,419	Lonza Group AG	5,191	3,606,456
Telefonica S.A.	7,560,336	36,310,822	Nestle S.A.	632,587	82,588,992
		<b>224,799,700</b>	Novartis AG	475,432	41,633,012
			Partners Group Holding AG	1,447	1,965,977
			Roche Holding AG	148,127	56,485,074
			Roche Holding AG, Bearer Shares	5,486	2,298,565

## Schwab Fundamental International Large Company Index ETF

# Portfolio Holdings as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Schindler Holding AG	3,988	899,794	John Wood Group plc *	781,303	1,891,158
Schindler Holding AG, Participation Certificate	8,267	1,905,794	Johnson Matthey plc	157,624	3,982,396
SGS S.A.	1,181	3,391,940	Kingfisher plc	1,763,894	7,246,853
Sika AG	11,259	3,755,250	Land Securities Group plc	218,129	2,324,423
Sonova Holding AG	5,728	2,228,891	Legal & General Group plc	2,231,054	8,298,032
Swiss Life Holding AG	11,458	6,998,815	Lloyds Banking Group plc	41,515,746	26,980,124
Swiss Prime Site AG	19,450	1,911,186	London Stock Exchange Group plc	18,089	1,595,571
Swiss Re AG	132,116	12,646,386	M&G plc	4,094,247	11,305,537
Swisscom AG	11,553	6,933,437	Marks & Spencer Group plc *	2,553,136	5,988,074
The Swatch Group AG	22,480	1,342,748	Meggitt plc *	308,753	3,127,735
The Swatch Group AG, Bearer Shares	15,336	4,765,702	Melrose Industries plc	975,571	1,940,552
UBS Group AG	1,108,854	20,407,651	Micro Focus International plc	426,052	2,200,874
Zurich Insurance Group AG	50,316	23,121,942	Mondi plc	254,841	5,373,478
		<b>365,613,174</b>	National Grid plc	1,688,793	25,623,238
			Natwest Group plc	1,038,730	3,201,367
			Next plc	30,931	2,847,846
			Pearson plc	372,493	3,238,657
			Pennon Group plc	103,705	1,447,121
			Persimmon plc	164,237	5,317,410
			Polymetal International plc	85,317	402,033
			Prudential plc	534,178	8,145,678
			Reckitt Benckiser Group plc	140,957	11,954,853
			RELX plc	320,469	9,808,060
			Rentokil Initial plc	249,962	1,703,093
			Rio Tinto plc	491,584	38,196,458
			Rolls-Royce Holdings plc *	2,180,539	3,028,140
			Royal Mail plc	904,901	4,767,973
			Severn Trent plc	82,203	3,172,111
			Shell plc	10,101,007	267,265,791
			Smith & Nephew plc	241,173	4,326,452
			Smiths Group plc	150,931	3,096,405
			Smurfit Kappa Group plc	91,563	4,552,995
			SSE plc	561,691	12,845,951
			Standard Chartered plc	1,214,296	8,680,816
			Tate & Lyle plc	252,830	2,555,116
			Taylor Wimpey plc	2,256,677	4,549,416
			Tesco plc	6,250,531	24,300,329
			The Sage Group plc	231,930	2,187,059
			Travis Perkins plc	144,486	2,833,325
			TUI AG *(a)	1,234,484	3,988,538
			Unilever plc	689,545	34,662,521
			United Utilities Group plc	240,145	3,462,197
			Vodafone Group plc	29,504,805	52,034,584
			Whitbread plc *	77,585	3,043,876
			Wickes Group plc	171,009	414,389
			WPP plc	776,202	11,013,540
					<b>1,307,101,800</b>
<b>United Kingdom 17.7%</b>					
3i Group plc	190,137	3,407,080			
abrdn plc	1,761,663	4,885,793			
Admiral Group plc	40,427	1,614,813			
Anglo American plc	410,939	21,079,167			
Antofagasta plc	89,514	1,826,804			
Ashtead Group plc	76,158	4,982,543			
Associated British Foods plc	202,177	5,208,405			
AstraZeneca plc	255,499	31,055,695			
Aviva plc	1,899,669	10,700,207			
BAE Systems plc	1,431,373	13,820,246			
Balfour Beatty plc	494,440	1,590,870			
Barclays plc	7,566,833	18,567,445			
Barratt Developments plc	593,762	4,867,718			
Bellway plc	77,644	3,004,519			
Berkeley Group Holdings plc	53,886	2,816,869			
BP plc	25,023,739	122,064,153			
British American Tobacco plc	1,084,396	47,454,465			
BT Group plc	9,669,433	24,164,014			
Bunzl plc	119,286	4,751,946			
Burberry Group plc	126,755	3,299,428			
Carnival plc *	106,181	2,007,095			
Centrica plc *	11,665,835	12,096,361			
Coca-Cola HBC AG *	66,295	1,693,634			
Compass Group plc	600,392	13,646,463			
CRH plc	317,534	14,426,101			
Croda International plc	17,651	1,772,454			
Currys plc	2,002,053	2,522,394			
DCC plc	61,135	4,806,836			
Diageo plc	378,608	18,922,907			
Direct Line Insurance Group plc	1,010,581	4,014,961			

Drax Group plc	302,612	2,866,571
DS Smith plc	602,370	2,785,162
easyJet plc *	237,748	1,922,285
Evrax plc	332,033	644,869
Experian plc	118,044	4,645,450
Ferguson plc	72,108	11,044,121
Firstgroup plc *	1,804,164	2,425,580
GlaxoSmithKline plc	1,888,223	39,153,085
Glencore plc *	11,355,899	67,369,441
Hays plc	1,167,869	2,126,404
HSBC Holdings plc	10,637,671	73,449,379
Imperial Brands plc	762,314	16,764,270
Inchcape plc	309,134	3,098,412
Informa plc *	375,251	2,992,764
InterContinental Hotels Group plc *	36,827	2,587,246
International Consolidated Airlines Group S.A. *	1,260,429	2,512,419
Intertek Group plc	28,861	2,084,914
ITV plc *	2,282,192	3,388,249
J Sainsbury plc	1,959,244	7,247,648

<b>Total Common Stocks</b> <b>(Cost \$6,294,028,200)</b>	<b>7,275,635,439</b>
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#### PREFERRED STOCKS 0.9% OF NET ASSETS

##### Germany 0.6%

Bayerische Motoren Werke AG	51,282	4,199,038
Fuchs Petrolub SE	37,921	1,512,048
Henkel AG & Co. KGaA	71,781	5,711,436
Volkswagen AG	152,918	30,579,718
		<b>42,002,240</b>

##### Italy 0.0%

Telecom Italia S.p.A. - RSP	11,302,717	<b>4,731,507</b>
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Schwab Fundamental International Large Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)
<b>Republic of Korea 0.3%</b>		
Amorepacific Corp.	1,593	101,620
Hyundai Motor Co., Ltd.	20,324	1,479,062
Hyundai Motor Co., Ltd. 2nd	24,928	1,828,627
LG Chem Ltd.	2,559	575,714
LG Electronics, Inc.	14,270	707,358
LG Household & Health Care Ltd.	215	93,879
Samsung Electronics Co., Ltd.	345,327	18,984,584
		<b>23,770,844</b>
<b>Total Preferred Stocks</b> <b>(Cost \$61,278,573)</b>		<b>70,504,591</b>

<b>SHORT-TERM INVESTMENTS 0.2% OF NET ASSETS</b>		
<b>Money Market Funds 0.2%</b>		
State Street Institutional U.S. Government Money Market Fund, Premier Class 0.03% (c)	7,526,114	7,526,114
State Street Institutional U.S. Government Money Market Fund, Premier Class 0.03% (c)(d)	5,468,050	5,468,050
		<b>12,994,164</b>
<b>Total Short-Term Investments</b> <b>(Cost \$12,994,164)</b>		<b>12,994,164</b>
<b>Total Investments in Securities</b> <b>(Cost \$6,368,300,937)</b>		<b>7,359,134,194</b>

	NUMBER OF CONTRACTS	NOTIONAL AMOUNT (\$)	CURRENT VALUE/ UNREALIZED DEPRECIATION (\$)
<b>FUTURES CONTRACTS</b>			
<b>Long</b>			
MSCI EAFE Index, expires 03/18/22	316	34,124,840	<b>(1,157,931)</b>

- \* Non-income producing security.
- (a) All or a portion of this security is on loan. Securities on loan were valued at \$4,643,277.
- (b) Fair valued by management using significant unobservable inputs in accordance with procedures approved by the fund's Board of Trustees.
- (c) The rate shown is the 7-day yield.
- (d) Security purchased with cash collateral received for securities on loan.

REIT Real Estate Investment Trust  
—  
RSP Risparmio (Savings Shares)  
—

The following is a summary of the inputs used to value the fund's investments as of February 28, 2022 (see financial note 2(a) for additional information):

DESCRIPTION	QUOTED PRICES IN			TOTAL
	ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	
<b>Assets</b>				
Common Stocks <sup>1</sup>	\$7,149,146,281	\$—	\$—	\$7,149,146,281
Hong Kong	125,891,676	—	597,482	126,489,158
Preferred Stocks <sup>1</sup>	70,504,591	—	—	70,504,591
Short-Term Investments <sup>1</sup>	12,994,164	—	—	12,994,164

**Liabilities**

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Futures Contracts <sup>2</sup>	(1,157,931)	—	—	(1,157,931)
<b>Total</b>	<b>\$7,357,378,781</b>	<b>\$—</b>	<b>\$597,482</b>	<b>\$7,357,976,263</b>

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1 As categorized in the Portfolio Holdings.

2 Futures contracts are reported at cumulative unrealized appreciation or depreciation.

Fund investments in mutual funds are classified as Level 1, without consideration to the classification level of the underlying securities held by the mutual funds, which could be Level 1, Level 2 or Level 3.

## Schwab Fundamental International Large Company Index ETF

## Statement of Assets and Liabilities

As of February 28, 2022

<b>ASSETS</b>	
Investments in securities, at value - unaffiliated (cost \$6,368,300,937) including securities on loan of \$4,643,277	\$7,359,134,194
Foreign currency, at value (cost \$2,516,889)	2,517,663
Deposit with broker for futures contracts	1,497,837
Receivables:	
Dividends	21,934,685
Foreign tax reclaims	4,105,651
Income from securities on loan	+ 62,130
<b>Total assets</b>	<b>7,389,252,160</b>
<b>LIABILITIES</b>	
Collateral held for securities on loan	5,468,050
Payables:	
Management fees	1,425,520
Variation margin on futures contracts	660,453
Investments bought	+ 117,799
<b>Total liabilities</b>	<b>7,671,822</b>
<b>Net assets</b>	<b>\$7,381,580,338</b>
<b>NET ASSETS BY SOURCE</b>	
Capital received from investors	\$6,694,507,083
Total distributable earnings	+ 687,073,255
<b>Net assets</b>	<b>\$7,381,580,338</b>

**Net Asset Value (NAV)**

<b>Net Assets</b>	÷	<b>Shares Outstanding</b>	=	<b>NAV</b>
\$7,381,580,338		228,900,000		\$32.25

*See financial notes*

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## Schwab Fundamental International Large Company Index ETF

## Statement of Operations

For the period March 1, 2021 through February 28, 2022

<b>INVESTMENT INCOME</b>	
Dividends received from securities - unaffiliated (net of foreign withholding tax of \$21,748,786)	\$231,546,971
Securities on loan, net	+ 1,840,687
<b>Total investment income</b>	<b>233,387,658</b>
<b>EXPENSES</b>	
Management fees	17,121,985
Professional fees	+ 21,692*
<b>Total expenses</b>	<b>17,143,677</b>
Expense reduction by investment adviser	- 21,692*
<b>Net expenses</b>	<b>- 17,121,985</b>
<b>Net investment income</b>	<b>216,265,673</b>
<b>REALIZED AND UNREALIZED GAINS (LOSSES)</b>	
Net realized losses on sales of securities - unaffiliated	(69,975,919)
Net realized gains on sales of in-kind redemptions - unaffiliated	40,180,305
Net realized gains on futures contracts	1,633,984
Net realized losses on foreign currency transactions	+ (1,224,840)
<b>Net realized losses</b>	<b>(29,386,470)</b>
Net change in unrealized appreciation (depreciation) on securities - unaffiliated	258,251,589
Net change in unrealized appreciation (depreciation) on futures contracts	(800,058)
Net change in unrealized appreciation (depreciation) on foreign currency translations	+ 73,321
<b>Net change in unrealized appreciation (depreciation)</b>	<b>+ 257,524,852</b>
<b>Net realized and unrealized gains</b>	<b>228,138,382</b>
<b>Increase in net assets resulting from operations</b>	<b>\$444,404,055</b>

\* Professional fees associated with the filing of tax claims in the European Union deemed to be non-routine expenses of the fund. See financial notes 2 (d) and 4 for additional information.

## Schwab Fundamental International Large Company Index ETF

# Statement of Changes in Net Assets

For the current and prior report periods

<b>OPERATIONS</b>				
	3/1/21-2/28/22		3/1/20-2/28/21	
Net investment income	\$216,265,673		\$123,117,127	
Net realized gains (losses)	(29,386,470)		57,292,597	
Net change in unrealized appreciation (depreciation)	+ 257,524,852		979,453,687	
<b>Increase in net assets resulting from operations</b>	<b>\$444,404,055</b>		<b>\$1,159,863,411</b>	
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>				
<b>Total distributions</b>	<b>(\$245,365,750)</b>		<b>(\$114,361,960)</b>	

<b>TRANSACTIONS IN FUND SHARES</b>				
	3/1/21-2/28/22		3/1/20-2/28/21	
	SHARES	VALUE	SHARES	VALUE
Shares sold	46,300,000	\$1,538,419,912	40,300,000	\$981,805,769
Shares redeemed	+ (2,300,000)	(76,930,745)	(30,400,000)	(722,949,976)
<b>Net transactions in fund shares</b>	<b>44,000,000</b>	<b>\$1,461,489,167</b>	<b>9,900,000</b>	<b>\$258,855,793</b>

<b>SHARES OUTSTANDING AND NET ASSETS</b>				
	3/1/21-2/28/22		3/1/20-2/28/21	
	SHARES	NET ASSETS	SHARES	NET ASSETS
Beginning of period	184,900,000	\$5,721,052,866	175,000,000	\$4,416,695,622
Total increase	+ 44,000,000	1,660,527,472	9,900,000	1,304,357,244
<b>End of period</b>	<b>228,900,000</b>	<b>\$7,381,580,338</b>	<b>184,900,000</b>	<b>\$5,721,052,866</b>

*See financial notes*

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## Schwab Fundamental International Small Company Index ETF

# Financial Statements

<b>FINANCIAL HIGHLIGHTS</b>					
	3/1/21– 2/28/22	3/1/20– 2/28/21	3/1/19– 2/29/20	3/1/18– 2/28/19	3/1/17– 2/28/18
<b>Per-Share Data</b>					
Net asset value at beginning of period	\$36.11	\$28.53	\$31.23	\$36.02	\$29.99
Income (loss) from investment operations:					
Net investment income (loss) <sup>1</sup>	0.73	0.53	0.80	0.79	0.62
Net realized and unrealized gains (losses)	(0.01)	7.66	(2.60)	(4.82)	6.11
Total from investment operations	0.72	8.19	(1.80)	(4.03)	6.73
Less distributions:					
Distributions from net investment income	(0.97)	(0.61)	(0.90)	(0.76)	(0.70)
Net asset value at end of period	\$35.86	\$36.11	\$28.53	\$31.23	\$36.02
Total return	1.86%	28.97%	(6.06%)	(11.06%)	22.47%
<b>Ratios/Supplemental Data</b>					
Ratios to average net assets:					
Total expenses	0.39%	0.39%	0.39%	0.39%	0.39%
Net investment income (loss)	1.90%	1.78%	2.54%	2.38%	1.83%
Portfolio turnover rate <sup>2</sup>	28%	24%	31%	25%	18%
Net assets, end of period (x 1,000)	\$2,685,954	\$2,292,915	\$1,900,303	\$1,842,568	\$1,811,898

1 Calculated based on the average shares outstanding during the period.

2 Portfolio turnover rate excludes securities received or delivered from processing of in-kind creations or redemptions.



## Schwab Fundamental International Small Company Index ETF

# Portfolio Holdings as of February 28, 2022

This section shows all the securities in the fund's portfolio and their values as of the report date.

The fund files its complete schedule of portfolio holdings with the U.S. Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-PORT Part F. The fund's Form N-PORT Part F is available on the SEC's website at [www.sec.gov](http://www.sec.gov). You can also obtain this information at no cost on the fund's website at [www.schwabassetmanagement.com/schwabefis\\_prospectus](http://www.schwabassetmanagement.com/schwabefis_prospectus), by calling 1-866-414-6349, or by sending an email request to [orders@mysummaryprospectus.com](mailto:orders@mysummaryprospectus.com). The fund also makes available its complete schedule of portfolio holdings on a daily basis on the fund's website.

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
<b>COMMON STOCKS 99.1% OF NET ASSETS</b>					
<b>Australia 5.2%</b>					
Adbri Ltd.	819,768	1,963,053	nib Holdings Ltd.	410,416	1,944,754
ALS Ltd.	205,327	1,762,617	Nine Entertainment Co. Holdings Ltd.	853,861	1,728,696
Ansell Ltd.	118,850	2,216,458	Northern Star Resources Ltd.	291,229	2,178,815
ARB Corp., Ltd.	19,684	592,630	NRW Holdings Ltd.	1,204,415	1,887,805
ASX Ltd.	46,222	2,761,430	Nufarm Ltd.	546,332	2,172,523
Austral Ltd.	590,101	820,016	Orora Ltd.	1,625,893	4,400,763
Bank of Queensland Ltd.	569,950	3,308,673	OZ Minerals Ltd.	154,245	2,854,161
Bapcor Ltd.	191,188	893,457	Pendal Group Ltd.	304,852	1,022,017
Beach Energy Ltd.	1,499,527	1,659,401	Perenti Global Ltd.	1,689,194	931,580
Bega Cheese Ltd.	243,473	830,378	Perpetual Ltd.	61,077	1,559,639
Blackmores Ltd.	12,360	741,291	Platinum Asset Management Ltd.	266,499	460,256
Breville Group Ltd.	43,676	853,189	Premier Investments Ltd.	48,285	965,998
carsales.com Ltd.	65,400	972,879	Qube Holdings Ltd.	837,220	1,804,360
Challenger Ltd.	595,008	2,914,431	REA Group Ltd.	6,876	657,026
Charter Hall Group	78,139	950,885	Reece Ltd.	96,446	1,355,629
Charter Hall Retail REIT	249,113	757,421	Regis Resources Ltd.	812,595	1,152,784
CIMIC Group Ltd.	189,738	3,041,425	Reliance Worldwide Corp., Ltd.	316,148	1,057,593
Cleanaway Waste Management Ltd.	792,354	1,592,671	Sandfire Resources Ltd.	307,165	1,493,391
Cochlear Ltd.	15,077	2,438,665	SEEK Ltd.	117,808	2,279,948
Collins Foods Ltd.	76,432	606,209	Seven Group Holdings Ltd.	69,761	1,123,304
Coronado Global Resources, Inc. *	1,587,583	1,877,808	Shopping Centres Australasia Property Group	430,325	905,569
Costa Group Holdings Ltd.	287,350	569,247	Southern Cross Media Group Ltd.	497,134	638,519
Cromwell Property Group	988,169	634,602	St. Barbara Ltd.	1,200,415	1,158,538
CSR Ltd.	744,571	3,090,504	Steadfast Group Ltd.	284,045	956,384
Dexus	462,419	3,664,253	Super Retail Group Ltd.	202,573	1,625,788
Domino's Pizza Enterprises Ltd.	11,367	651,216	Tassal Group Ltd.	315,305	819,108
Eagers Automotive Ltd.	141,213	1,432,547	The GPT Group	825,372	2,958,720
Eclixp Group Ltd. *	724,708	1,220,052	The Star Entertainment Grp Ltd. *	1,337,952	3,252,464
Elders Ltd.	116,042	974,262	TPG Telecom Ltd.	146,857	595,708
Event Hospitality & Entertainment Ltd. *	136,851	1,430,998	Vicinity Centres	3,400,206	4,441,247
Evolution Mining Ltd.	976,282	3,025,034	Washington H Soul Pattinson & Co., Ltd.	39,664	724,735
Flight Centre Travel Group Ltd. *(a)	218,535	2,784,663	Whitehaven Coal Ltd.	2,435,207	5,672,416
G.U.D. Holdings Ltd.	79,365	669,210	Worley Ltd.	426,228	3,689,857
G8 Education Ltd. *	1,840,458	1,682,765			<b>140,465,542</b>
Genworth Mortgage Insurance Australia Ltd.	465,252	1,012,830	<b>Austria 0.8%</b>		
GrainCorp Ltd., Class A	532,298	3,244,601	ANDRITZ AG	72,315	3,248,970
			AT&S Austria Technologie & Systemtechnik AG	26,679	1,465,331

GWA Group Ltd.	348,175	578,576	BAWAG Group AG *	62,172	3,354,711
Harvey Norman Holdings Ltd.	609,476	2,321,898	CA Immobilien Anlagen AG	19,999	688,487
Healius Ltd.	518,760	1,618,684	EVN AG	40,409	1,127,877
Humm Group Ltd.	850,195	542,911	IMMOFINANZ AG *(a)	46,159	1,191,417
IGO Ltd.	179,036	1,419,998	Lenzing AG *	16,912	1,882,461
Iluka Resources Ltd.	141,463	1,097,356	Mayr Melnhof Karton AG	9,828	1,861,144
Inghams Group Ltd.	354,505	872,066	Oesterreichische Post AG	42,487	1,729,901
InvoCare Ltd.	82,836	777,221	S IMMO AG	32,360	832,341
IOOF Holdings Ltd.	733,985	2,034,594	UNIQA Insurance Group AG	153,879	1,244,426
IRESS Ltd.	115,792	870,493	Verbund AG	17,610	2,136,192
Link Administration Holdings Ltd.	435,196	1,667,424	Vienna Insurance Group AG Wiener Versicherung Gruppe	46,670	1,226,623
Magellan Financial Group Ltd. (a)	42,740	570,663			
McMillan Shakespeare Ltd.	88,780	771,146			<b>21,989,881</b>
Mineral Resources Ltd.	53,843	1,767,970			
Monadelphous Group Ltd.	209,745	1,718,354			
Myer Holdings Ltd. *	5,867,272	1,724,322			

Schwab Fundamental International Small Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
<b>Belgium 1.3%</b>					
Ackermans & van Haaren N.V.	22,923	4,299,770	Corus Entertainment, Inc., B Shares	637,923	2,555,011
AGFA-Gevaert N.V. *	249,898	1,018,889	Crombie Real Estate Investment Trust (a)	60,430	828,063
Barco N.V.	60,203	1,376,744	Dorel Industries, Inc., Class B	120,257	1,092,254
Befimmo S.A.	21,009	1,122,053	Dream Office Real Estate Investment Trust	78,894	1,625,962
Bekaert S.A.	64,932	2,835,583	ECN Capital Corp.	90,091	405,582
bpost S.A. *	267,987	1,818,059	Element Fleet Management Corp.	170,560	1,672,856
Cie d'Entreprises CFE	12,078	1,608,930	Enerflex Ltd.	303,599	1,874,230
Cofinimmo S.A.	9,815	1,290,935	Enerplus Corp.	363,483	4,642,587
D'ieren Group	24,113	3,913,600	Exchange Income Corp. (a)	43,723	1,401,301
Elia Group S.A. N.V.	16,561	2,392,130	Extencicare, Inc. (a)	102,931	623,259
Euronav N.V.	268,152	3,011,282	First Capital Real Estate Investment Trust	184,782	2,644,218
KBC Ancora	18,327	826,689	FirstService Corp.	5,442	774,198
Melexis N.V.	8,090	743,291	Franco-Nevada Corp.	25,010	3,680,661
Ontex Group N.V. *	251,554	1,802,641	Gibson Energy, Inc.	205,880	4,015,825
Orange Belgium S.A.	42,915	944,762	Granite Real Estate Investment Trust	13,632	1,008,898
Sofina S.A.	3,820	1,489,705	Home Capital Group, Inc. *	52,013	1,571,032
Telenet Group Holding N.V.	77,773	2,716,730	Hudbay Minerals, Inc.	274,320	2,234,183
Tessenderlo Group S.A. *	31,475	1,161,337	IAMGOLD Corp. *	590,506	1,731,921
Warehouses De Pauw CVA	19,316	764,124	IGM Financial, Inc.	79,584	2,825,456
		<b>35,137,254</b>	Innergex Renewable Energy, Inc.	48,235	700,888
			Interfor Corp.	86,081	2,620,402
			Intertape Polymer Group, Inc.	51,330	969,659
			Just Energy Group, Inc. *	54,636	54,061
			Killam Apartment Real Estate Investment Trust	45,975	773,167
			Laurentian Bank of Canada	49,041	1,645,977
			LifeWorks, Inc.	34,429	684,590
			Lundin Mining Corp.	409,052	3,944,263
			Maple Leaf Foods, Inc.	109,463	2,304,303
			Martinrea International, Inc.	310,988	2,424,939
			MEG Energy Corp. *	479,089	6,251,368
			Mullen Group Ltd.	167,742	1,634,636
			NFI Group, Inc.	110,977	1,658,946
			Northland Power, Inc.	82,754	2,629,390
			NorthWest Healthcare Properties Real Estate Investment Trust	84,685	906,040
			NuVista Energy Ltd. *	372,093	2,833,933
			OceanaGold Corp. *	1,128,532	2,126,536
			Pan American Silver Corp.	70,194	1,659,176
			Parex Resources, Inc.	141,654	3,121,559
			Pason Systems, Inc.	109,258	1,112,953
			Peyto Exploration & Development Corp.	408,026	3,519,379
			PrairieSky Royalty Ltd.	109,893	1,485,052
			Precision Drilling Corp. *	57,683	3,363,155
			Premium Brands Holdings Corp.	15,441	1,423,394
			Primo Water Corp.	146,923	2,134,892
			Richelieu Hardware Ltd.	39,911	1,525,828
<b>Canada 8.7%</b>					
Aclara Resources, Inc. *	47,038	39,682			
Aecon Group, Inc.	124,742	1,731,940			
Ag Growth International, Inc.	27,025	799,020			
Alamos Gold, Inc., Class A	129,168	951,180			
Algonquin Power & Utilities Corp.	264,965	3,831,323			
Allied Properties Real Estate Investment Trust	50,981	1,771,784			
Altus Group Ltd.	14,265	552,448			
Artis Real Estate Investment Trust	178,341	1,827,913			
ATS Automation Tooling Systems, Inc. *	28,753	1,114,211			
AutoCanada, Inc. *	37,617	972,196			
B2Gold Corp.	523,803	2,114,457			
Badger Infrastructure Solutions Ltd.	31,166	746,500			
Baytex Energy Corp. *	990,959	4,523,714			
Birchcliff Energy Ltd.	346,395	1,840,740			
BlackBerry Ltd. *	146,611	1,005,650			
Boardwalk Real Estate Investment Trust	31,963	1,422,566			
Boralex, Inc., Class A	24,797	723,568			
Boyd Group Services, Inc.	7,631	995,547			
Brookfield Infrastructure Corp., Class A (a)	71,195	5,016,515			
BRP, Inc.	19,437	1,392,090			
CAE, Inc. *	131,955	3,527,886			
Cameco Corp.	185,183	4,550,916			
Canadian Apartment Properties REIT	56,523	2,351,207			

Canadian Utilities Ltd., Class A	146,736	4,083,873	Ritchie Bros. Auctioneers, Inc.	33,357	1,747,077
Canadian Western Bank	64,041	1,873,743	Russel Metals, Inc.	120,525	2,983,786
Canfor Corp. *	98,553	2,229,263	Secure Energy Services, Inc.	573,618	2,772,325
Capital Power Corp.	91,225	2,801,446	ShawCor Ltd. *	409,354	1,891,287
Cascades, Inc.	240,275	2,487,335	Shopify, Inc., Class A *	757	525,170
Celestica, Inc. *	410,656	4,879,241	Sienna Senior Living, Inc. (a)	66,809	813,286
Centerra Gold, Inc.	227,855	2,220,434	Sleep Country Canada Holdings, Inc.	28,925	681,192
Chartwell Retirement Residences	159,396	1,529,427	SmartCentres Real Estate Investment Trust	92,756	2,326,305
Chemtrade Logistics Income Fund (a)	279,091	1,628,315	SSR Mining, Inc.	63,270	1,251,582
Choice Properties Real Estate Investment Trust	105,255	1,204,953	Stantec, Inc.	69,766	3,464,785
Chorus Aviation, Inc. *	452,550	1,555,657	Stelco Holdings, Inc.	23,595	723,839
Cineplex, Inc. *(a)	180,113	1,965,360	Stella-Jones, Inc.	68,054	2,132,808
Cogeco Communications, Inc.	10,522	839,537	Superior Plus Corp.	212,280	1,913,005
Cogeco, Inc.	24,428	1,510,728	The Descartes Systems Group, Inc. *	9,441	672,300
Colliers International Group, Inc.	10,236	1,404,641	The North West Co., Inc.	54,848	1,557,634
Cominar Real Estate Investment Trust	321,343	2,964,255	TMX Group Ltd.	17,496	1,766,222
Constellation Software, Inc.	2,544	4,284,615	Torex Gold Resources, Inc. *	76,612	971,278

## Schwab Fundamental International Small Company Index ETF

# Portfolio Holdings as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Toromont Industries Ltd.	35,645	3,019,434	BioMerieux	13,566	1,495,088
Tourmaline Oil Corp.	147,512	5,815,114	CGG S.A. *	2,439,747	2,081,003
TransAlta Corp.	420,034	4,262,102	Cie Plastic Omnium S.A.	97,880	2,084,441
Transat AT, Inc. *(a)	340,126	1,305,959	Coface S.A.	92,224	1,239,925
Transcontinental, Inc., Class A	147,038	2,370,739	Covivio	33,116	2,731,667
Tricon Residential, Inc.	56,469	838,787	Dassault Aviation S.A.	15,523	2,341,580
Turquoise Hill Resources Ltd. *	76,950	1,581,651	Derichebourg S.A.	145,639	1,527,854
Westshore Terminals Investment Corp.	50,487	1,182,614	Edenred	71,743	3,294,989
Wheaton Precious Metals Corp.	83,546	3,658,410	Elior Group S.A. *	446,089	2,072,332
Whitecap Resources, Inc.	682,603	5,204,219	Eramet S.A. *	14,134	1,873,287
Winpak Ltd.	34,643	1,043,373	Eurofins Scientific SE	21,923	2,229,450
Yamana Gold, Inc.	394,815	1,939,289	Euronext N.V.	21,494	1,951,886
		<b>234,397,431</b>	Fnac Darty S.A.	40,396	2,240,509
			Gaztransport Et Technigaz S.A.	10,240	985,685
<b>Denmark 1.3%</b>			Gecina S.A. (a)	20,096	2,561,904
Chr Hansen Holding A/S	33,061	2,419,213	Getlink SE	212,353	3,491,860
D/S Norden A/S	47,123	1,230,988	ICADE (a)	31,999	1,987,554
Demant A/S *	34,994	1,479,010	Imerys S.A.	69,040	2,962,248
Dfds A/S *	34,395	1,601,712	Ipsen S.A.	18,008	2,108,622
FLSmidth & Co. A/S	81,524	2,351,222	IPSOS	55,091	2,654,576
Genmab A/S *	3,220	1,084,265	JCDecaux S.A. *	97,072	2,749,770
GN Store Nord A/S	33,221	1,758,229	Kaufman & Broad S.A.	29,316	1,071,798
H. Lundbeck A/S	48,524	1,179,295	Korian S.A.	73,677	1,500,331
Jyske Bank A/S *	60,765	3,316,014	La Francaise des Jeux SAEM	28,929	1,205,168
Matas A/S	42,103	612,865	Maisons du Monde S.A.	65,274	1,445,787
NKT A/S *	22,517	947,254	Mercialys S.A.	98,502	1,012,333
Per Aarsleff Holding A/S	30,236	1,191,625	Mersen S.A.	26,192	976,706
Ringkjoebing Landbobank A/S	6,969	870,263	Metropole Television S.A.	94,605	1,887,184
Rockwool International A/S, B Shares	4,011	1,381,506	Nexans S.A.	31,512	3,068,685
Royal Unibrew A/S	19,833	2,115,504	Nexity S.A.	67,962	2,694,624
Scandinavian Tobacco Group A/S, Class A	76,183	1,725,536	Orpea S.A.	30,039	1,249,723
Schouw & Co. A/S	16,656	1,446,150	Quadient S.A.	94,621	1,732,337
SimCorp A/S	9,654	874,940	Remy Cointreau S.A.	6,806	1,320,206
Sydbank A/S	87,216	2,844,623	Sartorius Stedim Biotech	1,579	609,031
The Drilling Co. of 1972 A/S *	30,543	1,200,957	SEB S.A.	23,598	3,464,241
Topdanmark A/S	21,952	1,256,285	Societe BIC S.A.	53,443	2,836,886
Tryg A/S	102,668	2,334,720	Sopra Steria Group S.A.	15,328	2,754,627
		<b>35,222,176</b>	SPIE S.A.	143,883	3,400,263
<b>Finland 1.0%</b>			Tarkett S.A. *	46,541	818,625
Aktia Bank Oyj	51,529	590,349	Technicolor S.A. *	433,367	1,453,459
Cargotec Oyj, B Shares	58,713	2,337,143	Television Francaise 1 S.A.	233,254	2,318,620
Finnair Oyj *(a)	1,500,602	758,128	Trigano S.A.	5,782	996,882
Huhtamaki Oyj	83,893	3,080,335	UbiSoft Entertainment S.A. *	54,618	2,966,126
Kemira Oyj	142,254	1,893,390	Vallourec S.A. *	124,820	1,228,134
Kojamo Oyj	62,981	1,468,568	Verallia S.A.	30,743	811,468
			Vicat S.A.	34,492	1,270,719
			Virbac S.A.	1,709	702,555

Konecranes Oyj	74,008	2,598,513
Metsa Board Oyj, Class B	158,306	1,553,165
Neles Oyj	83,009	1,083,866
Orion Oyj, B Shares	77,907	3,674,343
Sanoma Oyj	65,675	960,436
TietoEVERY Oyj	69,823	1,960,631
Tokmanni Group Corp.	33,890	633,025
Uponor Oyj	46,382	1,039,842
Valmet Oyj	84,183	2,940,641
YIT Oyj	279,565	1,219,605
		<b>27,791,980</b>

<b>France 3.9%</b>		
Aeroports de Paris *	26,956	3,845,178
Albioma S.A.	19,736	905,763
Alten S.A.	20,371	3,116,354
Amundi S.A.	32,977	2,311,282
Beneteau S.A. *	50,994	855,711

Worldline S.A. *	33,483	1,726,401
		<b>104,223,437</b>
<b>Germany 3.6%</b>		
1&1 AG	62,194	1,496,323
Aareal Bank AG	120,382	3,707,544
ADVA Optical Networking SE *	47,790	805,166
Aroundtown S.A.	314,127	1,951,137
Bechtle AG	41,402	2,141,451
Befesa S.A.	16,909	1,183,214
Bilfinger SE	58,453	2,224,372
Borussia Dortmund GmbH & Co. KGaA *	100,930	458,447
CANCOM SE	22,992	1,318,605
Carl Zeiss Meditec AG, Class B	6,439	1,018,668
CECONOMY AG	562,100	2,251,398
Cewe Stiftung & Co. KGaA	5,312	607,384
CTS Eventim AG & Co., KGaA *	18,784	1,321,591
Deutsche Euroshop AG	49,927	942,672
Deutsche Pfandbriefbank AG	346,545	3,791,971
Deutz AG *	284,746	1,648,707

Schwab Fundamental International Small Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Duerr AG	64,040	2,326,208	Hang Lung Group Ltd.	1,262,469	2,782,256
DWS Group GmbH & Co. KGaA	32,643	1,198,933	Hang Lung Properties Ltd.	1,290,790	2,705,906
ElringKlinger AG *	64,125	693,603	HKBN Ltd.	608,582	765,625
Fielmann AG	15,872	946,637	Huabao International Holdings Ltd. (a)	376,370	215,311
Fraport AG Frankfurt Airport Services Worldwide *	48,660	3,325,206	Hysan Development Co., Ltd.	444,829	1,309,375
Gerresheimer AG	24,357	1,764,578	IGG, Inc.	1,197,529	715,725
Grand City Properties S.A.	57,258	1,256,018	Johnson Electric Holdings Ltd.	756,215	1,256,213
GRENKE AG (a)	20,035	585,311	JS Global Lifestyle Co., Ltd.	247,862	284,859
Hamburger Hafen und Logistik AG	35,862	712,557	K Wah International Holdings Ltd.	3,423,018	1,296,714
Hella GmbH & Co. KGaA	30,577	2,130,021	Kerry Logistics Network Ltd.	371,382	901,161
HelloFresh SE *	7,826	429,663	Kerry Properties Ltd.	1,172,461	3,211,112
HOCHTIEF AG	33,325	2,256,320	Lee & Man Paper Manufacturing Ltd.	2,626,915	1,687,691
Hornbach Holding AG & Co. KGaA	21,289	2,812,029	Luk Fook Holdings International Ltd.	729,331	1,936,806
Jenoptik AG	40,190	1,463,485	Man Wah Holdings Ltd.	554,082	648,841
JOST Werke AG	15,562	727,137	Melco International Development Ltd. *	1,886,168	1,870,791
KloECKner & Co. SE *	310,103	4,252,839	MGM China Holdings Ltd. *	711,923	457,383
Krones AG	21,251	1,966,817	Minth Group Ltd.	534,758	1,923,122
KWS Saat SE & Co. KGaA	7,059	517,742	MMG Ltd. *	3,429,191	1,237,611
LEG Immobilien SE	20,413	2,643,586	NagaCorp Ltd.	1,612,089	1,485,473
Leoni AG *(a)	207,281	2,467,872	Nexteer Automotive Group Ltd.	1,563,908	1,561,166
Nordex SE *(a)	56,643	1,012,217	NWS Holdings Ltd.	3,261,911	3,201,922
Norma Group SE	38,108	1,327,747	Pacific Basin Shipping Ltd.	5,043,268	2,672,118
Pfeiffer Vacuum Technology AG	3,858	768,729	Pacific Textiles Holdings Ltd.	1,339,535	649,735
Puma SE	29,881	2,751,442	Power Assets Holdings Ltd.	113,717	716,762
QIAGEN N.V. *	44,955	2,262,108	Powerlong Real Estate Holdings Ltd.	2,713,058	1,295,123
Rational AG	791	584,601	PRADA S.p.A.	260,045	1,622,432
RTL Group S.A. *	66,269	3,717,203	Shangri-La Asia Ltd. *	1,494,034	1,217,988
S&T AG (a)	26,847	424,576	Shui On Land Ltd.	13,632,179	1,988,902
SAF-Holland SE *	85,614	1,024,122	Shun Tak Holdings Ltd. *	4,750,000	1,209,734
Scout24 SE	20,918	1,226,445	SITC International Holdings Co., Ltd.	453,952	1,864,912
Siltronic AG	12,973	1,479,713	SJM Holdings Ltd. *	2,416,216	1,360,604
Sixt SE *	13,531	2,033,496	Stella International Holdings Ltd.	1,415,000	1,437,872
Software AG	38,616	1,469,495	Swire Properties Ltd.	706,513	1,835,521
Stabilus S.A.	18,535	1,101,300	The Bank of East Asia Ltd.	1,762,135	2,967,825
Stroer SE & Co. KGaA	14,764	1,120,177	Tingyi Cayman Islands Holding Corp.	2,006,654	4,437,716
Suedzucker AG	163,144	2,237,402	Towngas Smart Energy Co., Ltd. *	1,412,347	1,001,370
TAG Immobilien AG	63,381	1,635,936	Truly International Holdings Ltd.	4,899,783	1,693,105
Takkt AG	76,180	1,314,285	Uni-President China Holdings Ltd.	1,427,890	1,480,209
Talanx AG *	76,973	3,385,621	Value Partners Group Ltd.	1,120,412	547,753
Wacker Chemie AG	15,521	2,418,856	Vitasoy International Holdings Ltd.	392,716	728,769
Wacker Neuson SE	38,124	908,659	VSTECS Holdings Ltd.	1,534,419	1,578,859
Zalando SE *	32,640	2,184,278	VTech Holdings Ltd.	280,780	2,308,780
		<b>97,733,620</b>	Want Want China Holdings Ltd.	4,897,071	5,208,117
			Wynn Macau Ltd. *	1,662,614	1,417,128
			Xinyi Glass Holdings Ltd.	913,004	2,424,566
					<b>98,910,802</b>
<b>Hong Kong 3.7%</b>					
Asia Cement China Holdings Corp.	1,147,728	716,807			

ASM Pacific Technology Ltd.	255,162	2,788,799
BOC Aviation Ltd.	154,993	1,343,893
Brightoil Petroleum Holdings Ltd. *(b)	2,380,161	0
Budweiser Brewing Co. APAC Ltd.	722,262	2,241,557
Cafe de Coral Holdings Ltd.	524,653	804,400
Cathay Pacific Airways Ltd. *	2,532,758	2,256,037
Champion REIT	1,123,750	509,115
Chow Sang Sang Holdings International Ltd.	821,135	1,149,675
Chow Tai Fook Jewellery Group Ltd. *	1,461,302	3,037,171
CITIC Telecom International Holdings Ltd.	2,886,783	1,027,075
CK Infrastructure Holdings Ltd.	164,098	1,018,564
Cowell e Holdings, Inc. *	1,252,103	1,413,357
Dairy Farm International Holdings Ltd.	489,704	1,297,716
FIH Mobile Ltd. *	13,384,000	1,969,822
FIT Hon Teng Ltd. *	2,633,202	475,167
Fortune Real Estate Investment Trust	905,480	850,586
Haitong International Securities Group Ltd.	4,043,580	890,098

#### Ireland 0.3%

AIB Group plc *	1,014,294	2,673,833
Dalata Hotel Group plc *	180,401	854,071
Glanbia plc (a)	208,550	2,932,728
Irish Continental Group plc *	149,616	677,236
		<b>7,137,868</b>

#### Israel 2.1%

Arad Investment & Industrial Development Ltd.	6,206	868,912
Azrieli Group Ltd.	9,926	848,469
Bezeq The Israeli Telecommunication Corp., Ltd. *	3,359,624	5,523,474
Cellcom Israel Ltd. *	165,146	844,419
Clal Insurance Enterprises Holdings Ltd. *	31,903	746,654
Delek Group Ltd. *	26,711	3,303,994
El Al Israel Airlines *	595,466	660,401
Elbit Systems Ltd.	14,992	3,072,812





Interpump Group S.p.A.	33,411	1,818,571	Canon Marketing Japan, Inc.	118,137	2,462,747
Iren S.p.A.	973,214	2,750,276	Capcom Co., Ltd.	46,936	1,130,865
Italgas S.p.A.	491,026	3,186,686	Cawachi Ltd.	49,321	1,049,155
Maire Tecnimont S.p.A. (a)	224,655	714,606	Central Glass Co., Ltd.	127,005	2,270,487
MARR S.p.A.	38,339	720,864	Chudenko Corp.	55,003	1,043,469
MFE-MediaForEurope N.V., Class A *	799,468	720,166	Chugoku Marine Paints Ltd.	102,056	813,435
MFE-MediaForEurope N.V., Class B	698,671	860,083	Citizen Watch Co., Ltd.	923,053	3,999,162
Moncler S.p.A.	45,830	2,788,985	CKD Corp.	59,683	1,027,061
Nexi S.p.A. *	44,879	618,508	Colowide Co., Ltd. (a)	42,424	637,603
OVS S.p.A. *	713,107	1,811,776	Cosmos Pharmaceutical Corp.	14,324	1,973,709
Piaggio & C S.p.A.	212,796	626,691	Create SD Holdings Co., Ltd.	30,824	841,689
Recordati Industria Chimica e Farmaceutica S.p.A.	36,374	1,787,828	Credit Saison Co., Ltd.	332,269	3,735,953
Reply S.p.A.	5,661	926,424	CyberAgent, Inc.	146,933	1,895,745
Saipem S.p.A. *(a)	1,635,334	1,939,669	Daifuku Co., Ltd.	42,268	3,031,332
Salvatore Ferragamo S.p.A. *	59,065	1,288,690	Daihen Corp.	27,813	1,039,592
Societa Cattolica Di Assicurazione S.p.A. *	71,090	437,968	Daiho Corp.	32,047	996,121
Technogym S.p.A.	55,153	437,662	Daiichikoshi Co., Ltd.	64,339	1,955,168
Tod's S.p.A. *	13,537	692,121	Daikyonishikawa Corp.	284,224	1,391,815
			Daio Paper Corp.	107,898	1,592,590
			Daiseki Co., Ltd.	27,403	1,111,109
			Daishi Hokuetsu Financial Group, Inc.	49,267	1,138,263

## Schwab Fundamental International Small Company Index ETF

# Portfolio Holdings as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Daiwa House REIT Investment Corp.	277	749,169	Hokuetsu Corp.	408,456	2,539,219
Daiwabo Holdings Co., Ltd.	217,285	3,327,899	Hokuhoku Financial Group, Inc.	260,681	2,129,810
DCM Holdings Co., Ltd.	270,532	2,618,999	Hokuriku Electric Power Co.	734,200	3,595,301
DeNA Co., Ltd.	99,773	1,528,106	Horiba Ltd.	40,967	2,344,020
Descente Ltd. *	38,958	1,019,825	Hoshizaki Corp.	37,072	2,568,566
Dexerials Corp.	43,022	1,210,256	Hosiden Corp.	215,677	2,209,671
Disco Corp.	10,955	3,057,983	House Foods Group, Inc.	95,703	2,472,864
DMG Mori Co., Ltd.	131,921	1,829,198	Hulic Co., Ltd.	233,878	2,126,071
Doshisha Co., Ltd.	59,439	799,401	Ibiden Co., Ltd.	67,753	3,247,203
Doutor Nichires Holdings Co., Ltd.	85,657	1,205,557	Ichikoh Industries Ltd.	108,852	476,331
Dowa Holdings Co., Ltd.	95,879	4,337,136	IDOM, Inc.	98,898	564,150
DTS Corp.	50,471	1,202,452	Iino Kaiun Kaisha Ltd.	185,307	1,420,674
Duskin Co., Ltd.	80,775	1,964,409	Inaba Denki Sangyo Co., Ltd.	123,998	2,869,153
DyDo Group Holdings, Inc.	20,993	938,693	Inabata & Co., Ltd.	206,452	4,160,409
Eagle Industry Co., Ltd.	94,922	853,824	Inageya Co., Ltd.	70,099	873,385
Earth Corp.	15,601	759,901	INFRONEER Holdings, Inc.	513,145	4,544,458
Eizo Corp.	29,807	953,669	Internet Initiative Japan, Inc.	40,612	1,290,557
Elecom Co., Ltd.	43,248	590,659	Iriso Electronics Co., Ltd.	17,602	625,068
Exedy Corp.	171,070	2,478,974	Ishihara Sangyo Kaisha Ltd.	107,305	987,569
Exeo Group, Inc.	165,900	3,436,834	Ito En Ltd.	44,136	2,529,174
Ezaki Glico Co., Ltd.	84,662	2,888,836	Itochu Enex Co., Ltd.	233,475	2,118,354
Fancl Corp.	31,486	887,103	Itochu Techno-Solutions Corp.	73,748	1,894,685
FCC Co., Ltd.	125,210	1,532,851	Itoham Yonekyu Holdings, Inc.	579,022	3,473,881
Food & Life Cos. Ltd.	35,394	1,167,764	Iwatani Corp.	69,065	3,262,111
Foster Electric Co., Ltd.	166,341	1,146,731	Izumi Co., Ltd.	101,201	2,824,929
FP Corp.	33,112	937,227	Jaccs Co., Ltd.	54,308	1,527,744
Fuji Co., Ltd. (a)	75,519	2,065,421	JAFCO Group Co., Ltd.	44,393	662,956
Fuji Corp.	85,324	1,719,444	Japan Airport Terminal Co., Ltd. *	30,198	1,402,729
Fuji Media Holdings, Inc.	133,210	1,441,108	Japan Aviation Electronics Industry Ltd.	116,011	1,819,109
Fuji Oil Holdings, Inc.	71,018	1,376,889	Japan Display, Inc. *(a)	3,195,485	1,165,273
Fuji Seal International, Inc.	74,013	1,165,701	Japan Lifeline Co., Ltd.	56,276	534,543
Fuji Soft, Inc.	24,852	1,212,661	Japan Metropolitan Fund Invest	1,550	1,252,919
Fujibo Holdings, Inc.	16,745	521,941	Japan Petroleum Exploration Co., Ltd.	96,940	2,300,300
Fujimori Kogyo Co., Ltd.	29,057	1,005,358	Japan Post Bank Co., Ltd.	306,312	2,696,769
Fujitec Co., Ltd.	84,701	2,018,704	Japan Prime Realty Investment Corp.	189	613,727
Fujitsu General Ltd.	61,642	1,323,022	Japan Real Estate Investment Corp.	244	1,298,650
Fukuoka Financial Group, Inc.	174,440	3,454,722	Jeol Ltd.	12,138	694,503
Fukuyama Transporting Co., Ltd.	51,082	1,758,542	J-Oil Mills, Inc.	65,647	988,909
Furukawa Co., Ltd.	99,233	1,144,184	Joshin Denki Co., Ltd.	83,968	1,529,541
Furuno Electric Co., Ltd.	63,176	566,075	Joyful Honda Co., Ltd.	126,682	1,751,055
Futaba Industrial Co., Ltd.	427,681	1,444,479	Juki Corp.	115,282	659,612
Fuyo General Lease Co., Ltd.	14,485	945,754	Juroku Financial Group, Inc.	50,377	1,068,994
Geo Holdings Corp.	194,431	2,562,590	JVC Kenwood Corp.	976,579	1,577,110
Glory Ltd.	143,098	2,586,760	Kadokawa Corp.	51,162	1,282,437
GLP J-REIT	405	603,412	Kaga Electronics Co., Ltd.	52,927	1,383,202
GMO Internet, Inc.	24,151	543,306	Kagome Co., Ltd.	72,065	1,920,899
Godo Steel Ltd.	43,300	498,509	Kakaku.com, Inc.	37,750	820,716

Goldwin, Inc.	15,428	810,414	Kaken Pharmaceutical Co., Ltd.	47,693	1,747,467
Gree, Inc.	97,930	801,806	Kameda Seika Co., Ltd.	18,331	657,322
GS Yuasa Corp.	160,763	3,443,476	Kamigumi Co., Ltd.	187,751	3,635,205
GungHo Online Entertainment, Inc.	70,599	1,548,979	Kanamoto Co., Ltd.	82,824	1,637,423
Gunze Ltd.	40,735	1,391,728	Kandenko Co., Ltd.	330,099	2,502,074
H.U. Group Holdings, Inc.	98,565	2,597,306	Kanematsu Corp.	284,860	3,462,592
Hamakyorex Co., Ltd.	39,163	987,448	Kansai Paint Co., Ltd.	138,994	2,774,449
Hamamatsu Photonics K.K.	40,860	2,054,086	Kanto Denka Kogyo Co., Ltd.	79,829	831,039
Hazama Ando Corp.	466,232	3,740,381	Kato Sangyo Co., Ltd.	94,080	2,528,132
Heiwa Corp.	100,596	1,690,065	Kawasaki Kisen Kaisha Ltd. *	85,208	5,955,497
Heiwa Real Estate Co., Ltd.	22,072	784,761	Keihan Holdings Co., Ltd.	109,923	2,920,463
Heiwado Co., Ltd.	109,588	1,902,982	Keikyu Corp.	272,542	2,849,061
Hikari Tsushin, Inc.	13,773	1,698,082	Keisei Electric Railway Co., Ltd.	99,992	2,795,522
Hirata Corp.	11,704	529,436	Keiyo Co., Ltd.	95,034	735,188
Hirose Electric Co., Ltd.	19,910	2,964,675	KH Neochem Co., Ltd.	40,302	989,573
HIS Co., Ltd. *	70,229	1,203,664	Kintetsu World Express, Inc.	71,592	1,867,888
Hisamitsu Pharmaceutical Co., Inc.	60,761	1,930,847	Kissei Pharmaceutical Co., Ltd.	38,905	819,817
Hitachi Transport System Ltd.	42,339	2,235,043	Kitz Corp.	222,522	1,267,414
Hitachi Zosen Corp.	337,571	2,315,442	Kobayashi Pharmaceutical Co., Ltd.	26,670	2,273,926
Hogy Medical Co., Ltd.	23,819	692,804	Koei Tecmo Holdings Co., Ltd.	14,057	485,145
Hokkoku Financial Holdings, Inc.	40,345	1,066,642	Kohnan Shoji Co., Ltd.	62,127	1,968,861

## Schwab Fundamental International Small Company Index ETF

# Portfolio Holdings as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Kokuyo Co., Ltd.	170,634	2,382,283	Nifco, Inc.	101,982	2,895,430
Komeri Co., Ltd.	76,791	1,882,855	Nihon Kohden Corp.	76,271	2,059,499
Konami Holdings Corp.	56,273	3,166,043	Nihon M&A Center Holdings, Inc.	24,738	357,189
Kose Corp.	18,285	2,084,498	Nihon Parkerizing Co., Ltd.	144,913	1,240,584
Kumagai Gumi Co., Ltd.	97,169	2,433,971	Nihon Unisys Ltd.	72,571	1,969,042
Kumiai Chemical Industry Co., Ltd.	99,157	699,932	Nikkiso Co., Ltd.	121,428	837,107
Kura Sushi, Inc.	20,877	671,581	Nippn Corp.	141,608	2,098,761
Kurabo Industries Ltd.	81,003	1,342,607	Nippo Corp. (a)	83,194	2,878,473
Kureha Corp.	30,289	2,416,808	Nippon Building Fund, Inc.	261	1,491,105
Kurita Water Industries Ltd.	86,892	3,545,842	Nippon Chemi-Con Corp. *	43,400	682,040
Kusuri no Aoki Holdings Co., Ltd.	13,900	813,423	Nippon Denko Co., Ltd.	234,604	682,373
KYB Corp.	52,575	1,403,674	Nippon Densetsu Kogyo Co., Ltd.	82,176	1,135,873
Kyoei Steel Ltd.	87,211	1,200,926	Nippon Gas Co., Ltd.	110,169	1,653,850
KYORIN Holdings, Inc.	76,654	1,246,563	Nippon Holdings Co., Ltd.	116,901	2,222,819
Kyoritsu Maintenance Co., Ltd.	27,572	1,017,417	Nippon Kayaku Co., Ltd.	319,573	3,152,029
Kyowa Kirin Co., Ltd.	121,164	3,107,605	Nippon Koei Co., Ltd.	30,290	806,068
Kyudenko Corp.	77,826	2,084,595	Nippon Paint Holdings Co., Ltd.	188,847	1,670,806
Kyushu Financial Group, Inc.	400,262	1,431,803	Nippon Prologis REIT, Inc.	219	641,741
Lawson, Inc. (a)	68,314	2,847,034	Nippon Sanso Holdings Corp.	109,405	2,129,681
Leopalace21 Corp. *	959,593	1,699,648	Nippon Sheet Glass Co., Ltd. *	484,158	2,009,356
Life Corp.	41,994	1,108,416	Nippon Shinyaku Co., Ltd.	21,920	1,417,877
Lintec Corp.	102,824	2,284,581	Nippon Signal Company Ltd.	122,849	925,834
Lion Corp.	217,356	2,840,206	Nippon Soda Co., Ltd.	57,708	1,688,526
M3, Inc.	21,946	813,436	Nippon Suisan Kaisha Ltd.	761,001	3,594,396
Mabuchi Motor Co., Ltd.	68,872	2,370,979	Nippon Television Holdings, Inc.	65,432	748,200
Macnica Fuji Electronics Holdings, Inc.	131,680	3,059,481	Nippon Thompson Co., Ltd.	111,229	522,465
Makino Milling Machine Co., Ltd.	51,620	1,682,944	Nippon Yakin Kogyo Co., Ltd.	43,646	1,070,923
Mandom Corp.	67,211	801,805	Nipro Corp.	217,465	2,063,723
Maruha Nichiro Corp.	142,107	3,103,096	Nishimatsu Construction Co., Ltd.	102,957	3,419,236
Marui Group Co., Ltd.	172,154	3,370,586	Nishimatsuya Chain Co., Ltd.	72,595	898,810
Maruichi Steel Tube Ltd.	89,322	2,210,269	Nishi-Nippon Financial Holdings, Inc.	257,879	1,847,191
Max Co., Ltd.	60,685	932,602	Nishi-Nippon Railroad Co., Ltd.	117,280	2,649,556
Maxell Holdings Ltd.	119,865	1,227,010	Nishio Rent All Co., Ltd.	46,767	1,163,338
MCJ Co., Ltd.	93,896	819,323	Nissan Chemical Corp.	69,804	3,939,449
Mebuki Financial Group, Inc.	1,233,152	2,901,534	Nissha Co., Ltd.	79,281	903,807
Megmilk Snow Brand Co., Ltd.	163,411	2,884,433	Nisshinbo Holdings, Inc.	461,449	4,054,581
Meidensha Corp.	76,333	1,489,214	Nissin Electric Co., Ltd.	77,466	977,279
Meitec Corp.	23,369	1,367,546	Nitta Corp.	33,101	796,953
Menicon Co., Ltd.	19,611	507,919	Nittetsu Mining Co., Ltd.	19,642	1,135,800
Ministop Co., Ltd.	50,287	627,414	Nitto Boseki Co., Ltd.	29,585	782,169
Mirait Holdings Corp.	179,931	3,041,681	Nitto Kogyo Corp.	63,282	885,701
Mitsubishi HC Capital, Inc.	615,613	3,201,669	Noevir Holdings Co., Ltd.	12,764	572,953
Mitsubishi Logisnext Co., Ltd.	134,917	1,089,410	NOF Corp.	51,458	2,224,969
Mitsubishi Logistics Corp.	81,454	1,939,196	Nojima Corp.	83,809	1,851,911
Mitsui E&S Holdings Co., Ltd. *	303,132	900,118	Nomura Co., Ltd.	108,854	876,125
Mitsui-Soko Holdings Co., Ltd.	53,544	1,106,909	Nomura Real Estate Master Fund, Inc.	904	1,191,467
Miura Co., Ltd.	36,369	989,944	Nomura Research Institute Ltd.	101,983	3,519,708

Mixi, Inc.	123,900	2,394,629	North Pacific Bank Ltd.	388,412	856,580
Mizuho Leasing Co., Ltd.	30,201	815,499	NS Solutions Corp.	39,436	1,244,627
Mizuno Corp.	68,544	1,351,538	NSD Co., Ltd.	53,867	1,005,081
Modec, Inc.	44,355	452,119	Obic Co., Ltd.	9,938	1,579,898
MonotaRO Co., Ltd.	27,960	521,936	Ohsho Food Service Corp.	11,836	621,730
Morinaga & Co., Ltd.	57,434	1,865,015	Okamoto Industries, Inc.	26,039	906,589
Morinaga Milk Industry Co., Ltd.	75,796	3,790,623	Okamura Corp.	172,477	1,774,563
MOS Food Services, Inc.	26,674	705,208	Okasan Securities Group, Inc.	247,043	840,815
Musashi Seimitsu Industry Co., Ltd.	85,554	1,325,929	Oki Electric Industry Co., Ltd.	325,711	2,386,803
Nabtesco Corp.	95,175	2,611,270	OKUMA Corp.	54,290	2,198,939
Nachi-Fujikoshi Corp.	47,379	1,715,393	Okumura Corp.	91,522	2,578,588
Nankai Electric Railway Co., Ltd.	144,376	2,932,021	Okuwa Co., Ltd. (a)	143,307	1,211,904
NEC Networks & System Integration Corp.	70,998	1,082,461	Onward Holdings Co., Ltd.	590,630	1,420,486
NET One Systems Co., Ltd.	53,109	1,292,507	Open House Group Co., Ltd.	40,699	1,837,506
Nexon Co., Ltd.	129,363	2,794,488	Oracle Corp. Japan	15,006	1,063,156
Nichias Corp.	96,779	2,182,202	Orient Corp.	822,650	899,969
Nichicon Corp.	102,292	1,081,760	Orix JREIT, Inc.	532	743,206
Nichiha Corp.	50,724	1,135,372	Osaka Soda Co., Ltd.	43,040	1,173,394
Nichi-iko Pharmaceutical Co., Ltd.	143,622	1,054,953	OSG Corp.	116,142	1,931,078
Nichireki Co., Ltd.	51,262	573,707	Outsourcing, Inc.	79,723	974,604
			Pacific Industrial Co., Ltd.	117,152	1,032,423

## Schwab Fundamental International Small Company Index ETF

# Portfolio Holdings as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Paramount Bed Holdings Co., Ltd.	55,602	975,177	Shochiku Co., Ltd. *	6,599	683,534
Park24 Co., Ltd. *	133,648	1,986,589	Shoei Foods Corp.	21,023	770,281
Pasona Group, Inc.	29,733	647,453	Showa Sangyo Co., Ltd.	65,506	1,559,518
Penta-Ocean Construction Co., Ltd.	577,576	3,023,906	Siix Corp.	95,047	920,142
Pigeon Corp.	71,282	1,310,834	SKY Perfect JSAT Holdings, Inc.	343,079	1,283,847
Pilot Corp.	47,264	1,932,828	Skylark Holdings Co., Ltd. *	282,056	3,690,544
Piolax, Inc.	60,556	908,537	Sodick Co., Ltd.	79,198	532,915
Plenus Co., Ltd.	54,554	945,903	Sohgo Security Services Co., Ltd.	79,527	2,858,622
Pola Orbis Holdings, Inc.	76,131	1,187,161	Sotetsu Holdings, Inc.	116,664	2,208,183
Press Kogyo Co., Ltd.	578,682	1,874,091	Square Enix Holdings Co., Ltd.	50,202	2,423,470
Prima Meat Packers Ltd.	71,031	1,493,085	St Marc Holdings Co., Ltd.	55,118	768,565
Qol Holdings Co., Ltd.	55,460	617,319	Star Micronics Co., Ltd.	49,854	633,699
Raito Kogyo Co., Ltd.	68,835	1,167,222	Starts Corp., Inc.	48,926	1,102,773
Raiznext Corp.	106,312	1,050,428	Sugi Holdings Co., Ltd.	42,379	2,391,695
Relia, Inc.	79,776	730,053	Sumitomo Bakelite Co., Ltd.	43,088	1,778,888
Relo Group, Inc.	55,116	818,306	Sumitomo Dainippon Pharma Co., Ltd.	169,500	1,858,724
Rengo Co., Ltd.	500,393	3,736,384	Sumitomo Densetsu Co., Ltd.	32,264	646,821
Resortrust, Inc.	72,795	1,227,418	Sumitomo Mitsui Construction Co., Ltd.	662,274	2,535,818
Restar Holdings Corp.	79,514	1,366,944	Sumitomo Osaka Cement Co., Ltd.	117,792	3,502,823
Retail Partners Co., Ltd. (a)	126,754	1,414,186	Sundrug Co., Ltd.	125,330	3,395,091
Rinnai Corp.	36,594	2,992,971	Suruga Bank Ltd.	541,632	2,125,615
Rohto Pharmaceutical Co., Ltd.	80,568	2,696,676	SWCC Showa Holdings Co., Ltd.	44,792	731,917
Round One Corp.	86,818	974,653	Tadano Ltd.	239,081	2,036,366
Royal Holdings Co., Ltd. *	49,382	844,221	Taikisha Ltd.	65,428	1,761,031
Ryobi Ltd.	180,037	1,710,097	Taisho Pharmaceutical Holdings Co., Ltd.	48,180	2,388,607
Ryosan Co., Ltd.	121,000	2,447,840	Taiyo Holdings Co., Ltd.	26,001	691,930
Ryoyo Electro Corp.	31,703	599,790	Takara Holdings, Inc.	196,447	1,946,134
S Foods, Inc.	49,759	1,427,858	Takara Leben Co., Ltd.	236,698	645,306
Saibu Gas Holdings Co., Ltd.	48,759	973,275	Takara Standard Co., Ltd.	114,464	1,353,592
Saizeriya Co., Ltd.	48,277	1,228,145	Takasago Thermal Engineering Co., Ltd.	140,134	2,354,324
Sakata INX Corp.	118,522	986,869	Takeuchi Manufacturing Co., Ltd.	50,323	1,120,716
Sakata Seed Corp.	23,925	701,080	Takuma Co., Ltd.	80,906	1,022,081
SAMTY Co., Ltd.	35,605	672,067	Tamura Corp.	147,278	769,797
San-A Co., Ltd.	38,477	1,424,827	Tanseisha Co., Ltd.	80,338	511,289
Sanden Holdings Corp. *	244,365	417,972	TBS Holdings, Inc.	64,461	1,041,002
Sangetsu Corp.	120,410	1,685,270	TechnoPro Holdings, Inc.	51,501	1,477,845
Sanken Electric Co., Ltd.	25,822	1,165,829	T-Gaia Corp.	67,980	1,022,872
Sanki Engineering Co., Ltd.	122,727	1,590,896	The 77 Bank Ltd.	100,192	1,356,191
Sankyo Co., Ltd.	66,134	1,840,325	The Awa Bank Ltd.	42,668	860,954
Sanoh Industrial Co., Ltd.	65,504	399,252	The Bank of Kyoto Ltd.	35,122	1,564,366
Sanrio Co., Ltd.	39,926	813,946	The Chiba Bank Ltd.	506,355	3,204,973
Sanwa Holdings Corp.	321,971	3,578,232	The Chugoku Bank Ltd.	190,947	1,503,702
Sanyo Chemical Industries Ltd.	22,117	983,191	The Gunma Bank Ltd.	630,243	2,095,794
Sanyo Denki Co., Ltd.	13,114	576,139	The Hachijuni Bank Ltd.	605,699	2,298,159
Sanyo Special Steel Co., Ltd.	57,185	1,055,570	The Hyakugo Bank Ltd.	240,376	740,903
Sapporo Holdings Ltd.	142,267	2,812,607	The Iyo Bank Ltd.	292,492	1,574,517
Sato Holdings Corp.	41,501	731,830	The Japan Steel Works Ltd.	81,650	2,644,276

Sawai Group Holdings Co., Ltd.	58,603	2,322,750	The Japan Wool Textile Co., Ltd.	134,150	1,054,098
SCREEN Holdings Co., Ltd.	32,294	3,117,945	The Kiyo Bank Ltd.	70,107	897,832
SCSK Corp.	108,368	1,842,280	The Musashino Bank Ltd.	52,695	869,290
Sega Sammy Holdings, Inc.	274,501	4,978,794	The Nanto Bank Ltd.	44,679	826,663
Seiko Holdings Corp.	76,859	1,601,577	The Nisshin Oillio Group Ltd.	80,352	2,131,325
Seiren Co., Ltd.	62,125	1,241,691	The Ogaki Kyoritsu Bank Ltd.	47,411	838,105
Sekisui Jushi Corp.	38,708	643,929	The Okinawa Electric Power Co., Inc.	149,223	1,878,649
Senko Group Holdings Co., Ltd.	291,443	2,381,141	The San-in Godo Bank Ltd.	215,612	1,272,986
Senshu Ikeda Holdings, Inc.	563,756	910,429	The Shiga Bank Ltd.	54,423	1,057,510
Seven Bank Ltd.	803,145	1,715,421	The Shizuoka Bank Ltd.	411,444	3,054,349
Sharp Corp.	165,027	1,551,762	The Sumitomo Warehouse Co., Ltd.	95,861	1,772,815
Shibaura Machine Co., Ltd.	39,946	1,061,296	THK Co., Ltd.	138,500	3,150,597
Shibuya Corp.	27,248	583,168	TKC Corp.	20,674	561,837
Shima Seiki Manufacturing Ltd.	45,068	699,645	Toa Corp. (a)	42,857	960,771
Shindengen Electric Manufacturing Co., Ltd. *	22,985	586,524	Toagosei Co., Ltd.	225,780	2,142,631
Shinko Electric Industries Co., Ltd.	37,276	1,559,977	Tocalo Co., Ltd.	47,840	555,347
Shinmaywa Industries Ltd.	190,132	1,536,904	Toda Corp.	443,337	2,956,222
Shinsei Bank Ltd.	75,598	1,421,708	Toei Co., Ltd.	4,623	715,276
Ship Healthcare Holdings, Inc.	95,058	1,878,463	Toho Co., Ltd.	80,427	3,341,378
SHO-BOND Holdings Co., Ltd.	22,315	993,931	Toho Zinc Co., Ltd.	49,090	1,170,403









REN - Redes Energeticas Nacionais, SGPS, S.A.	497,969	1,445,840	Hyundai Construction Equipment Co., Ltd.	45,045	1,255,048
Sonae, SGPS, S.A.	2,286,883	2,491,569	Hyundai Corp.	63,658	878,881
The Navigator Co. S.A.	507,862	1,818,533	Hyundai Department Store Co., Ltd.	32,423	2,097,983
		<b>10,675,285</b>	Hyundai Doosan Infracore Co., Ltd. *	258,124	1,451,256
			Hyundai Elevator Co., Ltd. *	22,327	700,997
			Hyundai Greenfood Co., Ltd.	172,346	1,202,631
			Hyundai Home Shopping Network Corp.	13,059	633,210
			Hyundai Mipo Dockyard Co., Ltd.	30,275	2,009,353
			Hyundai Wia Corp.	52,736	2,675,507
			Innocean Worldwide, Inc.	12,984	539,943
			Interpark Holdings Corp.	141,658	692,768
			INTOPS Co., Ltd.	25,835	706,925
			IS Dongseo Co., Ltd. *	20,422	898,510
			JB Financial Group Co., Ltd.	287,793	1,967,529
			Kakao Corp.	16,192	1,267,241
			Kangwon Land, Inc. *	121,144	2,670,035
			KCC Corp.	7,959	2,194,376
<b>Republic of Korea 7.4%</b>					
AJ Networks Co., Ltd.	136,650	608,041			
AK Holdings, Inc.	37,858	665,943			
AMOREPACIFIC Group	50,486	2,049,085			
Asiana Airlines, Inc. *	92,102	1,466,922			
BGF retail Co., Ltd.	10,966	1,545,920			
Binggrae Co., Ltd. *	13,156	584,298			
Celltrion, Inc.	8,498	1,127,318			
Cheil Worldwide, Inc.	95,514	1,787,387			
Chong Kun Dang Pharmaceutical Corp. *	6,215	496,745			
CJ CGV Co., Ltd. *	30,951	665,433			
CJ ENM Co., Ltd.	14,418	1,558,897			
CJ Logistics Corp. *	12,298	1,268,310			



Samsung Heavy Industries Co., Ltd. *	686,516	3,323,095	Construcciones y Auxiliar de Ferrocarriles S.A.	20,766	730,053
Samsung Securities Co., Ltd.	44,616	1,569,640	Ebro Foods S.A.	116,450	2,163,377
SAMT Co., Ltd.	200,850	686,567	Ence Energia y Celulosa S.A. *	254,908	815,991
Samyang Corp.	12,315	528,510	Faes Farma S.A.	221,378	848,896
Samyang Holdings Corp.	16,507	1,140,876	Gestamp Automocion S.A.	419,830	1,740,975
Seah Besteel Corp.	54,466	799,538	Grupo Catalana Occidente S.A.	49,223	1,597,803
Sebang Global Battery Co., Ltd.	11,844	626,505	Indra Sistemas S.A. *	105,022	1,212,637
Seohan Co., Ltd. *	447,279	567,306	Inmobiliaria Colonial Socimi S.A.	99,257	841,716
Seoul Semiconductor Co., Ltd. *	58,892	651,444	Mediaset Espana Comunicacion S.A. *	364,068	1,874,495
Seoyon Co., Ltd. *	59,633	580,285	Melia Hotels International S.A. *	175,880	1,332,267
Seoyon E-Hwa Co., Ltd. *	103,445	593,646	Merlin Properties Socimi S.A.	162,961	1,834,040
SFA Engineering Corp.	27,241	851,883	Obrascon Huarte Lain S.A. *	1,322,796	1,331,246
Shinsegae, Inc.	13,392	2,912,636	Prosegur Cash S.A.	828,340	630,806
SK Chemicals Co., Ltd.	5,923	615,773	Prosegur Cia de Seguridad S.A.	653,830	1,574,515
SK Discovery Co., Ltd.	24,188	815,755	Sacyr S.A.	641,403	1,508,568
SK Gas Ltd.	13,355	1,321,782	Siemens Gamesa Renewable Energy S.A. *	89,358	2,080,607
SK Networks Co., Ltd.	813,627	2,984,235	Tecnicas Reunidas S.A. *(a)	79,154	651,235
SKC Co., Ltd.	10,697	1,223,302	Unicaja Banco S.A.	2,272,466	2,140,217
SL Corp. *	25,309	498,876			
SNT Motiv Co., Ltd.	14,760	529,094			
SSANGYONG C&E Co., Ltd.	95,999	605,208			

## Schwab Fundamental International Small Company Index ETF

# Portfolio Holdings as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Viscofan S.A.	30,406	1,888,607	Wihlborgs Fastigheter AB	44,515	885,753
Zardoya Otis S.A.	151,531	1,196,504			<b>78,849,404</b>
		<b>38,872,029</b>			

### Sweden 2.9%

AAK AB	105,143	1,926,690
AddTech AB, B Shares	46,533	774,054
AFRY AB	59,598	1,145,460
Arjo AB, B Shares	104,956	908,532
Attendo AB *	180,014	616,055
Axfood AB	95,206	2,509,721
Beijer Ref AB	51,443	783,238
Betsson AB, B Shares *	169,146	1,011,664
Bilia AB, A Shares	100,293	1,315,534
BillerudKorsnas AB	180,307	2,551,334
Bonava AB, B Shares	138,891	998,469
Bravida Holding AB	130,346	1,597,872
Castellum AB	128,965	2,891,335
Cias Ohlson AB, B Shares	70,660	797,323
Cloetta AB, B Shares	293,148	740,464
Concentric AB	27,836	632,623
Coor Service Management Holding AB	107,417	830,251
Dometic Group AB	182,500	1,779,714
Dustin Group AB	59,797	516,988
Electrolux Professional AB, B Shares *	119,810	698,813
Elekta AB, B Shares (a)	146,003	1,273,129
Evolution AB	4,513	526,362
Fabege AB	70,387	1,058,989
Fastighets AB Balder, B Shares *	14,087	885,382
Fingerprint Cards AB, B Shares *	241,055	426,396
Getinge AB, B Shares	90,012	3,534,408
Granges AB	118,489	1,279,272
Hexpol AB	191,655	1,990,018
Holmen AB, B Shares	62,530	3,097,945
Indutrade AB	70,421	1,578,060
International Petroleum Corp. *	192,931	1,367,537
Intrum AB	53,114	1,370,310
Inwido AB	46,852	730,713
JM AB	69,315	2,167,241
Kinnevik AB, B Shares *	74,245	1,912,331
L E Lundbergfortagen AB, B Shares	37,103	1,811,475
Lifco AB, B Shares	42,002	964,806
Lindab International AB	45,535	1,099,996
Loomis AB	109,684	3,104,045
Mekonomen AB *	43,920	545,847
Modern Times Group MTG AB, B Shares *	49,505	642,534

### Switzerland 3.2%

Allreal Holding AG	9,443	2,048,239
ALSO Holding AG *	3,676	989,669
ams-OSRAM AG *	101,718	1,589,881
Arbonia AG	52,634	1,167,477
Aryzta AG *	2,202,587	2,511,206
Autoneum Holding AG *	6,708	1,117,939
Banque Cantonale Vaudoise	14,874	1,272,668
Belimo Holding AG	2,892	1,538,281
BKW AG	13,220	1,668,621
Bobst Group S.A. *	9,309	848,256
Bucher Industries AG	5,287	2,350,034
Burckhardt Compression Holding AG	1,887	929,668
Bystronic AG	1,181	1,377,372
Cembra Money Bank AG	21,287	1,471,029
Daetwyler Holding AG	2,845	981,462
dormakaba Holding AG	2,306	1,276,852
Emmi AG	1,566	1,828,095
EMS-Chemie Holding AG	2,598	2,572,656
Flughafen Zuerich AG *	14,276	2,567,486
Forbo Holding AG	782	1,343,323
Galenica AG	52,139	3,682,606
GAM Holding AG *	902,828	1,129,704
Helvetia Holding AG	33,547	4,088,021
Huber & Suhner AG	16,895	1,629,743
Implenia AG *	54,414	1,367,690
Inficon Holding AG	680	801,962
Interroll Holding AG	156	579,824
Komax Holding AG *	2,682	708,613
Landis & Gyr Group AG *	31,805	2,078,271
Logitech International S.A.	38,697	2,906,124
Medmix AG *	19,544	723,434
Mobimo Holding AG *	3,278	1,100,468
OC Oerlikon Corp. AG	198,207	1,771,538
PSP Swiss Property AG	12,564	1,626,904
Rieter Holding AG *	4,906	873,770
Schweiter Technologies AG	861	1,114,903
SFS Group AG	12,348	1,811,587
Siegfried Holding AG *	1,244	939,661
SIG Combibloc Group AG *	148,983	3,358,187
Softwareone Holding AG *	49,830	903,778
St. Galler Kantonalbank AG	1,513	742,111
Stadler Rail AG (a)	28,224	1,089,029





## Schwab Fundamental International Small Company Index ETF

## Portfolio Holdings as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Ascential plc *	168,600	741,546	IG Group Holdings plc	314,620	3,299,036
Ashmore Group plc	254,621	860,927	IMI plc	177,460	3,483,506
Auto Trader Group plc	165,388	1,471,260	Indivior plc *	636,050	2,396,405
Avast plc	134,450	1,133,984	Intermediate Capital Group plc	84,687	1,947,598
AVEVA Group plc	15,774	527,003	Intu Properties plc *(a)(b)	11,806,310	0
B&M European Value Retail S.A.	475,748	3,864,481	Investec plc	273,669	1,499,259
Babcock International Group plc *	911,749	4,049,255	IWG plc *	699,941	2,630,549
Bank of Georgia Group plc	45,369	802,318	J.D. Sports Fashion plc	842,409	1,706,757
Beazley plc	534,653	3,232,474	J.D. Wetherspoon plc *	93,277	1,096,353
Biffa plc	250,084	1,090,539	John Menzies plc *	194,148	1,466,605
Big Yellow Group plc	40,790	774,430	Jupiter Fund Management plc	584,146	1,645,934
Bodycote plc	210,998	2,110,560	Just Group plc *	1,826,515	2,059,836
Brewin Dolphin Holdings plc	229,658	910,565	Kier Group plc *	1,780,644	2,221,937
Britvic plc	208,305	2,378,488	Lancashire Holdings Ltd.	185,452	1,173,981
C&C Group plc *	392,430	1,109,953	Man Group plc	1,540,426	3,989,054
Capita plc *	3,452,472	1,297,060	Marshalls plc	108,050	926,398
Card Factory plc *	2,137,352	1,415,256	Marston's plc *	1,709,694	1,788,160
Centamin plc	1,816,044	2,417,185	Mediclinic International plc *	549,084	2,423,854
Chemring Group plc	203,654	845,718	Mitchells & Butlers plc *	520,824	1,661,784
Cineworld Group plc *(a)	3,802,044	2,046,169	Moneysupermarket.com Group plc	499,004	1,399,336
Clarkson plc	16,409	728,756	Morgan Advanced Materials plc	349,572	1,425,877
Close Brothers Group plc	145,148	2,280,551	Morgan Sindall Group plc	64,695	2,013,866
Coats Group plc	1,534,932	1,262,471	National Express Group plc *	982,815	3,149,038
Computacenter plc	55,528	2,032,489	NewRiver REIT plc	637,499	758,708
ConvaTec Group plc	889,158	2,150,433	Ocado Group plc *	40,038	737,589
Costain Group plc *	1,477,002	868,014	OSB Group plc	192,784	1,294,634
Countryside Properties plc *	320,088	1,306,473	Oxford Instruments plc	22,769	814,166
Cranswick plc	54,200	2,556,936	Pagegroup plc	357,585	2,753,994
Crest Nicholson Holdings plc	526,789	2,181,245	Paragon Banking Group plc	202,913	1,376,267
De La Rue plc *	314,430	481,795	PayPoint plc	93,500	748,958
Dechra Pharmaceuticals plc	13,222	730,559	Petrofac Ltd. *	1,607,154	2,300,879
Derwent London plc	29,777	1,216,179	Petropavlovsk plc *	2,938,613	315,431
Diploma plc	31,777	1,140,108	Pets at Home Group plc	356,562	1,745,266
Domino's Pizza Group plc	182,936	895,909	Phoenix Group Holdings plc	295,042	2,448,869
Dunelm Group plc	61,235	985,124	Playtech plc *	427,651	3,827,252
Electrocomponents plc	193,853	2,573,713	Plus500 Ltd.	117,750	2,204,766
Elementis plc *	770,418	1,333,484	Premier Foods plc	853,777	1,257,820
Endeavour Mining plc	42,499	1,134,759	Provident Financial plc *	670,237	2,607,944
Entain plc *	152,093	3,436,553	PZ Cussons plc	202,954	573,220
Essentra plc	472,018	1,934,824	QinetiQ Group plc	553,628	2,172,037
Euromoney Institutional Investor plc	95,920	1,167,315	Quilter plc	404,595	704,097
Ferrexpo plc	366,682	831,473	Rathbone Brothers plc	32,127	713,842
Flutter Entertainment plc *	22,052	3,194,055	Reach plc	287,145	876,505
Forterra plc	229,547	737,648	Redde Northgate plc	471,527	2,394,662
Frasers Group plc *	211,016	1,802,128	Redrow plc	350,865	2,717,304
Fresnillo plc	132,913	1,281,523	Renishaw plc	13,853	873,230
Games Workshop Group plc	7,208	722,932	Rhi Magnesita N.V.	28,273	1,055,360

Genuit Group plc	122,516	840,012	Rightmove plc	137,181	1,238,006
Genus plc	13,267	583,873	Rotork plc	479,185	1,984,134
Grafton Group plc	243,001	3,534,347	Sabre Insurance Group plc	270,879	755,980
Grainger plc	270,053	1,021,085	Safestore Holdings plc	55,162	942,194
Great Portland Estates plc	127,728	1,166,235	Saga plc *	422,457	1,592,798
Greencore Group plc *	837,848	1,501,909	Savills plc	117,957	2,014,763
Greggs plc	61,688	2,131,325	Schroders plc	64,386	2,646,988
Halfords Group plc	408,599	1,524,101	Segro plc	152,563	2,664,190
Halma plc	86,700	2,804,711	Senior plc *	1,196,871	2,253,081
Hammerson plc (a)	1,832,953	910,211	Serco Group plc	1,127,067	2,011,283
Harbour Energy plc *	494,291	2,640,923	SIG plc *	1,878,818	984,666
Hargreaves Lansdown plc	103,512	1,575,676	Softcat plc	30,923	646,429
Hikma Pharmaceuticals plc	91,978	2,570,662	Spectris plc	83,154	3,130,708
Hill & Smith Holdings plc	54,902	1,038,674	Spirax-Sarco Engineering plc	16,228	2,600,896
Hilton Food Group plc	59,013	850,401	Spirent Communications plc	268,672	875,993
Hiscox Ltd.	236,980	2,931,029	SSP Group plc *	871,930	3,265,226
Hochschild Mining plc	339,493	528,853	St. James's Place plc	198,309	3,734,450
HomeServe plc	147,497	1,332,885	Stagecoach Group plc *	1,217,014	1,404,319
Howden Joinery Group plc	346,550	3,967,241	SThree plc	197,851	1,168,053
Hunting plc	351,879	1,104,793	Superdry plc *	184,367	485,349
lbstock plc	526,527	1,261,045	Synthomer plc	269,258	1,036,143

Schwab Fundamental International Small Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)
TBC Bank Group plc	42,721	688,998
Ted Baker plc *	347,548	482,178
Telecom Plus plc	74,924	1,457,675
The British Land Co., plc	564,688	4,012,623
The Go-Ahead Group plc *	206,328	1,840,991
The Restaurant Group plc *	793,321	1,043,150
The Unite Group plc	55,302	792,472
The Weir Group plc	142,085	3,016,920
TP ICAP Group plc	736,326	1,184,571
Tritax Big Box REIT plc	252,902	798,786
Tullow Oil plc *	1,466,370	1,057,336
Tyman plc	208,064	960,345
Ultra Electronics Holdings plc	50,630	2,180,644
Vesuvius plc	348,879	1,853,710
Victrex plc	56,065	1,465,388
Virgin Money UK plc	293,329	732,835
Vistry Group plc	205,043	2,756,668
WH Smith plc *	114,554	2,498,441
Wizz Air Holdings plc *	18,244	833,262
Workspace Group plc	64,856	673,104
		<b>265,123,612</b>
<b>Total Common Stocks</b> <b>(Cost \$2,408,386,347)</b>		<b>2,661,940,592</b>

**PREFERRED STOCKS 0.3% OF NET ASSETS**

Germany 0.2%		
Draegerwerk AG & Co. KGaA	21,946	1,255,905
Junghenrich AG	44,491	1,628,098
Sartorius AG	2,281	1,009,949
Schaeffler AG	239,209	1,614,765
Sixt SE	16,095	1,314,264
		<b>6,822,981</b>

Italy 0.1%		
Danieli & C Officine Meccaniche S.p.A. - RSP	102,919	<b>1,629,941</b>

Republic of Korea 0.0%		
Mirae Asset Securities Co., Ltd.	44,574	<b>165,899</b>
<b>Total Preferred Stocks</b> <b>(Cost \$8,539,825)</b>		<b>8,618,821</b>

**RIGHTS 0.0% OF NET ASSETS**

SECURITY	NUMBER OF SHARES	VALUE (\$)
<b>WARRANTS 0.0% OF NET ASSETS</b>		
<b>Italy 0.0%</b>		
Webuild S.p.A. expires 08/02/30 *(a)(b)	37,091	<b>70,240</b>
<b>Total Warrants</b> <b>(Cost \$0)</b>		<b>70,240</b>

**SHORT-TERM INVESTMENTS 2.0% OF NET ASSETS**

Money Market Funds 2.0%		
State Street Institutional U.S. Government Money Market Fund, Premier Class 0.03% (c)	4,427,619	4,427,619
State Street Institutional U.S. Government Money Market Fund, Premier Class 0.03% (c)(d)	47,323,459	47,323,459
		<b>51,751,078</b>
<b>Total Short-Term Investments</b> <b>(Cost \$51,751,078)</b>		<b>51,751,078</b>
<b>Total Investments in Securities</b> <b>(Cost \$2,468,677,250)</b>		<b>2,722,380,735</b>

	NUMBER OF CONTRACTS	NOTIONAL AMOUNT (\$)	CURRENT VALUE/ UNREALIZED DEPRECIATION (\$)
<b>FUTURES CONTRACTS</b>			
<b>Long</b>			
MSCI EAFE Index, expires 03/18/22	177	19,114,230	<b>(824,453)</b>

- \* Non-income producing security.
- (a) All or a portion of this security is on loan. Securities on loan were valued at \$44,426,343.
- (b) Fair valued by management using significant unobservable inputs in accordance with procedures approved by the fund's Board of Trustees.
- (c) The rate shown is the 7-day yield.
- (d) Security purchased with cash collateral received for securities on loan.

CVA Dutch Certificate  
—  
REIT Real Estate Investment Trust  
—

Italy 0.0%			
Banca Popolare di Sondrio Scarl			
expires 03/07/22, strike EUR 3.75 *(b)	637,506		4
<b>Total Rights</b>			
<b>(Cost \$0)</b>			<b>4</b>

RSP Risparmio (Savings Shares)  
 —  
 EUR Euro  
 —

Schwab Fundamental International Small Company Index ETF

## Portfolio Holdings as of February 28, 2022 (continued)

The following is a summary of the inputs used to value the fund's investments as of February 28, 2022 (see financial note 2(a) for additional information):

DESCRIPTION	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	TOTAL
<b>Assets</b>				
Common Stocks <sup>1</sup>	\$1,361,710,909	\$—	\$—	\$1,361,710,909
Hong Kong	98,910,802	—	0*	98,910,802
Japan	885,135,933	—	1,512,022	886,647,955
Luxembourg	—	—	0*	0
Portugal	10,675,285	—	0*	10,675,285
Spain	38,872,029	—	0*	38,872,029
United Kingdom	265,123,612	—	0*	265,123,612
Preferred Stocks <sup>1</sup>	8,618,821	—	—	8,618,821
Rights <sup>1</sup>				
Italy	—	—	4	4
Warrants <sup>1</sup>				
Italy	—	—	70,240	70,240
Short-Term Investments <sup>1</sup>	51,751,078	—	—	51,751,078
<b>Liabilities</b>				
Futures Contracts <sup>2</sup>	(824,453)	—	—	(824,453)
<b>Total</b>	<b>\$2,719,974,016</b>	<b>\$—</b>	<b>\$1,582,266</b>	<b>\$2,721,556,282</b>

\* Level 3 amount shown includes securities determined to have no value at February 28, 2022.

1 As categorized in the Portfolio Holdings.

2 Futures contracts are reported at cumulative unrealized appreciation or depreciation.

Fund investments in mutual funds are classified as Level 1, without consideration to the classification level of the underlying securities held by the mutual funds, which could be Level 1, Level 2 or Level 3.

*See financial notes*

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## Schwab Fundamental International Small Company Index ETF

# Statement of Assets and Liabilities

As of February 28, 2022

<b>ASSETS</b>	
Investments in securities, at value - unaffiliated (cost \$2,468,677,250) including securities on loan of \$44,426,343	\$2,722,380,735
Foreign currency, at value (cost \$709,432)	707,545
Deposit with broker for futures contracts	833,775
Receivables:	
Dividends	6,241,852
Investments sold	2,794,108
Foreign tax reclaims	1,323,134
Income from securities on loan	+ 149,764
<b>Total assets</b>	<b>2,734,430,913</b>
<b>LIABILITIES</b>	
Collateral held for securities on loan	47,323,459
Payables:	
Management fees	803,814
Variation margin on futures contracts	+ 349,951
<b>Total liabilities</b>	<b>48,477,224</b>
<b>Net assets</b>	<b>\$2,685,953,689</b>
<b>NET ASSETS BY SOURCE</b>	
Capital received from investors	\$2,617,476,452
Total distributable earnings	+ 68,477,237
<b>Net assets</b>	<b>\$2,685,953,689</b>

**Net Asset Value (NAV)**

<b>Net Assets</b>	<b>÷</b>	<b>Shares Outstanding</b>	<b>=</b>	<b>NAV</b>
\$2,685,953,689		74,900,000		\$35.86





## Schwab Fundamental International Small Company Index ETF

## Statement of Operations

For the period March 1, 2021 through February 28, 2022

<b>INVESTMENT INCOME</b>	
Dividends received from securities - unaffiliated (net of foreign withholding tax of \$7,234,632)	\$59,231,171
Securities on loan, net	+ 2,038,612
<b>Total investment income</b>	<b>61,269,783</b>
<b>EXPENSES</b>	
Management fees	10,413,381
Professional fees	+ 4,588*
<b>Total expenses</b>	<b>10,417,969</b>
Expense reduction by investment adviser	- 4,588*
<b>Net expenses</b>	<b>- 10,413,381</b>
<b>Net investment income</b>	<b>50,856,402</b>
<b>REALIZED AND UNREALIZED GAINS (LOSSES)</b>	
Net realized gains on sales of securities - unaffiliated	5,277,972
Net realized gains on sales of in-kind redemptions - unaffiliated	55,418,944
Net realized gains on futures contracts	490,813
Net realized losses on foreign currency transactions	+ (279,973)
<b>Net realized gains</b>	<b>60,907,756</b>
Net change in unrealized appreciation (depreciation) on securities - unaffiliated	(88,560,194)
Net change in unrealized appreciation (depreciation) on futures contracts	(622,338)
Net change in unrealized appreciation (depreciation) on foreign currency translations	+ (33,075)
<b>Net change in unrealized appreciation (depreciation)</b>	<b>+ (89,215,607)</b>
<b>Net realized and unrealized losses</b>	<b>(28,307,851)</b>
<b>Increase in net assets resulting from operations</b>	<b>\$22,548,551</b>

\* Professional fees associated with the filing of tax claims in the European Union deemed to be non-routine expenses of the fund. See financial notes 2 (d) and 4 for additional information.

## Schwab Fundamental International Small Company Index ETF

# Statement of Changes in Net Assets

For the current and prior report periods

<b>OPERATIONS</b>			
		3/1/21-2/28/22	3/1/20-2/28/21
Net investment income		\$50,856,402	\$33,663,568
Net realized gains (losses)		60,907,756	(13,565,450)
Net change in unrealized appreciation (depreciation)	+	(89,215,607)	487,117,080
<b>Increase in net assets resulting from operations</b>		<b>\$22,548,551</b>	<b>\$507,215,198</b>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>			
<b>Total distributions</b>		<b>(\$68,417,380)</b>	<b>(\$38,178,680)</b>

<b>TRANSACTIONS IN FUND SHARES</b>				
	3/1/21-2/28/22		3/1/20-2/28/21	
	SHARES	VALUE	SHARES	VALUE
Shares sold	13,600,000	\$522,848,782	5,400,000	\$162,294,485
Shares redeemed	+ (2,200,000)	(83,941,621)	(8,500,000)	(238,718,494)
<b>Net transactions in fund shares</b>	<b>11,400,000</b>	<b>\$438,907,161</b>	<b>(3,100,000)</b>	<b>(\$76,424,009)</b>

<b>SHARES OUTSTANDING AND NET ASSETS</b>				
	3/1/21-2/28/22		3/1/20-2/28/21	
	SHARES	NET ASSETS	SHARES	NET ASSETS
Beginning of period	63,500,000	\$2,292,915,357	66,600,000	\$1,900,302,848
Total increase (decrease)	+ 11,400,000	393,038,332	(3,100,000)	392,612,509
<b>End of period</b>	<b>74,900,000</b>	<b>\$2,685,953,689</b>	<b>63,500,000</b>	<b>\$2,292,915,357</b>



## Schwab Fundamental Emerging Markets Large Company Index ETF

## Financial Statements

FINANCIAL HIGHLIGHTS					
	3/1/21– 2/28/22	3/1/20– 2/28/21	3/1/19– 2/29/20	3/1/18– 2/28/19	3/1/17– 2/28/18
<b>Per-Share Data</b>					
Net asset value at beginning of period	\$29.64	\$25.54	\$28.08	\$31.22	\$26.06
Income (loss) from investment operations:					
Net investment income (loss) <sup>1</sup>	1.36	0.79	1.02	0.85	0.71
Net realized and unrealized gains (losses)	(0.41)	4.02	(2.53)	(3.20)	5.06
Total from investment operations	0.95	4.81	(1.51)	(2.35)	5.77
Less distributions:					
Distributions from net investment income	(1.34)	(0.71)	(1.03)	(0.79)	(0.61)
Net asset value at end of period	\$29.25	\$29.64	\$25.54	\$28.08	\$31.22
Total return	2.97%	19.12%	(5.74%)	(7.36%)	22.32%
<b>Ratios/Supplemental Data</b>					
Ratios to average net assets:					
Total expenses	0.39%	0.39%	0.39%	0.39%	0.39%
Net investment income (loss)	4.29%	3.11%	3.61%	2.99%	2.48%
Portfolio turnover rate <sup>2</sup>	20%	25%	32%	33%	14%
Net assets, end of period (x 1,000)	\$4,825,566	\$3,805,524	\$2,574,297	\$2,341,576	\$2,200,763

1 Calculated based on the average shares outstanding during the period.

2 Portfolio turnover rate excludes securities received or delivered from processing of in-kind creations or redemptions.

## Schwab Fundamental Emerging Markets Large Company Index ETF

# Portfolio Holdings as of February 28, 2022

This section shows all the securities in the fund's portfolio and their values as of the report date.

The fund files its complete schedule of portfolio holdings with the U.S. Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-PORT Part F. The fund's Form N-PORT Part F is available on the SEC's website at [www.sec.gov](http://www.sec.gov). You can also obtain this information at no cost on the fund's website at [www.schwabassetmanagement.com/schwabefis\\_prospectus](http://www.schwabassetmanagement.com/schwabefis_prospectus), by calling 1-866-414-6349, or by sending an email request to [orders@mysummaryprospectus.com](mailto:orders@mysummaryprospectus.com). The fund also makes available its complete schedule of portfolio holdings on a daily basis on the fund's website.

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
<b>COMMON STOCKS 94.4% OF NET ASSETS</b>					
<b>Brazil 7.0%</b>					
Ambev S.A.	6,027,825	17,784,991	Bank of Communications Co., Ltd., A Shares	8,211,700	6,220,591
B3 S.A. - Brasil Bolsa Balcao	2,612,847	7,394,706	Bank of Communications Co., Ltd., H Shares	20,135,881	13,812,704
Banco Bradesco S.A.	3,175,885	10,517,033	Beijing Enterprises Holdings Ltd.	1,552,545	5,295,228
Banco do Brasil S.A.	4,257,244	29,096,718	BYD Co., Ltd., A Shares	27,300	1,079,886
BRF S.A. *	1,746,461	5,664,802	BYD Co., Ltd., H Shares	166,182	5,049,030
CCR S.A.	2,763,159	6,307,578	China Cinda Asset Management Co., Ltd., H Shares	35,504,998	6,406,958
Centrais Eletricas Brasileiras S.A.	828,719	5,593,214	China CITIC Bank Corp., Ltd., A Shares	2,339,900	1,705,791
Cia Brasileira de Distribuicao	491,995	2,225,185	China CITIC Bank Corp., Ltd., H Shares	28,032,036	13,166,307
Cia de Saneamento Basico do Estado de Sao Paulo	992,589	7,978,553	China Communications Services Corp., Ltd., H Shares	12,068,189	6,625,866
Cia Energetica de Minas Gerais	578,261	1,911,560	China Construction Bank Corp., A Shares	1,835,000	1,753,574
Cielo S.A.	9,784,112	4,880,946	China Construction Bank Corp., H Shares	239,837,569	179,869,736
Cogna Educacao *	9,927,819	4,355,236	China Everbright Bank Co., Ltd., A Shares	7,816,800	4,137,577
Embraer S.A. *	1,739,645	5,943,233	China Everbright Bank Co., Ltd., H Shares	7,774,007	2,885,268
IRB Brasil Resseguros S.A. *	6,888,950	4,091,889	China Evergrande Group	25,451,511	5,211,669
Itau Unibanco Holding S.A.	1,265,482	5,362,399	China Gas Holdings Ltd.	2,120,875	3,354,879
JBS S.A.	3,007,653	20,953,213	China Hongqiao Group Ltd.	5,647,676	7,849,516
Petroleo Brasileiro S.A.	11,654,912	82,281,412	China Jinmao Holdings Group Ltd.	16,909,932	5,626,761
Sendas Distribuidora S.A.	1,154,268	3,015,790	China Life Insurance Co., Ltd., A Shares	175,900	802,282
Suzano S.A.	505,741	5,406,207	China Life Insurance Co., Ltd., H Shares	4,151,478	6,885,746
Telefonica Brasil S.A.	880,383	8,573,639	China Longyuan Power Group Corp., Ltd., H Shares	3,175,567	6,502,562
TIM S.A.	2,396,517	6,331,230	China Mengniu Dairy Co., Ltd. *	1,343,828	8,728,166
Ultrapar Participacoes S.A.	5,179,175	14,888,985	China Merchants Bank Co., Ltd., A Shares	1,180,600	9,317,572
Vale S.A.	3,558,467	63,741,160	China Merchants Bank Co., Ltd., H Shares	2,859,741	24,082,184
Vibra Energia S.A.	3,225,017	14,767,582	China Minsheng Banking Corp., Ltd., A Shares	9,677,000	5,996,366
		<b>339,067,261</b>	China Minsheng Banking Corp., Ltd., H Shares	25,316,537	9,849,658
<b>Chile 0.8%</b>					
Banco de Chile	59,381,619	6,334,139	China National Building Material Co., Ltd., H Shares	13,347,016	17,115,720
Cencosud S.A.	5,301,863	9,805,912	China Oriental Group Co., Ltd.	21,840,618	6,345,035
Empresas CMPC S.A.	2,405,008	3,995,436			
Empresas COPEC S.A.	1,185,484	9,247,610			
Enel Americas S.A.	53,470,879	6,290,296			
Falabella S.A.	1,494,209	4,944,350			
		<b>40,617,743</b>			

China 28.2%					
Agile Group Holdings Ltd. (a)	5,991,717	2,729,886	China Overseas Land & Investment Ltd.	10,290,779	31,410,865
Agricultural Bank of China Ltd., A Shares	22,749,400	10,743,774	China Pacific Insurance Group Co., Ltd., A Shares	271,600	1,138,051
Agricultural Bank of China Ltd., H Shares	72,180,068	27,343,384	China Pacific Insurance Group Co., Ltd., H Shares	1,603,568	4,463,648
Alibaba Group Holding Ltd. *	3,218,607	42,921,900	China Petroleum & Chemical Corp., A Shares	16,028,600	10,999,023
Anhui Conch Cement Co., Ltd., A Shares	416,200	2,658,140	China Petroleum & Chemical Corp., H Shares	179,202,298	88,526,674
Anhui Conch Cement Co., Ltd., H Shares	1,733,385	9,295,063	China Railway Group Ltd., A Shares	5,037,800	4,957,962
BAIC Motor Corp., Ltd., H Shares	21,685,790	7,548,965			
Baidu, Inc., ADR *	142,064	21,656,236			
Bank of China Ltd., A Shares	14,192,200	6,972,396			
Bank of China Ltd., H Shares	191,867,627	74,648,065			

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**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
China Railway Group Ltd., H Shares	12,739,954	7,483,828	Vipshop Holdings Ltd., ADR *	444,309	3,852,159
China Resources Land Ltd.	4,425,742	21,523,503	Weichai Power Co., Ltd., A Shares	374,300	899,269
China Resources Power Holdings Co., Ltd.	6,843,677	15,204,862	Weichai Power Co., Ltd., H Shares	2,386,832	4,032,172
China Shenhua Energy Co., Ltd., A Shares	1,230,400	4,921,600	Yankuang Energy Group Co., Ltd., A Shares	207,700	1,043,437
China Shenhua Energy Co., Ltd., H Shares	8,627,771	23,739,979	Yankuang Energy Group Co., Ltd., H Shares (a)	4,338,323	10,638,016
China State Construction Engineering Corp., Ltd., A Shares	10,318,600	8,323,562			<b>1,359,540,912</b>
China Taiping Insurance Holdings Co., Ltd.	3,485,778	4,117,605	<b>Colombia 0.3%</b>		
China Tower Corp., Ltd., H Shares	62,739,332	7,306,755	Bancolombia S.A.	624,650	6,252,899
China Vanke Co., Ltd., A Shares	1,261,400	3,838,174	Ecopetrol S.A.	11,841,176	9,907,104
China Vanke Co., Ltd., H Shares	3,584,799	8,496,676			<b>16,160,003</b>
CITIC Ltd.	22,112,256	25,780,700	<b>Czech Republic 0.2%</b>		
Country Garden Holdings Co., Ltd.	17,422,573	13,512,266	CEZ A/S	270,724	<b>10,317,216</b>
Dongfeng Motor Group Co., Ltd., H Shares	7,930,294	6,810,125			
ENN Energy Holdings Ltd.	415,534	6,030,633	<b>Egypt 0.1%</b>		
Fosun International Ltd.	5,622,047	6,094,262	Commercial International Bank Egypt S.A.E., GDR *	2,005,805	<b>5,866,980</b>
Geely Automobile Holdings Ltd.	3,810,553	7,032,286			
Guangzhou R&F Properties Co., Ltd., H Shares (a)	13,224,207	5,618,896	<b>Greece 0.5%</b>		
Hengan International Group Co., Ltd.	1,089,347	5,778,752	Alpha Services and Holdings S.A. *	7,149,716	9,733,044
Huaneng Power International, Inc., A Shares	2,123,400	2,951,223	Hellenic Telecommunications Organization S.A.	362,180	7,241,053
Huaneng Power International, Inc., H Shares	18,443,494	10,787,049	Motor Oil Hellas Corinth Refineries S.A.	360,910	5,792,799
Industrial & Commercial Bank of China Ltd., A Shares	11,720,000	8,655,341			<b>22,766,896</b>
Industrial & Commercial Bank of China Ltd., H Shares	175,112,892	104,659,407	<b>Hungary 0.4%</b>		
Industrial Bank Co., Ltd., A Shares	2,452,200	8,576,871	MOL Hungarian Oil & Gas plc	1,630,799	12,805,898
JD.com, Inc., A Shares *	579,500	20,706,759	OTP Bank Nyrt *	173,977	6,725,303
Jiangxi Copper Co., Ltd., A Shares	430,800	1,512,920			<b>19,531,201</b>
Jiangxi Copper Co., Ltd., H Shares	3,631,364	6,524,995	<b>India 9.8%</b>		
Jinmao Property Services Co., Ltd. *(b)	254,198	254,729	Axis Bank Ltd. *	1,124,834	11,083,006
Kingboard Holdings Ltd.	1,741,274	8,122,840	Bharat Petroleum Corp., Ltd.	2,716,366	12,610,701
Kunlun Energy Co., Ltd.	8,575,825	8,385,183	Bharti Airtel Ltd. *	1,242,174	11,317,594
Legend Holdings Corp., H Shares	3,450,269	4,848,401	Coal India Ltd.	4,999,549	11,250,188
Longfor Group Holdings Ltd.	1,824,946	9,762,692	GAIL India Ltd.	3,397,585	6,531,606
Meituan, B Shares *	162,558	3,582,488	Grasim Industries Ltd.	373,836	7,930,945
NetEase, Inc.	651,866	12,722,470	HCL Technologies Ltd.	743,151	11,115,087
PetroChina Co., Ltd., H Shares	83,395,115	44,506,140	Hero MotoCorp Ltd.	183,614	6,178,627
PICC Property & Casualty Co., Ltd., H Shares	19,618,397	20,713,846	Hindalco Industries Ltd.	2,226,634	16,955,191
Ping An Insurance Group Co. of China Ltd., A Shares	863,100	6,943,099	Hindustan Petroleum Corp., Ltd.	3,547,829	12,866,310
			Hindustan Unilever Ltd.	189,169	5,453,319

Ping An Insurance Group Co. of China Ltd., H Shares	6,738,976	52,092,370	Housing Development Finance Corp., Ltd.	537,329	16,862,065
Postal Savings Bank of China Co., Ltd., H Shares	11,775,909	9,660,414	ICICI Bank Ltd.	640,817	6,316,530
SAIC Motor Corp., Ltd., A Shares	2,158,000	6,193,563	Indian Oil Corp., Ltd.	13,495,712	20,597,988
Shanghai Pudong Development Bank Co., Ltd., A Shares	5,470,600	7,273,904	Infosys Ltd.	2,007,071	45,699,340
Shenzhou International Group Holdings Ltd.	236,115	3,967,634	ITC Ltd.	2,863,047	8,201,847
Shimao Group Holdings Ltd.	4,925,896	2,944,051	JSW Steel Ltd.	864,359	7,197,877
Sinopec Shanghai Petrochemical Co., Ltd., A Shares	2,009,500	1,292,959	Larsen & Toubro Ltd.	363,216	8,757,725
Sinopec Shanghai Petrochemical Co., Ltd., H Shares	18,690,996	4,210,061	Mahindra & Mahindra Ltd.	782,224	8,210,250
Sinopharm Group Co., Ltd., H Shares	4,705,506	11,369,768	Maruti Suzuki India Ltd.	116,192	12,821,098
Sunac China Holdings Ltd.	3,807,877	3,118,934	NTPC Ltd.	7,368,554	13,055,535
Tencent Holdings Ltd.	1,065,398	57,430,620	Oil & Natural Gas Corp., Ltd.	14,738,733	31,424,765
			Power Grid Corp. of India Ltd.	2,829,287	7,853,550
			Reliance Industries Ltd.	1,907,983	59,749,577
			State Bank of India	1,962,083	12,582,747
			Sun Pharmaceutical Industries Ltd.	640,104	7,169,233



## Schwab Fundamental Emerging Markets Large Company Index ETF

# Portfolio Holdings as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)
Tata Consultancy Services Ltd.	503,391	23,745,344
Tata Motors Ltd. *	3,753,330	22,617,864
Tata Motors Ltd., A Shares, DVR *	839,248	2,414,798
Tata Steel Ltd.	905,589	14,671,990
Tech Mahindra Ltd.	378,798	7,088,559
Vedanta Ltd.	3,455,617	17,441,470
Wipro Ltd.	892,557	6,583,937
		<b>474,356,663</b>

### Indonesia 1.7%

PT Astra International Tbk	38,646,217	15,601,591
PT Bank Central Asia Tbk	16,539,642	9,267,357
PT Bank Mandiri (Persero) Tbk	22,698,181	12,165,100
PT Bank Rakyat Indonesia (Persero) Tbk	46,100,540	14,599,948
PT Telkom Indonesia (Persero) Tbk	81,913,586	24,744,551
PT United Tractors Tbk	3,498,445	6,063,290
		<b>82,441,837</b>

### Kuwait 0.7%

Kuwait Finance House KSCP	2,504,516	7,808,002
Mobile Telecommunications Co. KSCP	3,808,695	7,798,517
National Bank of Kuwait SAKP	5,385,633	18,764,342
		<b>34,370,861</b>

### Malaysia 1.9%

Axiata Group Berhad	8,700,172	8,143,784
CIMB Group Holdings Berhad	11,027,284	14,997,211
Genting Berhad	6,814,500	7,531,090
Malayan Banking Berhad	8,245,030	17,202,921
Petronas Chemicals Group Berhad	3,268,600	7,434,829
Public Bank Berhad	12,973,200	13,750,325
Tenaga Nasional Berhad	10,345,500	22,595,745
		<b>91,655,905</b>

### Mexico 4.1%

Alfa S.A.B. de C.V., A Shares	15,215,853	11,423,526
America Movil S.A.B. de C.V., Series L	64,057,580	58,030,383
Cemex SAB de C.V., ADR *	3,121,876	15,921,568
Coca-Cola Femsa S.A.B. de C.V.	1,072,060	5,901,642
Fomento Economico Mexicano S.A.B. de C.V.	3,008,591	24,299,903
Grupo Bimbo S.A.B. de C.V., Series A	3,798,331	11,724,495
Grupo Financiero Banorte S.A.B. de C.V., O Shares	3,583,164	24,295,194

SECURITY	NUMBER OF SHARES	VALUE (\$)
<b>Russia 3.0%</b>		
Alrosa PJSC (b)(c)	5,101,117	2,117,201
Gazprom PJSC (b)(c)	40,103,722	46,063,823
Inter RAO UES PJSC (b)(c)	163,997,565	2,255,696
LUKOIL PJSC (b)(c)	1,548,485	38,513,024
Magnit PJSC (b)(c)	213,464	3,193,631
MMC Norilsk Nickel PJSC (b)(c)	56,707	5,473,498
Mobile TeleSystems PJSC (b)(c)	2,722,155	3,087,301
Novatek PJSC (b)(c)	910,093	5,573,727
Novolipetsk Steel PJSC (b)(c)	2,244,152	2,030,729
Rosneft Oil Co. PJSC (b)(c)	4,831,508	7,181,774
ROSSETI PJSC (b)(c)	304,960,410	1,000,808
Sberbank of Russia PJSC (b)(c)	16,483,790	10,381,639
Severstal PAO (b)(c)	350,021	2,381,834
Sistema PJSC (b)(c)	13,190,680	792,692
Surgutneftegas PJSC (b)(c)	22,928,546	2,467,075
Tatneft PJSC (b)(c)	4,700,439	8,504,567
VTB Bank PJSC (b)(c)	12,998,250,000	1,237,646
		<b>142,256,665</b>

### Saudi Arabia 3.3%

Al Rajhi Bank	468,400	20,025,951
Banque Saudi Fransi	543,662	7,694,766
Riyad Bank	1,101,294	10,420,859
Saudi Arabian Oil Co.	1,402,539	15,533,091
Saudi Basic Industries Corp.	1,331,813	44,231,655
Saudi Electricity Co.	1,252,852	9,216,812
Saudi Telecom Co.	606,983	18,443,922
The Saudi British Bank	743,420	7,668,618
The Saudi National Bank	1,383,496	25,149,779
		<b>158,385,453</b>

### South Africa 7.3%

Absa Group Ltd.	1,871,874	21,397,691
AngloGold Ashanti Ltd.	506,692	11,918,616
Aspen Pharmacare Holdings Ltd.	466,861	6,072,743
Barlorld Ltd.	1,037,454	8,247,936
Bid Corp., Ltd.	571,478	11,553,453
FirstRand Ltd.	6,777,890	29,002,044
Gold Fields Ltd.	934,411	12,990,747
MTN Group Ltd. *	4,826,006	59,839,039
MultiChoice Group	918,966	7,494,457
Naspers Ltd., N Shares	71,575	8,932,504
Nedbank Group Ltd.	1,082,643	15,314,993
Old Mutual Ltd.	11,076,942	9,032,161
Sanlam Ltd.	2,119,210	8,867,699

Grupo Mexico S.A.B. de C.V., Series B	3,344,457	17,198,194	Sappi Ltd. *	2,973,901	9,799,776
Grupo Televisa S.A.B., Series CPO	3,353,793	7,205,751	Sasol Ltd. *	2,178,684	49,430,502
Wal-Mart de Mexico S.A.B. de C.V.	5,964,405	22,739,613	Shoprite Holdings Ltd.	883,299	13,090,145
		<b>198,740,269</b>	Sibanye Stillwater Ltd.	1,536,744	7,097,714
			Standard Bank Group Ltd.	2,958,171	31,135,216
			The Bidvest Group Ltd.	599,876	8,169,028
			The SPAR Group Ltd.	418,182	4,440,401
			Thungela Resources Ltd. *	220,185	1,957,691
			Vodacom Group Ltd.	1,021,523	9,784,541
			Woolworths Holdings Ltd.	1,833,867	5,993,223
					<b>351,562,320</b>
<b>Philippines 0.1%</b>					
SM Investments Corp.	308,257	<b>5,363,083</b>			
<b>Qatar 0.6%</b>					
Ooredoo QPSC	3,272,758	6,898,769			
Qatar National Bank QPSC	3,534,476	21,162,202			
		<b>28,060,971</b>			
<b>Taiwan 17.9%</b>					
Acer, Inc.			6,935,470	7,124,720	
ASE Technology Holding Co., Ltd.			4,582,000	16,229,449	
Asustek Computer, Inc.			1,602,176	21,230,904	
AU Optronics Corp.			25,770,371	18,889,999	
Catcher Technology Co., Ltd.			1,892,000	9,650,651	

## Schwab Fundamental Emerging Markets Large Company Index ETF

# Portfolio Holdings as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)	SECURITY	NUMBER OF SHARES	VALUE (\$)
Cathay Financial Holding Co., Ltd.	8,088,840	17,975,200	Eregli Demir ve Celik Fabrikalari T.A.S.	3,261,577	7,314,024
Cheng Shin Rubber Industry Co., Ltd.	3,683,000	4,676,825	Haci Omer Sabanci Holding A/S	4,915,544	5,511,507
China Steel Corp.	16,155,088	20,744,896	KOC Holding A/S	3,509,268	8,011,259
Chunghwa Telecom Co., Ltd.	4,379,764	19,449,995	Turk Hava Yollari AO *	4,229,339	7,818,066
Compal Electronics, Inc.	22,933,000	20,777,535	Turkcell Iletisim Hizmetleri A/S	4,348,506	6,438,210
CTBC Financial Holding Co., Ltd.	17,810,809	17,248,563	Turkiye Garanti Bankasi A/S	9,400,378	7,515,066
Delta Electronics, Inc.	1,351,696	11,884,896	Turkiye Is Bankasi A/S, Class C	8,598,263	4,938,232
E.Sun Financial Holding Co., Ltd.	6,446,598	6,771,975	Turkiye Petrol Rafinerileri A/S *	713,689	9,933,195
Far Eastern New Century Corp.	9,441,061	9,951,252			<b>67,890,916</b>
Far EasTone Telecommunications Co., Ltd.	2,488,588	6,151,566			
First Financial Holding Co., Ltd.	8,343,655	7,648,722			
Formosa Chemicals & Fibre Corp.	6,292,882	17,732,751			
Formosa Petrochemical Corp.	2,610,704	9,107,432			
Formosa Plastics Corp.	5,129,704	19,212,375			
Foxconn Technology Co., Ltd.	2,674,858	6,087,246			
Fubon Financial Holding Co., Ltd.	8,597,970	23,032,194			
Hon Hai Precision Industry Co., Ltd.	37,216,928	136,734,210			
Innolux Corp.	28,474,000	17,012,288			
Inventec Corp.	11,323,646	10,360,318			
Largan Precision Co., Ltd.	80,200	5,778,634			
Lite-On Technology Corp.	3,869,229	9,440,174			
MediaTek, Inc.	534,046	20,668,447			
Mega Financial Holding Co., Ltd.	8,956,548	12,012,349			
Nan Ya Plastics Corp.	7,084,588	22,162,239			
Pegatron Corp.	9,715,234	23,945,877			
Pou Chen Corp.	8,588,000	9,833,237			
President Chain Store Corp.	559,000	5,214,143			
Quanta Computer, Inc.	5,110,058	16,933,276			
Synnex Technology International Corp.	3,986,178	10,223,157			
Taiwan Cement Corp.	5,748,302	9,708,654			
Taiwan Mobile Co., Ltd.	1,778,000	6,564,045			
Taiwan Semiconductor Manufacturing Co., Ltd.	8,194,352	176,543,200			
Uni-President Enterprises Corp.	6,617,796	15,839,276			
United Microelectronics Corp.	8,077,931	15,011,957			
Walsin Lihwa Corp.	8,804,000	8,761,605			
Wistron Corp.	13,763,934	14,434,088			
WPG Holdings Ltd.	6,376,880	12,669,599			
Yageo Corp.	394,000	6,345,318			
Yuanta Financial Holding Co., Ltd.	7,576,960	6,716,157			
		<b>864,491,394</b>			
<b>Thailand 3.7%</b>			<b>United Arab Emirates 1.4%</b>		
Advanced Info Service PCL NVDR	1,376,800	9,649,187	Abu Dhabi Commercial Bank PJSC	3,369,421	9,870,535
Bangkok Bank PCL NVDR	2,293,700	9,827,636	Emaar Properties PJSC	8,758,214	12,113,020
Charoen Pokphand Foods PCL NVDR	8,820,100	6,815,839	Emirates NBD Bank PJSC	2,854,270	11,112,308
			Emirates Telecommunications Group Co. PJSC	1,765,837	16,816,808
			First Abu Dhabi Bank PJSC	2,750,086	15,483,530
					<b>65,396,201</b>
			<b>Total Common Stocks</b>		<b>4,556,100,485</b>
			<b>(Cost \$4,096,586,055)</b>		
			<b>PREFERRED STOCKS 5.3% OF NET ASSETS</b>		
			<b>Brazil 4.7%</b>		
			Banco Bradesco S.A.	10,854,160	42,875,586
			Centrais Eletricas Brasileiras S.A., B Shares	551,198	3,681,643
			Cia Energetica de Minas Gerais	3,111,829	7,731,702
			Gerdau S.A.	2,237,228	11,056,510
			Itau Unibanco Holding S.A.	13,584,013	67,159,348
			Petroleo Brasileiro S.A.	14,172,560	93,535,540
					<b>226,040,329</b>
			<b>Colombia 0.2%</b>		
			Bancolombia S.A.	1,062,206	<b>9,478,134</b>
			<b>Russia 0.4%</b>		
			Surgutneftegas PJSC (b)(c)	26,752,105	4,092,753
			Tatneft PJSC (b)(c)	504,714	808,690
			Transneft PJSC (b)(c)	23,922	17,317,575
					<b>22,219,018</b>
			<b>Total Preferred Stocks</b>		<b>257,737,481</b>
			<b>(Cost \$275,961,433)</b>		

CP ALL PCL NVDR	4,891,700	10,180,125
IRPC PCL NVDR	43,766,300	5,089,883
Kasikornbank PCL NVDR	1,720,500	8,609,082
Krung Thai Bank PCL NVDR	18,667,500	7,998,317
PTT Exploration & Production PCL NVDR	2,354,000	9,833,849
PTT Global Chemical PCL NVDR	6,640,500	10,771,125
PTT PCL NVDR	45,237,400	54,686,375
Thai Oil PCL NVDR	4,527,100	7,447,028
The Siam Cement PCL NVDR	1,643,400	19,715,770
The Siam Commercial Bank PCL NVDR	4,331,200	16,635,519
		<b>177,259,735</b>

#### Turkey 1.4%

Akbank T.A.S.	13,225,386	6,708,284
BIM Birlesik Magazalar A/S	702,097	3,703,073

Schwab Fundamental Emerging Markets Large Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

SECURITY	NUMBER OF SHARES	VALUE (\$)
<b>SHORT-TERM INVESTMENTS 0.6% OF NET ASSETS</b>		
<b>Money Market Funds 0.6%</b>		
State Street Institutional U.S. Government Money Market Fund, Premier Class 0.03% (d)	20,821,297	20,821,297
State Street Institutional U.S. Government Money Market Fund, Premier Class 0.03% (d)(e)	5,958,427	5,958,427
		<b>26,779,724</b>
<b>Total Short-Term Investments (Cost \$26,779,724)</b>		<b>26,779,724</b>
<b>Total Investments in Securities (Cost \$4,399,327,212)</b>		<b>4,840,617,690</b>

- (b) Fair valued by management using significant unobservable inputs in accordance with procedures approved by the fund's Board of Trustees.
- (c) Trading in Russian securities listed on the Moscow Exchange, Russian ADRs, and Russian GDRs had ceased and suspended the fund's ability to buy or sell these securities as of February 28, 2022.
- (d) The rate shown is the 7-day yield.
- (e) Security purchased with cash collateral received for securities on loan.

- ADR American Depositary Receipt
- 
- DVR Differential Voting Rights
- 
- GDR Global Depositary Receipt
- 
- NVDR Non-Voting Depositary Receipt
- 

	NUMBER OF CONTRACTS	NOTIONAL AMOUNT (\$)	CURRENT VALUE/ UNREALIZED DEPRECIATION (\$)
<b>FUTURES CONTRACTS</b>			
<b>Long</b>			
MSCI Emerging Markets Index, expires 03/18/22	252	14,811,300	<b>(269,950)</b>

\* Non-income producing security.  
(a) All or a portion of this security is on loan. Securities on loan were valued at \$5,600,487.

The following is a summary of the inputs used to value the fund's investments as of February 28, 2022 (see financial note 2(a) for additional information):

DESCRIPTION	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	TOTAL
<b>Assets</b>				
Common Stocks <sup>1</sup>	\$3,054,302,908	\$—	\$—	\$3,054,302,908
China	1,359,286,183	—	254,729	1,359,540,912
Russia <sup>2</sup>	—	—	142,256,665	142,256,665
Preferred Stocks <sup>1</sup>	235,518,463	—	—	235,518,463
Russia <sup>2</sup>	—	—	22,219,018	22,219,018

Short-Term Investments <sup>1</sup>	26,779,724	—	—	26,779,724
<b>Liabilities</b>				
Futures Contracts <sup>3</sup>	(269,950)	—	—	(269,950)
<b>Total</b>	<b>\$4,675,617,328</b>	<b>\$—</b>	<b>\$164,730,412</b>	<b>\$4,840,347,740</b>

1 As categorized in the Portfolio Holdings.

2 Trading in Russian securities listed on the Moscow Exchange, Russian ADRs, and Russian GDRs had ceased and suspended the fund's ability to buy or sell these securities as of February 28, 2022.

3 Futures contracts are reported at cumulative unrealized appreciation or depreciation.

Fund investments in mutual funds are classified as Level 1, without consideration to the classification level of the underlying securities held by the mutual funds, which could be Level 1, Level 2 or Level 3.

## Schwab Fundamental Emerging Markets Large Company Index ETF

**Portfolio Holdings** as of February 28, 2022 (continued)

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

INVESTMENT IN SECURITIES	VALUE AT 2/28/21	GROSS TRANSFERS IN	GROSS TRANSFERS OUT	PURCHASES	SALES	REALIZED GAINS (LOSSES)	NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION)	VALUE AT 2/28/22
Common Stocks								
China	\$—	\$—	\$—	\$67,934	\$—	\$—	\$186,795	\$254,729
Philippines	9,276,866	—	(4,167,445)	51,729	(4,756,870)	330,089	(734,369)	—
Russia	—	365,180,824	—	218,573,243	(98,988,827)	19,924,151	(362,432,726)	142,256,665
Preferred Stocks								
Russia	—	38,096,864	—	30,092,831	(2,183,947)	(918,275)	(42,868,455)	22,219,018
<b>Total</b>	<b>\$9,276,866</b>	<b>\$403,277,688</b>	<b>(\$4,167,445)</b>	<b>\$248,785,737</b>	<b>(\$105,929,644)</b>	<b>\$19,335,965</b>	<b>(\$405,848,755)</b>	<b>\$164,730,412</b>

There were security transfers to Level 3 due to securities being fair valued by management using significant unobservable inputs in accordance with procedures approved by the fund's Board of Trustees. Additionally, there were security transfers from Level 3 as a result of available quoted market prices in active markets for those securities (see financial note 2(a) for additional information).

*See financial notes*

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## Schwab Fundamental Emerging Markets Large Company Index ETF

## Statement of Assets and Liabilities

As of February 28, 2022

<b>ASSETS</b>	
Investments in securities, at value - unaffiliated (cost \$4,399,327,212) including securities on loan of \$5,600,487	\$4,840,617,690
Foreign currency, at value (cost \$8,980,926)	8,869,022
Deposit with broker for futures contracts	952,389
Receivables:	
Dividends	5,430,908
Income from securities on loan	+ 28,798
<b>Total assets</b>	<b>4,855,898,807</b>
<b>LIABILITIES</b>	
Collateral held for securities on loan	5,958,427
Payables:	
Foreign capital gains tax	13,648,159
Investments bought	9,067,500
Management fees	1,554,739
Variation margin on futures contracts	+ 104,427
<b>Total liabilities</b>	<b>30,333,252</b>
<b>Net assets</b>	<b>\$4,825,565,555</b>
<b>NET ASSETS BY SOURCE</b>	
Capital received from investors	\$4,610,183,472
Total distributable earnings	+ 215,382,083
<b>Net assets</b>	<b>\$4,825,565,555</b>

**Net Asset Value (NAV)**

<b>Net Assets</b>	÷	<b>Shares Outstanding</b>	=	<b>NAV</b>
\$4,825,565,555		165,000,000		\$29.25



## Schwab Fundamental Emerging Markets Large Company Index ETF

## Statement of Operations

For the period March 1, 2021 through February 28, 2022

<b>INVESTMENT INCOME</b>	
Dividends received from securities - unaffiliated (net of foreign withholding tax of \$24,753,737)	\$221,768,672
Securities on loan, net	+ 355,445
<b>Total investment income</b>	<b>222,124,117</b>
<b>EXPENSES</b>	
Management fees	18,514,414
Professional fees	+ 78*
<b>Total expenses</b>	<b>18,514,492</b>
Expense reduction by investment adviser	- 78*
<b>Net expenses</b>	<b>- 18,514,414</b>
<b>Net investment income</b>	<b>203,609,703</b>
<b>REALIZED AND UNREALIZED GAINS (LOSSES)</b>	
Net realized gains on sales of securities - unaffiliated (net of foreign capital gains tax paid of \$6,543,153)	7,571,166
Net realized gains on sales of in-kind redemptions - unaffiliated	65,015,792
Net realized losses on futures contracts	(3,186,113)
Net realized losses on foreign currency transactions	+ (1,676,167)
<b>Net realized gains</b>	<b>67,724,678</b>
Net change in unrealized appreciation (depreciation) on securities - unaffiliated (net of change in foreign capital gains tax of \$35,987)	(200,838,467)
Net change in unrealized appreciation (depreciation) on futures contracts	(165,630)
Net change in unrealized appreciation (depreciation) on foreign currency translations	+ 38,096
<b>Net change in unrealized appreciation (depreciation)</b>	<b>+ (200,966,001)</b>
<b>Net realized and unrealized losses</b>	<b>(133,241,323)</b>
<b>Increase in net assets resulting from operations</b>	<b>\$70,368,380</b>

\* Professional fees associated with the filing of tax claims in the European Union deemed to be non-routine expenses of the fund. See financial notes 2 (d) and 4 for additional information.

## Schwab Fundamental Emerging Markets Large Company Index ETF

# Statement of Changes in Net Assets

For the current and prior report periods

<b>OPERATIONS</b>			
		3/1/21-2/28/22	3/1/20-2/28/21
Net investment income		\$203,609,703	\$92,017,907
Net realized gains (losses)		67,724,678	(115,642,262)
Net change in unrealized appreciation (depreciation)	+	(200,966,001)	652,744,376
<b>Increase in net assets resulting from operations</b>		<b>\$70,368,380</b>	<b>\$629,120,021</b>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>			
<b>Total distributions</b>		<b>(\$210,038,530)</b>	<b>(\$87,400,780)</b>

<b>TRANSACTIONS IN FUND SHARES</b>				
	3/1/21-2/28/22		3/1/20-2/28/21	
	SHARES	VALUE	SHARES	VALUE
Shares sold	40,800,000	\$1,289,730,550	31,300,000	\$765,612,459
Shares redeemed	+ (4,200,000)	(130,019,083)	(3,700,000)	(76,104,258)
<b>Net transactions in fund shares</b>	<b>36,600,000</b>	<b>\$1,159,711,467</b>	<b>27,600,000</b>	<b>\$689,508,201</b>

<b>SHARES OUTSTANDING AND NET ASSETS</b>				
	3/1/21-2/28/22		3/1/20-2/28/21	
	SHARES	NET ASSETS	SHARES	NET ASSETS
Beginning of period	128,400,000	\$3,805,524,238	100,800,000	\$2,574,296,796
Total increase	+ 36,600,000	1,020,041,317	27,600,000	1,231,227,442
<b>End of period</b>	<b>165,000,000</b>	<b>\$4,825,565,555</b>	<b>128,400,000</b>	<b>\$3,805,524,238</b>



## Schwab Fundamental Index ETFs

# Financial Notes

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### 1. Business Structure of the Funds:

Each of the funds in this report is a series of Schwab Strategic Trust (the trust), a no-load, open-end management investment company. The trust is organized as a Delaware statutory trust and is registered under the Investment Company Act of 1940, as amended (the 1940 Act). The list below shows all the operational funds in the trust as of the end of the period, including the funds discussed in this report, which are highlighted:

SCHWAB STRATEGIC TRUST (ORGANIZED JANUARY 27, 2009)	
Schwab Fundamental U.S. Broad Market Index ETF	Schwab U.S. Dividend Equity ETF
Schwab Fundamental U.S. Large Company Index ETF	Schwab U.S. REIT ETF
Schwab Fundamental U.S. Small Company Index ETF	Schwab International Dividend Equity ETF
Schwab Fundamental International Large Company Index ETF	Schwab International Equity ETF
Schwab Fundamental International Small Company Index ETF	Schwab International Small-Cap Equity ETF
Schwab Fundamental Emerging Markets Large Company Index ETF	Schwab Emerging Markets Equity ETF
Schwab U.S. Broad Market ETF	Schwab U.S. TIPS ETF
Schwab 1000 Index <sup>®</sup> ETF	Schwab Short-Term U.S. Treasury ETF
Schwab U.S. Large-Cap ETF	Schwab Intermediate-Term U.S. Treasury ETF
Schwab U.S. Large-Cap Growth ETF	Schwab Long-Term U.S. Treasury ETF
Schwab U.S. Large-Cap Value ETF	Schwab U.S. Aggregate Bond ETF
Schwab U.S. Mid-Cap ETF	Schwab 1-5 Year Corporate Bond ETF
Schwab U.S. Small-Cap ETF	Schwab 5-10 Year Corporate Bond ETF
	Schwab Ariel ESG ETF

The funds issue and redeem shares at their net asset value per share (NAV) only in large blocks of shares (Creation Units). These transactions are usually in exchange for a basket of securities and/or an amount of cash. As a practical matter, only institutional investors who have entered into an authorized participant agreement purchase or redeem Creation Units. Except when aggregated in Creation Units, shares of the funds are not redeemable securities.

Individual shares of the funds trade on national securities exchanges and elsewhere during the trading day and can only be bought and sold at market prices throughout the trading day through a broker-dealer. Because fund shares trade at market prices rather than NAV, shares may trade at a price greater than NAV (premium) or less than NAV (discount). A chart showing the frequency at which each fund's daily closing market price was at a discount or premium to each fund's NAV can be found at [www.schwabassetmanagement.com](http://www.schwabassetmanagement.com)

Each fund maintains its own account for purposes of holding assets and accounting, and is considered a separate entity for tax purposes. Within its account, each fund may also keep certain assets in segregated accounts, as required by securities law.

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### 2. Significant Accounting Policies:

The following is a summary of the significant accounting policies the funds use in their preparation of financial statements. The funds follow the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification *Topic 946 Financial Services — Investment Companies*. The accounting policies are in conformity with accounting principles generally accepted in the United States of America (GAAP).

The funds may invest in certain mutual funds and exchange-traded funds (ETFs) which are referred to as "underlying funds". For more information about the underlying funds' operations and policies, please refer to those funds' semiannual and annual reports, which are filed with the U.S. Securities and Exchange Commission (SEC) and available on the SEC's website at [www.sec.gov](http://www.sec.gov)

#### (a) Security Valuation:

Under procedures approved by the funds' Board of Trustees (the Board), the investment adviser has formed a Pricing Committee to administer the pricing and valuation of portfolio securities and other assets and to ensure that prices used for internal purposes or provided by third parties reasonably reflect fair value. Among other things, these procedures allow the funds to utilize independent pricing services, quotations from securities and financial instrument dealers and other market sources to determine fair value.



## Schwab Fundamental Index ETFs

# Financial Notes (continued)

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### 2. Significant Accounting Policies (continued):

The funds value the securities in their portfolios every business day. The funds use the following policies to value various types of securities:

- **Securities traded on an exchange or over-the-counter:** Traded securities are valued at the closing value for the day, or, on days when no closing value has been reported, at the mean of the most recent bid and ask quotes. Securities that are primarily traded on foreign exchanges are valued at the official closing price or the last sales price on the exchange where the securities are principally traded with these values then translated into U.S. dollars at the current exchange rate, unless these securities are fair valued as discussed below.
- **Futures contracts:** Futures contracts are valued at their settlement prices as of the close of their exchanges.
- **Mutual funds:** Mutual funds are valued at their respective NAVs.
- **Securities for which no quoted value is available:** The Board has adopted procedures to fair value each fund's securities when market prices are not "readily available" or are unreliable. For example, a fund may fair value a security when it is delisted or its trading is halted or suspended; when a security's primary pricing source is unable or unwilling to provide a price; or when a security's primary trading market is closed during regular market hours. Each fund makes fair value determinations in good faith in accordance with the fund's valuation procedures. The Pricing Committee considers a number of factors, including unobservable market inputs, when arriving at fair value. The Pricing Committee may employ techniques such as the review of related or comparable assets or liabilities, related market activities, recent transactions, market multiples, book values, transactional back-testing, disposition analysis and other relevant information. The Pricing Committee regularly reviews these inputs and assumptions to calibrate the valuations. Due to the subjective and variable nature of fair value pricing, there can be no assurance that a fund could obtain the fair value assigned to the security upon the sale of such security. The Board convenes on a regular basis to review fair value determinations made by the funds pursuant to the valuation procedures.

In accordance with the authoritative guidance on fair value measurements and disclosures under GAAP, the funds disclose the fair value of their investments in a hierarchy that prioritizes the significant inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). If inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the valuation. If the funds determine that either the volume and/or level of activity for an asset or liability has significantly decreased (from normal conditions for that asset or liability) or price quotations or observable inputs are not associated with orderly transactions, increased analysis and management judgment will be required to estimate fair value.

The three levels of the fair value hierarchy are as follows:

- Level 1 — quoted prices in active markets for identical securities — Investments whose values are based on quoted market prices in active markets, and whose values are therefore classified as Level 1 prices, include active listed equities, mutual funds, ETFs and futures contracts. Investments in mutual funds are valued daily at their NAVs, and investments in ETFs are valued daily at the last reported sale price or the official closing price, which are classified as Level 1 prices, without consideration to the classification level of the underlying securities held by an underlying fund.
- Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) — Investments that trade in markets that are not considered to be active, but whose values are based on quoted market prices, dealer quotations or valuations provided by alternative pricing sources supported by observable inputs are classified as Level 2 prices. These generally include U.S. government and sovereign obligations, most government agency securities, investment-grade corporate bonds, certain mortgage products, less liquid listed equities, and state, municipal and provincial obligations.
- Level 3 — significant unobservable inputs (including the funds' own assumptions in determining the fair value of investments) — Investments whose values are classified as Level 3 prices have significant unobservable inputs, as they may trade infrequently or not at all. When observable prices are not available for these securities, the funds use one or more



valuation techniques for which sufficient and reliable data is available. The inputs used by the funds in estimating the value of Level 3 prices may include the original transaction price, quoted prices for similar securities or assets in active markets, completed or pending third-party transactions in the underlying investment or comparable issuers, and changes in financial

## Schwab Fundamental Index ETFs

# Financial Notes (continued)

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### 2. Significant Accounting Policies (continued):

ratios or cash flows. Level 3 prices may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the funds in the absence of market information. Assumptions used by the funds due to the lack of observable inputs may significantly impact the resulting fair value and therefore the funds' results of operations.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The levels associated with valuing the funds' investments as of February 28, 2022 are disclosed in the Portfolio Holdings.

#### (b) Accounting Policies for certain Portfolio Investments (if held):

**Futures Contracts:** Futures contracts are instruments that represent an agreement between two parties that obligates one party to buy, and the other party to sell, specific instruments at an agreed upon price on a stipulated future date. A fund must give the broker a deposit of cash and/or securities (initial margin) whenever it enters into a futures contract. The amount of the deposit may vary from one contract to another. Subsequent payments (variation margin) are made or received by a fund depending on the daily fluctuations in the value of the futures contract and are accounted for as unrealized appreciation or depreciation until the contract is closed, at which time the gains or losses are realized. Futures contracts are traded publicly on exchanges, and their value may change daily.

**Securities Lending:** Under the trust's Securities Lending Program, a fund (lender) may make short-term loans of its securities to another party (borrower) to generate additional revenue for the fund. The borrower pledges collateral in the form of cash, securities issued or fully guaranteed by the U.S. government or foreign governments, or letters of credit issued by a bank. Collateral at the individual loan level is required to be maintained on a daily marked-to-market basis in an amount at least equal to the current value of the securities loaned. The lending agent provides a fund with indemnification against borrower default (the borrower fails to return the security on loan) reducing the risk of loss as a result of default. The cash collateral of securities loaned is currently invested in money market portfolios operating pursuant to Rule 2a-7 under the 1940 Act. Each fund bears the risk of loss with respect to the investment of cash collateral. The terms of the securities lending agreement allow the funds or the lending agent to terminate any loan at any given time and the securities must be returned within the earlier of the standard trade settlement period or the specified time period under the relevant securities lending agreement. Securities lending income, as disclosed in each fund's Statement of Operations, if applicable, represents the income earned from the investment of the cash collateral plus any fees paid by borrowers, less the fees paid to the lending agent and broker rebates which are subject to adjustments pursuant to the securities lending agreement. On loans not collateralized by cash, a fee is received from the borrower, and is allocated between a fund and the lending agent. The aggregate fair value of securities loaned will not at any time exceed one-third of the total assets of a fund, including collateral received from the loan. Securities lending fees paid to the unaffiliated lending agents start at 10% of gross lending revenue, with subsequent breakpoints to a low of 5%. In this context, the gross lending revenue equals the income received from the investment of cash collateral and fees paid by borrowers less any rebates paid to the borrowers. Any expenses charged by the cash collateral fund are in addition to these fees. All remaining revenue is retained by the fund, as applicable. No portion of lending revenue is paid to or retained by the investment adviser or any of its affiliates.

As of February 28, 2022, Schwab Fundamental U.S. Broad Market Index ETF, Schwab Fundamental U.S. Large Company Index ETF, Schwab Fundamental U.S. Small Company Index ETF, Schwab Fundamental International Large Company Index ETF, Schwab Fundamental International Small Company Index ETF and Schwab Fundamental Emerging Markets Large Company Index ETF had securities on loan, all of which were classified as common stocks and warrants. The value of the securities on loan and the related collateral as of February 28, 2022 are disclosed in each fund's Portfolio Holdings and Statement of Assets and Liabilities.

**Passive Foreign Investment Companies:** Certain funds may own shares in certain foreign corporations that meet the Internal Revenue Code definition of a passive foreign investment company (PFIC). The funds may elect for tax purposes to mark-to-market annually the shares of each PFIC lot held and would be required to distribute as ordinary income to shareholders any such marked-to-market gains (as well as any gains realized on sale).

**Central Securities Depositories Regulation: Effective February 1, 2022, the Central Securities Depositories Regulation (CSDR) introduced new measures for the authorization and supervision of European Union Central Security Depositories and sets out to create a common set of prudential, organizational, and conduct of business standards at a European level. CSDR is designed to support securities settlement and operational aspects of securities settlement, including the provision of shorter settlement periods; mandatory buy-ins; and cash penalties, to prevent and address settlement fails. CSDR measures are aimed to prevent settlement fails by ensuring that all transaction details are provided to facilitate settlement, as well as further incentivizing timely settlement by imposing cash penalty fines and buy-ins. Schwab Fundamental International Large Company Index ETF, Schwab Fundamental**

## Schwab Fundamental Index ETFs

# Financial Notes (continued)

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### **2. Significant Accounting Policies (continued):**

International Small Company Index ETF and Schwab Fundamental Emerging Markets Large Company Index ETF may be subject to pay cash penalties and may also receive cash penalties with certain counterparties in instances where there are settlement fails. At this time, management believes the adoption of CSDR will not have a material impact to the financial statements.

#### **(c) Security Transactions:**

Security transactions are recorded as of the date the order to buy or sell the security is executed. Realized gains and losses from security transactions are based on the identified costs of the securities involved.

Assets and liabilities denominated in foreign currencies are reported in U.S. dollars. For assets and liabilities held on a given date, the dollar value is based on market exchange rates in effect on that date. Transactions involving foreign currencies, including purchases, sales, income receipts and expense payments, are calculated using exchange rates in effect on the transaction date. Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange appreciation or depreciation arises from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period. These realized and unrealized foreign exchange gains or losses are reported in foreign currency transactions or translations on the Statement of Operations. The funds do not isolate the portion of the fluctuations on investments resulting from changes in foreign currency exchange rates from the fluctuations in market prices of investments held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Gains realized by the funds on the sale of securities in certain foreign countries may be subject to non-U.S. taxes. In those instances, the funds record a liability based on unrealized gains to provide for potential non-U.S. taxes payable upon the sale of these securities.

When a fund closes out a futures contract position, it calculates the difference between the value of the position at the beginning and at the end of the contract, and records a realized gain or loss accordingly.

#### **(d) Investment Income:**

Interest income is recorded as it accrues. Dividends, in the form of cash or non-cash income such as in the form of additional securities, and distributions from portfolio securities and underlying funds are recorded on the date they are effective (the ex-dividend date), although the funds record certain foreign security dividends on the date the ex-dividend is confirmed. Any distributions from underlying funds are recorded in accordance with the character of the distributions as designated by the underlying funds.

Income received from foreign sources may result in withholding tax. Withholding taxes are accrued at the same time as the related income if the tax rate is fixed and known, unless a tax withheld is reclaimable from the local tax authorities in which case it is recorded as receivable. If the tax rate is not known or estimable, such expense or reclaim receivable is recorded when the net proceeds are received.

The Schwab Fundamental International Large Company Index ETF, Schwab Fundamental International Small Company Index ETF and Schwab Fundamental Emerging Markets Large Company Index ETF filed claims to recover taxes previously withheld in certain European Union countries on the basis that those countries had purportedly violated certain provisions in the Treaty on the Functioning of the European Union. These filings are subject to various administrative and judicial proceedings within these countries, and all professional fees associated with these filings have been paid by the investment adviser. For additional details see Affiliates and Affiliated Transactions in financial note 4, Other Affiliated Transactions.

#### **(e) Expenses:**

Pursuant to the Amended and Restated Advisory Agreement (Advisory Agreement) between the investment adviser and the trust, the investment adviser will pay the operating expenses of each fund, excluding taxes, any brokerage expenses, and extraordinary

or non-routine expenses. Taxes, any brokerage expenses and extraordinary or non-routine expenses that are specific to a fund are charged directly to the fund.

## Schwab Fundamental Index ETFs

# Financial Notes (continued)

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### 2. Significant Accounting Policies (continued):

#### (f) Distributions to Shareholders:

Schwab Fundamental U.S. Broad Market Index ETF, Schwab Fundamental U.S. Large Company Index ETF, and Schwab Fundamental U.S. Small Company Index ETF make distributions from net investment income, if any, quarterly. Schwab Fundamental International Large Company Index ETF, Schwab Fundamental International Small Company Index ETF, and Schwab Fundamental Emerging Markets Large Company Index ETF make distributions from net investment income, if any, semiannually. All funds make distributions from net realized capital gains, if any, once a year. To receive a distribution, you must be a registered shareholder on the record date. Distributions are paid to shareholders on the payable date.

#### (g) Accounting Estimates:

The accounting policies described in this report conform to GAAP. Notwithstanding this, shareholders should understand that in order to follow these principles, fund management has to make estimates and assumptions that affect the information reported in the financial statements. It's possible that once the results are known, they may turn out to be different from these estimates and these differences may be material.

#### (h) Federal Income Taxes:

The funds intend to meet federal income and excise tax requirements for regulated investment companies under subchapter M of the Internal Revenue Code, as amended. Accordingly, the funds distribute substantially all of their net investment income and net realized capital gains, if any, to their respective shareholders each year. As long as a fund meets the tax requirements, it is not required to pay federal income tax.

#### (i) Foreign Taxes:

The funds may be subject to foreign taxes (a portion of which may be reclaimable) on income, corporate events, foreign currency exchanges and capital gains on investments. All foreign taxes are recorded in accordance with the applicable foreign tax regulations and rates that exist in foreign markets in which the funds invest. These foreign taxes, if any, are paid by the funds and are disclosed in the Statement of Operations. Foreign taxes accrued as of February 28, 2022, if any, are reflected in each fund's Statement of Assets and Liabilities.

#### (j) Indemnification:

Under the funds' organizational documents, the officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the funds. In addition, in the normal course of business the funds enter into contracts with their vendors and others that provide general indemnifications. The funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the funds. However, based on experience, the funds expect the risk of loss attributable to these arrangements to be remote.

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### 3. Risk Factors:

Investing in the funds may involve certain risks, as discussed in the funds' prospectus, including, but not limited to, those described below. Any of these risks could cause an investor to lose money.

**Market Risk.** Financial markets rise and fall in response to a variety of factors, sometimes rapidly and unpredictably. Markets may be impacted by economic, political, regulatory and other conditions, including economic sanctions and other government actions. In addition, the occurrence of global events, such as war, terrorism, environmental disasters, natural disasters and epidemics may also negatively affect the financial markets. As with any investment whose performance is tied to these markets, the value of an investment in a fund will fluctuate, which means that an investor could lose money over short or long periods.

**Investment Style Risk.** The funds are index funds. Therefore, each fund follows their respective securities included in the index during upturns as well as downturns. Because of their indexing strategies, the funds do not take steps to reduce market exposure or to lessen the effects of a declining market. In addition, because of the funds' expenses, the funds' performance may be below that of their respective index. Errors relating to the index may occur from time to time and may not be identified

by the index provider for a period of time. In addition, market disruptions could cause delays in the index's rebalancing schedule. Such errors and/or market disruptions may result in losses for a fund.

**Equity Risk.** The prices of equity securities rise and fall daily. These price movements may result from factors affecting individual companies, industries or the securities market as a whole. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

## Financial Notes (continued)

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### 3. Risk Factors (continued):

**Market Capitalization Risk.** Securities issued by companies of different market capitalizations tend to go in and out of favor based on market and economic conditions. During a period when securities of a particular market capitalization fall behind other types of investments, a fund's performance could be impacted.

**Large-Cap Company Risk.** Certain funds invest in large-cap company stocks. Large-cap companies are generally more mature and the securities issued by these companies may not be able to reach the same levels of growth as the securities issued by small- or mid-cap companies.

**Mid-Cap Company Risk.** Certain funds invest in mid-cap company stocks. Mid-cap companies may be more vulnerable to adverse business or economic events than larger, more established companies and the value of securities issued by these companies may move sharply.

**Small-Cap Company Risk.** Certain funds invest in small-cap company stocks. Securities issued by small-cap companies may be riskier than those issued by larger companies, and their prices may move sharply, especially during market upturns and downturns.

**Foreign Investment Risk.** A fund's investments in securities of foreign issuers involve certain risks that may be greater than those associated with investments in securities of U.S. issuers. These include risks of adverse changes in foreign economic, political, regulatory and other conditions; changes in currency exchange rates or exchange control regulations (including limitations on currency movements and exchanges); the imposition of economic sanctions or other government restrictions; differing accounting, auditing, financial reporting and legal standards and practices; differing securities market structures; and higher transaction costs. These risks may negatively impact the value or liquidity of a fund's investments, and could impair the fund's ability to meet its investment objective or invest in accordance with its investment strategy. There is a risk that investments in securities denominated in, and/or receiving revenues in, foreign currencies will decline in value relative to the U.S. dollar. Foreign securities also include American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) and European Depositary Receipts (EDRs), which may be less liquid than the underlying shares in their primary trading market, and GDRs, in particular, many of which are issued by companies in emerging markets, may be more volatile. Foreign securities may also include investments in variable interest entities (VIEs) structures, which are created by China-based operating companies in jurisdictions outside of China to obtain indirect financing due to Chinese regulations that prohibit non-Chinese ownership of those companies. To the extent a fund's investments in a single country or a limited number of countries represent a large percentage of the fund's assets, the fund's performance may be adversely affected by the economic, political, regulatory and social conditions in those countries, and the fund's price may be more volatile than the price of a fund that is geographically diversified.

**Emerging Markets Risk.** Certain funds invest in emerging markets. Emerging market countries may be more likely to experience political turmoil or rapid changes in market or economic conditions than more developed countries. Emerging market countries often have less uniformity in accounting, auditing, financial reporting and record keeping requirements and greater risk associated with the custody of securities. In addition, the financial stability of issuers (including governments) in emerging market countries may be more precarious than in developed countries. As a result, there may be an increased risk of illiquidity and price volatility associated with a fund's investments in emerging market countries, which may be magnified by currency fluctuations relative to the U.S. dollar, and, at times, it may be difficult to value such investments.

**Sampling Index Tracking Risk.** Certain funds may not fully replicate the index and may hold securities not included in the index. As a result, a fund is subject to the risk that the investment adviser's investment management strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. Because certain funds utilize a sampling approach they may not track the return of their respective index as well as they would if the funds purchased all of the securities in their respective index.

**Tracking Error Risk.** As index funds, each fund seeks to track the performance of its respective index, although it may not be successful in doing so. The divergence between the performance of a fund and the index, positive or negative, is called "tracking error." Tracking error can be caused by many factors and it may be significant.



**Derivatives Risk.** Each fund may use derivatives to enhance returns or hedge against market declines. Examples of derivatives are options, futures, options on futures and swaps. An option is the right, but not the obligation, to buy or sell an instrument at a specific price on or before a specific date. A future is an agreement to buy or sell a financial instrument at a specific price on a specific day. A swap is an agreement whereby two parties agree to exchange payment streams calculated in relation to a rate, index, instrument or certain securities and a predetermined amount. A fund's use of derivatives that are subject to regulation by the Commodity Futures Trading Commission (CFTC) could cause the fund to become a commodity pool, which would require the fund to comply with certain CFTC rules.

## Schwab Fundamental Index ETFs

# Financial Notes (continued)

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### 3. Risk Factors (continued):

A fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Certain of these risks, such as liquidity risk, leverage risk and market risk, are discussed elsewhere in this section. A fund's use of derivatives is also subject to counterparty risk, lack of availability risk, valuation risk, correlation risk and tax risk. Counterparty risk is the risk that the counterparty to a derivatives transaction may not fulfill its contractual obligations either because the financial condition of the counterparty declines, or because the counterparty is otherwise unable or unwilling to perform under the contract. Lack of availability risk is the risk that suitable derivative transactions may not be available in all circumstances for risk management or other purposes. Valuation risk is the risk that a particular derivative may be valued incorrectly. Correlation risk is the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. Tax risk is the risk that the use of derivatives may cause the fund to realize higher amounts of short-term capital gains. A fund's use of derivatives could reduce the fund's performance, increase the fund's volatility, and could cause the fund to lose more than the initial amount invested.

**Liquidity Risk.** A fund may be unable to sell certain securities, such as illiquid securities, readily at a favorable time or price, or the fund may have to sell them at a loss.

**Leverage Risk.** Certain fund transactions, such as derivatives transactions, may give rise to a form of leverage and may expose a fund to greater risk. Leverage tends to magnify the effect of any decrease or increase in the value of a fund's portfolio securities which means even a small amount of leverage can have a disproportionately large impact on the fund. The use of leverage may cause a fund to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations.

**Securities Lending Risk.** Securities lending involves the risk of loss of rights in, or delay in recovery of, the loaned securities if the borrower fails to return the security loaned or becomes insolvent.

**Concentration Risk.** To the extent that a fund's or an index's portfolio is concentrated in the securities of issuers in a particular market, industry, group of industries, sector, country or asset class, the fund may be adversely affected by the performance of those securities, may be subject to increased price volatility and may be more vulnerable to adverse economic, market, political or regulatory occurrences affecting that market, industry, group of industries, sector, country or asset class.

**Market Trading Risk.** Although fund shares are listed on national securities exchanges, there can be no assurance that an active trading market for fund shares will develop or be maintained. If an active market is not maintained, investors may find it difficult to buy or sell fund shares.

**Share of the Fund may Trade at Prices Other Than NAV.** Fund shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of the shares of a fund will approximate the fund's NAV, there may be times when the market price and the NAV vary significantly. An investor may pay more than NAV when buying shares of a fund in the secondary market, and an investor may receive less than NAV when selling those shares in the secondary market. The market price of fund shares may deviate, sometimes significantly, from NAV during periods of market volatility or market disruption, or as a result of other factors impacting foreign securities, including liquidity, irregular trading activity and timing differences between foreign markets where securities trade and the secondary market where fund shares are sold.

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### 4. Affiliates and Affiliated Transactions:

#### Investment Adviser

Charles Schwab Investment Management, Inc., dba Schwab Asset Management, a wholly owned subsidiary of The Charles Schwab Corporation, serves as each fund's investment adviser pursuant to the Advisory Agreement between it and the trust.

For its advisory services to the funds, the investment adviser is entitled to receive an annual management fee, payable monthly, based on a percentage of each fund's average daily net assets as follows:

Schwab Fundamental U.S. Broad Market Index ETF	Schwab Fundamental U.S. Large Company Index ETF	Schwab Fundamental U.S. Small Company Index ETF	Schwab Fundamental International Large Company Index ETF	Schwab Fundamental International Small Company Index ETF	Schwab Fundamental Emerging Markets Large Company Index ETF
0.25%	0.25%	0.25%	0.25%	0.39%	0.39%

## Schwab Fundamental Index ETFs

## Financial Notes (continued)

### 4. Affiliates and Affiliated Transactions (continued):

#### Other Affiliated Transactions

The professional fees related to foreign withholding tax claims discussed in financial note 2 were non-routine expenses. The investment adviser agreed to pay these professional fees, on behalf of the funds, subject to reimbursement by the funds to the extent the funds are able to successfully recover taxes withheld in the future.

For the period ended February 28, 2022, the professional fees incurred by the Schwab Fundamental International Large Company Index ETF, Schwab Fundamental International Small Company Index ETF and Schwab Fundamental Emerging Markets Large Company Index ETF were \$21,692, \$4,588, and \$78, respectively, as shown on the Statement of Operations.

For the period ended February 28, 2022, Schwab Fundamental International Large Company Index ETF and Schwab Fundamental International Small Company Index ETF recovered previously withheld foreign taxes from Finland and Schwab Fundamental Emerging Markets Large Company Index ETF recovered previously withheld foreign taxes from Poland. The payments received by Schwab Fundamental International Large Company Index ETF, Schwab Fundamental International Small Company Index ETF and Schwab Fundamental Emerging Markets Large Company Index ETF amounted to \$428,497, \$275,626 and \$271,552, respectively, and are recorded as income in each fund's Statement of Operations. The investment adviser had paid upfront professional fees associated with recovering these foreign taxes in the amounts of \$87,043, \$9,705 and \$11,542 for Schwab Fundamental International Large Company Index ETF, Schwab Fundamental International Small Company Index ETF and Schwab Fundamental Emerging Markets Large Company Index ETF, respectively. Those amounts have been reimbursed to the investment adviser by the Schwab Fundamental International Large Company Index ETF, Schwab Fundamental International Small Company Index ETF and Schwab Fundamental Emerging Markets Large Company Index ETF.

As of February 28, 2022, the balance of professional fees related to foreign withholding tax subject to future reimbursement by the Schwab Fundamental International Large Company Index ETF and Schwab Fundamental International Small Company Index ETF to the investment adviser was \$19,528 and \$4,588, respectively. Schwab Fundamental Emerging Markets Large Company Index ETF had no balance of professional fees related to foreign withholding tax subject to future reimbursement by the fund to the investment adviser.

No other amounts for additional tax reclaims are reflected in the financial statements due to the uncertainty surrounding the ultimate resolution of proceedings, the likelihood of receipt of these claims, and the potential timing of payment.

#### Interfund Transactions

The funds may engage in direct transactions with certain other funds in the Fund Complex (for definition refer to the Trustees and Officers section) in accordance with procedures adopted by the Board pursuant to Rule 17a-7 under the 1940 Act. When one fund is seeking to sell a security that another is seeking to buy, an interfund transaction can allow both funds to benefit by reducing transaction costs. This practice is limited to funds that share the same investment adviser, trustees and/or officers. For the period ended February 28, 2022, each fund's purchases and sales of securities with other funds in the Fund Complex as well as any realized gains (losses) were as follows:

	PURCHASE COST	SALE PROCEEDS	REALIZED GAINS (LOSSES)
Schwab Fundamental U.S. Broad Market Index ETF	\$22,697,572	\$10,461,482	(\$2,121,079)
Schwab Fundamental U.S. Large Company Index ETF	412,683,816	156,409,489	(22,694,141)
Schwab Fundamental U.S. Small Company Index ETF	287,637,098	81,597,336	(6,112,775)
Schwab Fundamental International Large Company Index ETF	147,099,598	76,387,892	2,130,228
Schwab Fundamental International Small Company Index ETF	56,144,704	43,932,531	4,819,817
Schwab Fundamental Emerging Markets Large Company Index ETF	86,947,292	19,179,788	2,789,552

### Interfund Borrowing and Lending

Pursuant to an exemptive order issued by the SEC, the funds may enter into interfund borrowing and lending transactions with other funds in the Fund Complex. All loans are for temporary or emergency purposes and the interest rate to be charged will be the average of the overnight repurchase agreement rate and the short-term bank loan rate. All loans are subject to numerous conditions designed to ensure fair and equitable treatment of all participating funds. The interfund lending facility is subject to the oversight and periodic review of the Board. The funds had no interfund borrowing or lending activity during the period.

## Schwab Fundamental Index ETFs

# Financial Notes (continued)

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### 5. Other Service Providers:

SEI Investments Distribution Co. is the principal underwriter and distributor of shares of the funds.

State Street Bank and Trust Company (State Street) serves as the funds' transfer agent. As part of these services, the transfer agent maintains records pertaining to the sale, redemption and transfer of the funds' shares. The transfer agent is also responsible for the order-taking function for the funds' shares.

State Street also serves as custodian and accountant for the funds. The custodian is responsible for the daily safekeeping of securities and cash held by the funds. The funds' accountant maintains all books and records related to the funds' transactions.

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### 6. Board of Trustees:

The Board may include people who are officers and/or directors of the investment adviser or its affiliates. Federal securities law limits the percentage of such "interested persons" who may serve on a trust's board, and the trust was in compliance with these limitations throughout the report period. The trust does not pay any interested or non-interested trustees (independent trustees). The independent trustees are paid by the investment adviser. For information regarding the trustees, please refer to the Trustees and Officers table at the end of this report.

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### 7. Borrowing from Banks:

During the period, the funds were participants with other funds in the Fund Complex in a joint, syndicated, committed \$850 million line of credit (the Syndicated Credit Facility), which matured on September 30, 2021. On September 30, 2021, the Syndicated Credit Facility was amended to run for a new 364 day period with the line of credit amount remaining unchanged, maturing on September 29, 2022. Under the terms of the Syndicated Credit Facility, in addition to the investment adviser paying the interest charged on any borrowings by a fund, the investment adviser paid a commitment fee of 0.15% per annum on the funds' proportionate share of the unused portion of the Syndicated Credit Facility.

During the period, the funds were participants with other funds in the Fund Complex in a joint, unsecured, uncommitted \$400 million line of credit (the Uncommitted Credit Facility), with State Street Bank and Trust Company, which matured on September 30, 2021. On September 30, 2021, the Uncommitted Credit Facility was amended to run for a new 364 day period with the line of credit amount remaining unchanged, maturing on September 29, 2022. Under the terms of the Uncommitted Credit Facility, the investment adviser pays interest on the amount a fund borrows.

During the period, Schwab Fundamental International Large Company Index ETF borrowed from the Syndicated Credit Facility. The average daily loan balance and interest rate were \$13,839,818 and 1.18%, respectively, during the 1 day borrowings were outstanding during the period. The investment adviser paid interest expense of \$454 on behalf of the fund. As of February 28, 2022, Schwab Fundamental International Large Company Index ETF does not have a borrowing balance outstanding from either line of credit. No other funds borrowed from either line of credit during the period.

The funds also have access to custodian overdraft facilities. A fund may have utilized the overdraft facility and incurred an interest expense, which is paid by the investment adviser. The interest expense is determined based on a negotiated rate above the current Federal Funds Rate.

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### 8. Derivatives:

Certain funds entered into equity index futures contracts during the report period. The funds invested in futures contracts to equitize available cash. The value and variation margin for futures contracts held at February 28, 2022 are presented in the Portfolio Holdings and Statement of Assets and Liabilities, respectively. The net realized gains (losses) and net change in unrealized appreciation (depreciation) on futures contracts are presented in the Statement of Operations. Refer to financial note 2(b) for the



## Schwab Fundamental Index ETFs

## Financial Notes (continued)

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### 8. Derivatives (continued):

funds' accounting policies with respect to futures contracts and financial note 3 for disclosures concerning the risks of investing in futures contracts. During the period ended February 28, 2022, the month-end average notional amounts of futures contracts held by the funds and the month-end average number of contracts held were as follows:

	NOTIONAL AMOUNTS	NUMBER OF CONTRACTS
Schwab Fundamental U.S. Broad Market Index ETF	\$599,799	3
Schwab Fundamental U.S. Large Company Index ETF	12,029,228	55
Schwab Fundamental U.S. Small Company Index ETF	7,015,407	63
Schwab Fundamental International Large Company Index ETF	29,020,065	256
Schwab Fundamental International Small Company Index ETF	11,829,455	105
Schwab Fundamental Emerging Markets Large Company Index ETF	16,997,858	266

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### 9. Purchases and Sales of Investment Securities:

For the period ended February 28, 2022, purchases and sales of securities (excluding in-kind transactions and short-term obligations) were as follows:

	PURCHASES OF SECURITIES	SALES OF SECURITIES
Schwab Fundamental U.S. Broad Market Index ETF	\$53,471,482	\$48,356,828
Schwab Fundamental U.S. Large Company Index ETF	929,208,610	852,834,041
Schwab Fundamental U.S. Small Company Index ETF	1,314,538,548	1,136,025,240
Schwab Fundamental International Large Company Index ETF	1,075,172,610	1,009,411,269
Schwab Fundamental International Small Company Index ETF	775,443,934	729,005,824
Schwab Fundamental Emerging Markets Large Company Index ETF	1,909,031,745	942,843,373

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### 10. In-Kind Transactions:

The consideration for the purchase of Creation Units of a fund often consists of the in-kind deposit of a designated portfolio of equity securities, which constitutes an optimized representation of the securities involved in a relevant fund's underlying index, and an amount of cash. Investors purchasing and redeeming Creation Units are subject to a standard creation transaction fee and a standard redemption transaction fee paid to the custodian to offset transfer and other transaction costs associated with the issuance and redemption of Creation Units. Purchasers and redeemers of Creation Units for cash are subject to an additional variable charge paid to the fund that will offset the transaction costs to the fund of buying or selling portfolio securities. In addition, purchasers and redeemers of shares in Creation Units are responsible for payment of the costs of transferring securities to or out of the fund. From time to time, the investment adviser may cover the cost of any transaction fees when believed to be in the best interests of a fund.

The in-kind transactions for the period ended February 28, 2022, were as follows:

	IN-KIND PURCHASES OF SECURITIES	IN-KIND SALES OF SECURITIES
Schwab Fundamental U.S. Broad Market Index ETF	\$101,486,601	\$15,483,967
Schwab Fundamental U.S. Large Company Index ETF	3,881,918,021	947,040,367
Schwab Fundamental U.S. Small Company Index ETF	1,207,767,649	789,910,044



Schwab Fundamental International Large Company Index ETF	1,398,909,984	73,031,852
Schwab Fundamental International Small Company Index ETF	461,268,277	80,246,362
Schwab Fundamental Emerging Markets Large Company Index ETF	266,929,723	117,705,349

For the period ended February 28, 2022, where applicable, the funds realized net capital gains or losses resulting from in-kind redemptions of Creation Units. Because such gains or losses are not taxable to the funds and are not distributed to existing fund shareholders, the gains or losses are reclassified from accumulated net realized gains or losses to capital received from investors at the end of the funds' tax year. These reclassifications have no effect on net assets or net asset values per share. The net realized in-kind gains or losses for the period ended February 28, 2022 are disclosed in the funds' Statements of Operations, if any.

## Schwab Fundamental Index ETFs

# Financial Notes (continued)

### 11. Federal Income Taxes:

As of February 28, 2022, the tax basis cost of the funds' investments and gross unrealized appreciation and depreciation were as follows:

	TAX COST	GROSS UNREALIZED APPRECIATION	GROSS UNREALIZED DEPRECIATION	NET UNREALIZED APPRECIATION (DEPRECIATION)
Schwab Fundamental U.S. Broad Market Index ETF	\$312,771,645	\$122,199,430	(\$10,196,595)	\$112,002,835
Schwab Fundamental U.S. Large Company Index ETF	8,178,210,135	1,931,042,550	(227,881,588)	1,703,160,962
Schwab Fundamental U.S. Small Company Index ETF	4,134,679,440	1,005,044,642	(259,834,238)	745,210,404
Schwab Fundamental International Large Company Index ETF	6,504,155,670	1,346,693,603	(492,873,010)	853,820,593
Schwab Fundamental International Small Company Index ETF	2,542,350,274	497,133,593	(317,927,585)	179,206,008
Schwab Fundamental Emerging Markets Large Company Index ETF	4,550,552,695	1,011,445,869	(721,650,824)	289,795,045

As of February 28, 2022, the components of distributable earnings on a tax basis were as follows:

	UNDISTRIBUTED ORDINARY INCOME	NET UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS	NET OTHER UNREALIZED APPRECIATION (DEPRECIATION)	CAPITAL LOSS CARRYFORWARDS AND OTHER LOSSES	TOTAL
Schwab Fundamental U.S. Broad Market Index ETF	\$1,194,044	\$112,002,835	\$—	(\$15,703,203)	\$97,493,676
Schwab Fundamental U.S. Large Company Index ETF	29,791,110	1,703,160,962	—	(300,484,124)	1,432,467,948
Schwab Fundamental U.S. Small Company Index ETF	432,038	745,210,404	—	(437,766,071)	307,876,371
Schwab Fundamental International Large Company Index ETF	13,910,542	853,820,593	11,755	(180,669,635)	687,073,255
Schwab Fundamental International Small Company Index ETF	2,047,845	179,206,008	(8,372)	(112,768,244)	68,477,237
Schwab Fundamental Emerging Markets Large Company Index ETF	—	289,795,045	(13,652,500)	(60,760,462)	215,382,083

The primary difference between book basis and tax basis unrealized appreciation or unrealized depreciation of investments is the tax deferral of losses on wash sales, the realization for tax purposes of unrealized appreciation (depreciation) on futures contracts, the realization for tax purposes of unrealized appreciation on investments in PFICs and partnership investments. The tax cost of the funds' investments, disclosed above, have been adjusted from their book amounts to reflect these unrealized appreciation or depreciation differences, as applicable.

Capital loss carryforwards have no expiration and may be used to offset future realized capital gains for federal income tax purposes. As of February 28, 2022, the funds had capital loss carryforwards available as follows:

Schwab Fundamental U.S. Broad Market Index ETF	\$15,703,203
Schwab Fundamental U.S. Large Company Index ETF	300,484,124
Schwab Fundamental U.S. Small Company Index ETF	437,766,071
Schwab Fundamental International Large Company Index ETF	180,669,635

Schwab Fundamental International Small Company Index ETF	112,768,244
Schwab Fundamental Emerging Markets Large Company Index ETF	57,024,223

## Schwab Fundamental Index ETFs

## Financial Notes (continued)

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**11. Federal Income Taxes (continued):**

For the fiscal year ended February 28, 2022, the funds had capital loss carryforwards utilized as follows:

Schwab Fundamental U.S. Broad Market Index ETF	\$—
Schwab Fundamental U.S. Large Company Index ETF	—
Schwab Fundamental U.S. Small Company Index ETF	18,828,022
Schwab Fundamental International Large Company Index ETF	—
Schwab Fundamental International Small Company Index ETF	15,225,915
Schwab Fundamental Emerging Markets Large Company Index ETF	63,075,905

For tax purposes, late-year ordinary losses may be deferred and treated as occurring on the first day of the following fiscal year. For the fiscal year ended February 28, 2022, Schwab Fundamental Emerging Markets Large Company Index ETF had ordinary losses deferred of \$3,736,239.

The tax basis components of distributions paid during the current and prior fiscal years were:

	CURRENT FISCAL YEAR END DISTRIBUTIONS	PRIOR FISCAL YEAR END DISTRIBUTIONS
	ORDINARY INCOME	ORDINARY INCOME
Schwab Fundamental U.S. Broad Market Index ETF	\$6,475,295	\$6,024,890
Schwab Fundamental U.S. Large Company Index ETF	130,197,615	134,608,220
Schwab Fundamental U.S. Small Company Index ETF	56,395,300	51,561,985
Schwab Fundamental International Large Company Index ETF	245,365,750	114,361,960
Schwab Fundamental International Small Company Index ETF	68,417,380	38,178,680
Schwab Fundamental Emerging Markets Large Company Index ETF	210,038,530	87,400,780

Distributions paid to shareholders are based on net investment income and net realized gains determined on a tax basis, which may differ from net investment income and net realized gains for financial reporting purposes. These differences reflect the differing character of certain income items and net realized gains and losses for financial statement and tax purposes, and may result in reclassification among certain capital accounts on the financial statements. The fund may also designate a portion of the amount paid to redeeming shareholders as a distribution for tax purposes.

Permanent book and tax basis differences may result in reclassifications between components of net assets as required. The adjustments will have no impact on net assets or the results of operations.

As of February 28, 2022, management has reviewed the tax positions for open periods (for federal purposes, three years from the date of filing and for state purposes, four years from the date of filing) as applicable to the funds, and has determined that no provision for income tax is required in the funds' financial statements. The funds recognize interest and penalties, if any, related to unrecognized tax

benefits as income tax expense in the Statement of Operations. During the fiscal year ended February 28, 2022, the funds did not incur any interest or penalties.

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**12. Subsequent Events:**

Management has determined there are no subsequent events or transactions through the date the financial statements were issued that would have materially impacted the financial statements as presented.

## Schwab Fundamental Index ETFs

# Report of Independent Registered Public Accounting Firm

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To the Board of Trustees of Schwab Strategic Trust and Shareholders of Schwab Fundamental U.S. Broad Market Index ETF, Schwab Fundamental U.S. Large Company Index ETF, Schwab Fundamental U.S. Small Company Index ETF, Schwab Fundamental International Large Company Index ETF, Schwab Fundamental International Small Company Index ETF, and Schwab Fundamental Emerging Markets Large Company Index ETF:

### ***Opinion on the Financial Statements and Financial Highlights***

We have audited the accompanying statements of assets and liabilities, including the portfolio holdings, of Schwab Fundamental U.S. Broad Market Index ETF, Schwab Fundamental U.S. Large Company Index ETF, Schwab Fundamental U.S. Small Company Index ETF, Schwab Fundamental International Large Company Index ETF, Schwab Fundamental International Small Company Index ETF, and Schwab Fundamental Emerging Markets Large Company Index ETF (the "Funds"), six of the funds constituting Schwab Strategic Trust, as of February 28, 2022, and the related statements of operations for the year then ended, the statements of changes in net assets and the financial highlights for each of the two years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of each of the Funds as of February 28, 2022, and the results of their operations for the year then ended, and the changes in their net assets and the financial highlights for each of the two years in the period then ended in conformity with accounting principles generally accepted in the United States of America. The financial highlights for each of the three years in the period ended February 29, 2020 were audited by other auditors, whose report, dated April 16, 2020, expressed an unqualified opinion on such financial highlights.

### ***Basis for Opinions***

These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on the Funds' financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of February 28, 2022, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

**Deloitte & Touche LLP**  
**Denver, Colorado**  
**April 18, 2022**

We have served as the auditor of one or more investment companies in the Schwab Funds Complex since 2020.



## Schwab Fundamental Index ETFs

## Other Federal Tax Information (unaudited)

The funds may elect to pass through, under section 853(a) of the Internal Revenue Code, the foreign tax credit to shareholders. For the fiscal year ended February 28, 2022, the foreign tax credit and respective foreign source income on the funds were as follows:

	FOREIGN TAX CREDIT	FOREIGN SOURCE INCOME
Schwab Fundamental U.S. Broad Market Index ETF	\$—	\$—
Schwab Fundamental U.S. Large Company Index ETF	—	—
Schwab Fundamental U.S. Small Company Index ETF	—	—
Schwab Fundamental International Large Company Index ETF	16,767,239	252,999,577
Schwab Fundamental International Small Company Index ETF	6,431,680	66,246,548
Schwab Fundamental Emerging Markets Large Company Index ETF	24,252,320	246,267,875

For corporate shareholders, the following percentage of the funds dividend distributions paid during the fiscal year ended February 28, 2022, qualify for the corporate dividends received deduction:

Schwab Fundamental U.S. Broad Market Index ETF	99.52%
Schwab Fundamental U.S. Large Company Index ETF	99.41%
Schwab Fundamental U.S. Small Company Index ETF	96.20%
Schwab Fundamental International Large Company Index ETF	—%
Schwab Fundamental International Small Company Index ETF	—%
Schwab Fundamental Emerging Markets Large Company Index ETF	—%

For the fiscal year ended February 28, 2022, the funds designate the following amounts of the dividend distributions as qualified dividends for the purposes of the maximum rate under section 1(h)(11) of the Internal Revenue Code. Shareholders will be notified in January 2023 via IRS Form 1099 of the amounts for use in preparing their 2022 income tax return.

Schwab Fundamental U.S. Broad Market Index ETF	\$6,475,295
Schwab Fundamental U.S. Large Company Index ETF	130,197,615
Schwab Fundamental U.S. Small Company Index ETF	55,175,302
Schwab Fundamental International Large Company Index ETF	248,646,356
Schwab Fundamental International Small Company Index ETF	61,332,264
Schwab Fundamental Emerging Markets Large Company Index ETF	136,410,603

For the fiscal year ended February 28, 2022, the funds designate the following amounts as dividends eligible for the 20% qualified business income deduction under section 199A of the Internal Revenue Code. Shareholders will be notified in January 2023 via IRS Form 1099 of the amounts for use in preparing their 2022 income tax return.

Schwab Fundamental U.S. Broad Market Index ETF	\$—
Schwab Fundamental U.S. Large Company Index ETF	—
Schwab Fundamental U.S. Small Company Index ETF	1,219,998
Schwab Fundamental International Large Company Index ETF	—
Schwab Fundamental International Small Company Index ETF	—
Schwab Fundamental Emerging Markets Large Company Index ETF	—





## Schwab Fundamental Index ETFs

# Liquidity Risk Management Program (Unaudited)

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The Funds have adopted and implemented a liquidity risk management program (the “program”) as required by Rule 22e-4 under the Investment Company Act of 1940, as amended. The Funds’ Board of Trustees (the “Board”) has designated the Funds’ investment adviser, Charles Schwab Investment Management, Inc., dba Schwab Asset Management, as the administrator of the program. Personnel of the investment adviser or its affiliates conduct the day-to-day operation of the program.

Under the program, the investment adviser manages a Fund’s liquidity risk, which is the risk that the Fund could not meet shareholder redemption requests without significant dilution of remaining shareholders’ interests in the Fund. The program is reasonably designed to assess and manage a Fund’s liquidity risk, taking into consideration the Fund’s investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions; its historical redemption history and shareholder concentrations; and its cash holdings and access to other funding sources, including the custodian overdraft facility and lines of credit. The investment adviser’s process of determining the degree of liquidity of each Fund’s investments is supported by third-party liquidity assessment vendors.

The Funds’ Board reviewed a report at its meeting held on September 20, 2021 prepared by the investment adviser regarding the operation and effectiveness of the program for the period June 1, 2020, through May 31, 2021, which included individual Fund liquidity risk metrics. No significant liquidity events impacting any of the Funds were noted in the report. In addition, the investment adviser provided its assessment that the program had been operating effectively in managing each Fund’s liquidity risk.



## Schwab Fundamental Index ETFs

## Trustees and Officers

The tables below give information about the trustees and officers of Schwab Strategic Trust, which includes the funds covered in this report. The “Fund Complex” includes The Charles Schwab Family of Funds, Schwab Capital Trust, Schwab Investments, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust. The Fund Complex includes 103 funds.

The address for all trustees and officers is 211 Main Street, San Francisco, CA 94105. You can find more information about the trustees and officers in the Statement of Additional Information, which is available free by calling 1-877-824-5615.

INDEPENDENT TRUSTEES			
NAME, YEAR OF BIRTH, AND POSITION(S) WITH THE TRUST (TERMS OF OFFICE, AND LENGTH OF TIME SERVED <sup>1</sup> )	PRINCIPAL OCCUPATIONS DURING THE PAST FIVE YEARS	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY THE TRUSTEE	OTHER DIRECTORSHIPS
<b>Robert W. Burns</b> 1959 Trustee (Trustee of Schwab Strategic Trust since 2009; The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios and Laudus Trust since 2016)	Retired/Private Investor.	103	None
<b>Nancy F. Heller</b> 1956 Trustee (Trustee of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2018)	Retired.	103	None
<b>David L. Mahoney</b> 1954 Trustee (Trustee of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios and Laudus Trust since 2011; Schwab Strategic Trust since 2016)	Private Investor.	103	Director (2004 – present), Corcept Therapeutics Incorporated Director (2009 – 2021), Adamas Pharmaceuticals, Inc. Director (2003 – 2019), Symantec Corporation

<b>Jane P. Moncreiff</b> <b>1961</b> <b>Trustee</b> <b>(Trustee of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2019)</b>	Consultant (2018 – present), Fulham Advisers LLC (management consulting); Chief Investment Officer (2009 – 2017), CareGroup Healthcare System, Inc. (healthcare).	103	None
<b>Kiran M. Patel</b> <b>1948</b> <b>Trustee</b> <b>(Trustee of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios and Laudus Trust since 2011; Schwab Strategic Trust since 2016)</b>	Retired.	103	Director (2008 – present), KLA-Tencor Corporation

## Schwab Fundamental Index ETFs

INDEPENDENT TRUSTEES (CONTINUED)			
NAME, YEAR OF BIRTH, AND POSITION(S) WITH THE TRUST (TERMS OF OFFICE, AND LENGTH OF TIME SERVED <sup>1</sup> )	PRINCIPAL OCCUPATIONS DURING THE PAST FIVE YEARS	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY THE TRUSTEE	OTHER DIRECTORSHIPS
<b>Kimberly S. Patmore</b> 1956 Trustee (Trustee of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2016)	Consultant (2008 – present), Patmore Management Consulting (management consulting).	103	None
<b>J. Derek Penn</b> 1957 Trustee (Trustee of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2021)	Head of Equity Sales and Trading (2006 – 2018), BNY Mellon (financial services).	103	None
INTERESTED TRUSTEES			
NAME, YEAR OF BIRTH, AND POSITION(S) WITH THE TRUST (TERMS OF OFFICE, AND LENGTH OF TIME SERVED <sup>1</sup> )	PRINCIPAL OCCUPATIONS DURING THE PAST FIVE YEARS	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY THE TRUSTEE	OTHER DIRECTORSHIPS
<b>Walter W. Bettinger II</b> <sup>2</sup> 1960 Chairman and Trustee (Trustee of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust and Schwab Annuity Portfolios since 2008; Schwab Strategic Trust since 2009; Laudus Trust since 2010)	Director and Chief Executive Officer (Oct. 2008 – present) and President (Feb. 2007 – Oct. 2021), The Charles Schwab Corporation; President and Chief Executive Officer (Oct. 2008 – Oct. 2021) and Director (May 2008 – Oct. 2021), Charles Schwab & Co., Inc.; Director (Apr. 2006 – present), Charles Schwab Bank, SSB; Director (Nov. 2017 – present), Charles Schwab Premier Bank, SSB; Director (July 2019 – present), Charles Schwab Trust Bank; Director (May 2008 – present) and President and Chief Executive Officer (Aug. 2017 – present), Schwab Holdings, Inc.; Director (Oct. 2020 – present), TD Ameritrade Holding Corporation; Director (July 2016 – Oct. 2021), Charles Schwab Investment Management, Inc.	103	Director (2008 – present), The Charles Schwab Corporation

<b>Joseph R. Martinetto<sup>2</sup></b> <b>1962</b> <b>Trustee</b> <b>(Trustee of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2016)</b>	Chief Operating Officer (Feb. 2018 – present), The Charles Schwab Corporation; Senior Executive Vice President (July 2015 – present), Charles Schwab & Co., Inc.; Director (May 2007 – present), Charles Schwab & Co., Inc.; Director (Apr. 2010 – Apr. 2020), Charles Schwab Bank, SSB; Director (Nov. 2017 – Apr. 2020), Charles Schwab Premier Bank, SSB; Director (May 2007 – Apr. 2020), and Senior Executive Vice President (Feb. 2016 – present), Schwab Holdings, Inc.; Director (Oct. 2020 – present), TD Ameritrade Holding Corporation.	103	None
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## Schwab Fundamental Index ETFs

OFFICERS OF THE TRUST	
NAME, YEAR OF BIRTH, AND POSITION(S) WITH THE TRUST (TERMS OF OFFICE, AND LENGTH OF TIME SERVED <sup>3</sup> )	PRINCIPAL OCCUPATIONS DURING THE PAST FIVE YEARS
<b>Jonathan de St. Paer</b> <b>1973</b> <b>President and Chief Executive Officer</b> <b>(Officer of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2018)</b>	Director (Apr. 2019 – present), President (Oct. 2018 – present), Chief Operating Officer (Jan. 2020 – present), and Chief Executive Officer (Apr. 2019 – Nov. 2019), Charles Schwab Investment Management, Inc.; Senior Vice President (June 2020 – Mar. 2022) and Chief Operating Officer (Jan. 2020 – Mar. 2022), Charles Schwab Investment Advisory, Inc.; Chief Executive Officer (Apr. 2019 – present), President (Nov. 2018 – present) and Trustee (Apr. 2019 – Dec. 2020), Schwab Funds, Laudus Trust and Schwab ETFs; Director (Apr. 2019 – Apr. 2022), Charles Schwab Worldwide Funds plc and Charles Schwab Asset Management (Ireland) Limited; Senior Vice President (Apr. 2019 – present), and Senior Vice President – Strategy and Product Development (CSIM) (Jan. 2014 – Mar. 2019), Charles Schwab & Co., Inc.
<b>Mark Fischer</b> <b>1970</b> <b>Treasurer, Chief Financial Officer and Chief Operating Officer</b> <b>(Officer of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2013)</b>	Treasurer and Chief Financial Officer (Jan. 2016 – present) and Chief Operating Officer (Dec. 2020 – present), Schwab Funds, Laudus Trust and Schwab ETFs; Chief Financial Officer (Mar. 2020 – present) and Vice President (Oct. 2013 – present), Charles Schwab Investment Management, Inc.; Director (July 2020 – Apr. 2022), Charles Schwab Worldwide Funds plc and Charles Schwab Asset Management (Ireland) Limited.
<b>Omar Aguilar</b> <b>1970</b> <b>Vice President and Chief Investment Officer</b> <b>(Officer of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2011)</b>	Chief Executive Officer (Jan. 2022 – present) and Chief Investment Officer (Apr. 2011 – present), Senior Vice President (Apr. 2011 – Dec. 2021), Charles Schwab Investment Management, Inc.; Vice President and Chief Investment Officer (June 2011 – present), Schwab Funds, Laudus Trust and Schwab ETFs.
<b>Brett Wander</b> <b>1961</b> <b>Vice President and Chief Investment Officer</b> <b>(Officer of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2011)</b>	Senior Vice President and Chief Investment Officer (Apr. 2011 – present), Charles Schwab Investment Management, Inc.; Vice President and Chief Investment Officer (June 2011 – present), Schwab Funds, Laudus Trust and Schwab ETFs.
<b>William P. McMahon, Jr.</b> <b>1972</b> <b>Vice President and Chief Investment Officer</b> <b>(Officer of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios, Schwab Strategic Trust and Laudus Trust since 2021)</b>	Senior Vice President and Chief Investment Officer (Jan. 2020 – present), Charles Schwab Investment Management, Inc.; Vice President and Chief Investment Officer (June 2021 – present), Schwab Funds, Laudus Trust and Schwab ETFs; Senior Vice President and Chief Investment Officer – ThomasPartners Strategies (Apr. 2018 – Dec. 2019), Charles Schwab Investment Advisory, Inc.; Senior Vice President and Chief Investment Officer (May 2001 – Apr. 2018), ThomasPartners, Inc.
<b>Catherine MacGregor</b> <b>1964</b> <b>Chief Legal Officer and Secretary, Schwab Funds and Schwab ETFs</b> <b>Chief Legal Officer, Vice President and Clerk, Laudus Trust</b> <b>(Officer of The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios and Laudus Trust since 2005; Schwab Strategic Trust since 2009)</b>	Chief Legal Officer (Mar. 2022 – present) and Vice President (Sept. 2005 – present), Charles Schwab Investment Management, Inc.; Vice President (July 2005 – present), Charles Schwab & Co., Inc.; Vice President (Dec. 2005 – present) and Chief Legal Officer and Clerk (Mar. 2007 – present), Laudus Trust; Chief Legal Officer and Secretary (Oct. 2021 – present), Vice President (Nov. 2005 – Oct. 2021) and Assistant Secretary (June 2007 – Oct. 2021), Schwab Funds; Chief Legal Officer and Secretary (Oct. 2021 – present), Vice President and Assistant Secretary (Oct. 2009 – Oct. 2021), Schwab ETFs.



- 1 Each Trustee shall hold office until the election and qualification of his or her successor, or until he or she dies, resigns or is removed. The retirement policy requires that each independent trustee retire by December 31 of the year in which the Trustee turns 74 or the Trustee's twentieth year of service as an independent trustee on any trust in the Fund Complex, whichever occurs first.
- 2 Mr. Bettinger and Mr. Martinetto are Interested Trustees. Mr. Bettinger is an Interested Trustee because he owns stock of The Charles Schwab Corporation (CSC), the parent company of Charles Schwab Investment Management, Inc., the investment adviser for the trusts in the Fund Complex, and is an employee of Charles Schwab & Co., Inc. (Schwab), the principal underwriter for The Charles Schwab Family of Funds, Schwab Investments, Schwab Capital Trust, Schwab Annuity Portfolios and Laudus Trust. Mr. Martinetto is an Interested Trustee because he owns stock of CSC and is an employee and director of Schwab.
- 3 The President, Treasurer and Secretary/Clerk hold office until their respective successors are chosen and qualified or until he or she sooner dies, resigns, is removed or becomes disqualified. Each of the other officers serves at the pleasure of the Board.

## Schwab Fundamental Index ETFs

# Glossary

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**144A securities** These securities may be sold only to qualified institutional buyers under Securities Act Rule 144A.

**American Depositary Receipt (ADR)** U.S. dollar-denominated receipts issued by U.S. banks or trust companies that represent shares of foreign-based corporations.

**ask** See “offer.”

**asset allocation** The practice of dividing a portfolio among different asset classes, with each asset class assigned a particular percentage to help offset risks and rewards, based on your goals, time horizon and risk tolerance.

**asset class** A group of securities with similar structure and basic characteristics. Stocks, bonds and cash are the three main examples of asset classes.

**authorized participant (AP)** A large institutional investor that places orders for creation units with the funds’ distributor.

**beta** A historical measure of an investment’s volatility relative to a market index (usually the S&P 500<sup>®</sup>). The index is defined as having a beta of 1.00. Investments with a beta higher than 1.00 have been more volatile than the index; those with a beta of less than 1.00 have been less volatile.

**bid** The highest price at which someone is willing to buy a security.

**Bloomberg US Aggregate Bond Index** An index that is a broad-based benchmark measuring the performance of the U.S. investment grade, taxable bond market, including U.S. Treasuries, government-related and corporate bonds, mortgage pass-through securities, commercial mortgage-backed securities, and asset-backed securities that are publicly available for sale in the United States. To be eligible for inclusion in the index, securities must be fixed rate, non-convertible, U.S. dollar-denominated with at least \$300 million or more of outstanding face value and have one or more years remaining to maturity. The index excludes certain types of securities, including tax-exempt state and local government series bonds, structured notes embedded with swaps or other special features, private placements, floating rate securities, inflation-linked bonds and Eurobonds. The index is market capitalization weighted and the securities in the index are updated on the last business day of each month.

**Bloomberg US Treasury Bills 1–3 Month Index** An index that includes all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of less than 3 months but more than 1 month, are rated investment grade and have \$300 million or more of outstanding face value. It excludes zero-coupon STRIPS.

**cap, capitalization** See “market cap.”

**capital gain, capital loss** The difference between the amount paid for an investment and its value at a later time. If the investment has been sold, the capital gain or loss is considered a realized gain or loss. If the investment is still held, the gain or loss is still “on paper” and is considered unrealized.

**commencement of operations** The date that the first NAV was calculated.

**European Depositary Receipt (EDR)** A negotiable security (receipt) that is issued by a European bank, and that represents shares of foreign-based corporations.

**exchange** A marketplace, or any organization or group that provides or maintains a marketplace for trading securities, options, futures, or commodities.

**expense ratio** The amount that is taken from the fund’s assets each year to cover the operating expenses. An expense ratio of 0.50% means that a fund’s expenses amount to half of one percent of its average net assets a year.

**Global Depositary Receipt (GDR)** A negotiable security (receipt) that is issued by a foreign bank, and that represents shares of foreign-based corporations.

**gross domestic product (GDP)** The output of goods and services produced by labor and property located in the United States.

**inception date** The date that the shares began trading in the secondary market.

**indicative optimized portfolio value (IOPV)** A calculation disseminated by the stock exchange that approximates the fund’s NAV every 15 seconds throughout the trading day.

**liquidity** The ability to convert a security or asset quickly into cash.

**market cap, market capitalization** The value of a company as determined by the total value of all shares of its stock outstanding.

**market price return** The return based on the change in market price per share of the fund over a given time period. Market price returns assume that dividends and capital gain distributions have been reinvested in the fund at market price.

**median market cap** The midpoint of the range of market caps of the stocks held by a fund. There are different ways of calculating median market cap. With a simple median, half of the stocks in the fund’s portfolio would be larger than the median, and half would be smaller. With a weighted median (the type that is calculated for these funds), half of the fund’s assets are invested in stocks that are larger than the median market cap, and half in stocks that are smaller.

**MSCI EAFE Index (Net)** A free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets in Europe, Australasia, and the Far East. The Net version of the index reflects reinvested dividends net of withholding taxes, but reflects no deductions for expenses or other taxes; returns are calculated applying dividend withholding rates applicable to non-resident persons who do not benefit from double taxation treaties.

**MSCI Emerging Markets Index (Net)** A free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global emerging markets. This series approximates the minimum possible dividend reinvestment. The returns are calculated applying dividend withholding rates applicable to non-resident persons who do not benefit from double taxation treaties.

**creation unit (C.U.)** A basket of securities that is delivered by an authorized participant (AP) to the fund equal to the current holdings of the ETF, plus a designated cash component. In return, the APs receive a large block of ETF shares (typically 50,000 shares), which investors can then buy and sell in the secondary market.

**net asset value (NAV)** The value of one share of a fund. NAV is calculated by taking the fund's total assets, subtracting liabilities, and dividing by the number of shares outstanding.

**NAV return** The return based on the change in NAV of the fund over a given time period. NAV returns assume that dividends and capital gain distributions have been reinvested in the fund.

**offer (ask)** The lowest price at which an individual is willing to sell a security.

## Schwab Fundamental Index ETFs

**open** The price at which a security opened for trading on a given day.

**outstanding shares, shares outstanding** When speaking of the fund, indicates all shares currently held by investors.

**price-to-book ratio (P/B)** The market price of a company's stock compared with its "book value." A mutual fund's P/B is the weighted average of the P/B of all stocks in the fund's portfolio.

**price-to-earnings ratio (P/E)** The market price of a company's stock compared with earnings over the past year. A mutual fund's P/E is the weighted average of the P/E of all stocks in the fund's portfolio.

**primary market** The market that deals with the issuance of new securities.

**rights and warrants** Rights and warrants are types of securities that entitle the holder to purchase a proportionate amount of common stock at a specified price for a specific period of time. Rights allow a shareholder to buy more shares directly from the company, usually at a price somewhat lower than the current market price of the outstanding shares. Warrants are usually issued with bonds and preferred stock. Rights and warrants can trade on the market separately from the company's stock. The prices of rights and warrants do not necessarily move parallel to the prices of the underlying common stock. Rights usually expire within a few weeks of issuance, while warrants may not expire for several years. If a right or warrant is not exercised within the specified time period, it will become worthless and a fund will lose the purchase price it paid for the right or warrant and the right to purchase the underlying security.

**Russell 1000 Index** An index that measures the performance of the 1,000 largest companies in the Russell 3000 Index, and represents approximately 92% of the total market capitalization of the Russell 3000 Index. The Russell 3000 Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market.

**Russell 2000 Index** An index that measures the performance of the 2,000 smallest companies in the Russell 3000 Index. The Russell 3000 Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market.

**Russell RAFI Developed ex US Large Company Index (Net)** An index that ranks developed ex-U.S. companies in the FTSE Global Total Cap Index by fundamental measures of size and tracks the performance of those companies whose fundamental scores are in the top 87.5%. The index uses a partial quarterly reconstitution methodology in which the index is split into four equal segments at the annual reconstitution and each segment is then rebalanced on a rolling quarterly basis. The Net series reduces index performance by adjusting for local taxes. Selecting the developed ex-U.S. companies in the FTSE Global Total Cap Index measures the performance of the largest investable securities in developed countries globally, excluding companies assigned to the United States.

**Russell RAFI Developed ex US Small Company Index (Net)** An index that ranks developed ex-U.S. companies in the FTSE Global Total Cap Index by fundamental measures of size and tracks the performance of those companies whose fundamental scores rank below the 87.5% threshold. The index uses a partial quarterly reconstitution methodology in which the index is split into four equal segments at the annual reconstitution and each segment is then rebalanced on a rolling quarterly basis. The Net series reduces index performance by adjusting for local taxes. Selecting the developed ex-U.S. companies in the FTSE Global Total Cap Index measures the performance of the

**Russell RAFI Emerging Markets Large Company Index (Net)** An index that ranks emerging market companies in the FTSE Global Total Cap Index by measures of fundamental size and tracks the performance of those companies whose fundamental scores are in the top 87.5%. The index uses a partial quarterly reconstitution methodology in which the index is split into four equal segments at the annual reconstitution and each segment is then rebalanced on a rolling quarterly basis. The Net series reduces index performance by adjusting for local taxes. Selecting the emerging companies in the FTSE Global Total Cap Index measures the performance of the investable securities in emerging countries globally.

**Russell RAFI US Index** An index that selects, ranks, and weights securities by fundamental measures of company size rather than market capitalization. The index measures the performance of the constituent companies by fundamental overall company scores, which are created using as the universe U.S. companies in the FTSE Global Total Cap Index. Securities are grouped in order of decreasing company score and each company receives a weight based on its percentage of the total scores of the companies. The index uses a partial quarterly reconstitution methodology in which the index is split into four equal segments at the annual reconstitution and each segment is then rebalanced on a rolling quarterly basis.

**Russell RAFI US Large Company Index** An index that ranks U.S. companies in the FTSE Global Total Cap Index. The Russell RAFI US Large Company Index includes only those securities that are members of the U.S. portion whose fundamental scores are in the top 87.5%. The index uses a partial quarterly reconstitution methodology in which the index is split into four equal segments at the annual reconstitution and each segment is then rebalanced on a rolling quarterly basis.

**Russell RAFI US Small Company Index** An index that ranks U.S. companies in the FTSE Global Total Cap Index. The Russell RAFI US Small Company Index includes only those securities that are members of the U.S. portion and rank below the 87.5% fundamental score threshold. The index uses a partial quarterly reconstitution methodology in which the index is split into four equal segments at the annual reconstitution and each segment is then rebalanced on a rolling quarterly basis.

**S&P 500 Index** An index that is designed to measure the performance of 500 leading publicly traded companies from a broad range of industries.

**S&P Developed ex-U.S. Small Cap Index (Net)** An index composed of the stocks representing the lowest 15% of float-adjusted market cap in each developed market country, excluding the U.S. The returns are calculated applying dividend withholding rates applicable to non-resident persons who do not benefit from double taxation treaties.

**sampling** If a fund uses a sampling method, the fund will not fully replicate the benchmark index and may hold securities not included in the index. A fund that utilizes a sampling approach may not track the return of the index.

**secondary market** The market in which investors purchase securities from other investors rather than directly from the issuing companies. Organized exchanges facilitate the trading of securities in the secondary market.

**spread** The gap between bid and ask prices of a security.

**stock** A share of ownership, or equity, in the issuing company.

**smallest investable securities in developed countries globally, excluding companies assigned to the United States.**

**total return** The percentage that an investor would have earned or lost on an investment in the fund assuming dividends and distributions were reinvested.

**tracking error** The difference between the performance of the fund and its benchmark index, positive or negative.

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## Schwab Fundamental Index ETFs

# Schwab ETFs

Schwab ETFs are designed to serve as simple low-cost core investment products for a diversified portfolio. These ETFs seek to provide consistent, repeatable performance through a variety of investment strategies that span the equity and fixed income spectrum. The list below shows all currently available Schwab ETFs.

**Investors should carefully consider information contained in the prospectus, or if available, the summary prospectus, including investment objectives, risks, charges and expenses before investing. Please call 1-877-824-5615 for a prospectus for any Schwab ETF. Please read the prospectus carefully before you invest. This report must be preceded or accompanied by a current prospectus.**

### Proxy Voting Policies, Procedures and Results

A description of the proxy voting policies and procedures used to determine how to vote proxies on behalf of the funds is available without charge, upon request, by visiting the Schwab ETFs' website at [www.schwabassetmanagement.com/schwabetfs\\_prospectus](http://www.schwabassetmanagement.com/schwabetfs_prospectus), the SEC's website at [www.sec.gov](http://www.sec.gov), or by contacting Schwab ETFs at 1-877-824-5615.

Information regarding how a fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available, without charge, by visiting the fund's website at [www.schwabassetmanagement.com/schwabetfs\\_prospectus](http://www.schwabassetmanagement.com/schwabetfs_prospectus) or the SEC's website at [www.sec.gov](http://www.sec.gov).

## Schwab ETFs

### U.S. ETFs

Schwab U.S. Broad Market ETF  
Schwab 1000 Index<sup>®</sup> ETF  
Schwab U.S. Large-Cap ETF  
Schwab U.S. Large-Cap Growth ETF  
Schwab U.S. Large-Cap Value ETF  
Schwab U.S. Mid-Cap ETF  
Schwab U.S. Small-Cap ETF  
Schwab U.S. Dividend Equity ETF  
Schwab U.S. REIT ETF

### International ETFs

Schwab International Dividend Equity ETF  
Schwab International Equity ETF  
Schwab International Small-Cap Equity ETF  
Schwab Emerging Markets Equity ETF

### Fixed-Income ETFs

Schwab U.S. TIPS ETF  
Schwab Short-Term U.S. Treasury ETF  
Schwab Intermediate-Term U.S. Treasury ETF  
Schwab Long-Term U.S. Treasury ETF  
Schwab U.S. Aggregate Bond ETF  
Schwab 1-5 Year Corporate Bond ETF  
Schwab 5-10 Year Corporate Bond ETF

### Fundamental Index\* ETFs

Schwab Fundamental U.S. Broad Market Index ETF  
Schwab Fundamental U.S. Large Company Index ETF  
Schwab Fundamental U.S. Small Company Index ETF  
Schwab Fundamental International Large Company Index ETF  
Schwab Fundamental International Small Company Index ETF  
Schwab Fundamental Emerging Markets Large Company Index ETF

### Active, Semi-Transparent (Also Known As Non-Transparent) ETF

Schwab Ariel ESG ETF

### Investment Adviser

Charles Schwab Investment Management, Inc., dba Schwab Asset Management  
211 Main Street, San Francisco, CA 94105

### Schwab ETFs

1-877-824-5615  
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\* FUNDAMENTAL INDEX is a registered trademark of Research Affiliates LLC.

**The Schwab Ariel ESG ETF is different from traditional ETFs. Traditional ETFs tell the public what assets they hold each day. This fund will not. This may create additional risks for your investment. For example:**

- You may have to pay more money to trade the fund's shares. This fund will provide less information to traders, who tend to charge more for trades when they have less information.
- The price you pay to buy fund shares on an exchange may not match the value of the fund's portfolio. The same is true when you sell shares. These price differences may be greater for this fund compared to other ETFs because it provides less information to traders.
- These additional risks may be even greater in bad or uncertain market conditions.



- The ETF will publish on its website each day a “Proxy Portfolio” designed to help trading in shares of the ETF. While the Proxy Portfolio includes some of the ETF’s holdings, it is not the ETF’s actual portfolio.

The differences between this fund and other ETFs may also have advantages. By keeping certain information about the fund secret, this fund may face less risk that other traders can predict or copy its investment strategy. This may improve the fund’s performance. If other traders are able to copy or predict the fund’s investment strategy, however, this may hurt the fund’s performance.

For additional information regarding the unique attributes and risks of the fund, see *Proxy Portfolio Risk*, *Premium/Discount Risk*, *Trading Halt Risk*, *Authorized Participant Concentration Risk*, *Tracking Error Risk* and *Shares of the Fund May Trade at Prices Other Than NAV* in the *Principal Risks* and *Proxy Portfolio* and *Proxy Overlap* sections of the prospectus and/or the Statement of Additional Information. These risks are discussed on the next page.

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## Schwab Fundamental Index ETFs

Active semi-transparent ETFs operate differently from other exchange-traded funds (ETFs). Unlike other ETFs, an active semi-transparent ETF does not publicly disclose its entire portfolio composition each business day, which may affect the price at which shares of the ETF trade in the secondary market. Active semi-transparent ETFs have limited public trading history. There can be no assurance that an active trading market will develop, be maintained or operate as intended. There is a risk that the market price of an active semi-transparent ETF may vary significantly from the ETF's net asset value and that its shares may trade at a wider bid/ask spread and, therefore, cost investors more to trade than shares of other ETFs. These risks are heightened during periods of market disruption or volatility.

**Proxy Portfolio Risk:** Unlike traditional ETFs, this fund does not disclose its portfolio holdings (Actual Portfolio) daily. The fund instead posts a Proxy Portfolio on its website each day. The Proxy Portfolio is designed to reflect the economic exposures and risk characteristics of the fund's actual holdings on each trading day, but it is not the same as the fund's Actual Portfolio. Although the Proxy Portfolio is intended to provide investors with enough information to allow for an effective arbitrage mechanism that will keep the market price of the Fund at or close to the underlying NAV per Share of the Fund, there is a risk (which may increase during periods of market disruption or volatility) that market prices will vary significantly from the underlying NAV of the fund. ETF trading on the basis of a published Proxy Portfolio may trade at a wider bid/ask spread than ETFs that publish their portfolios on a daily basis, especially during periods of market disruption or volatility, and therefore may cost investors more to trade. Also, while the Fund seeks to benefit from keeping its portfolio information secret, market participants may attempt to use the Proxy Portfolio to identify a Fund's trading strategy, which if successful, could result in such market participants engaging in certain predatory trading practices that may have the potential to harm the Fund and its shareholders.

**Proxy Portfolio Construction:** The Proxy Portfolio is designed to recreate the daily performance of the Actual Portfolio. This is achieved by performing a "Factor Model" analysis of the Actual Portfolio. The Factor Model is comprised of three sets of factors or analytical metrics: market-based factors, fundamental factors, and industry/sector factors. The fund uses a "Model Universe" to generate its Proxy Portfolio. The Model Universe is comprised of securities that the fund can purchase and will be a financial index or stated portfolio of securities from which fund investments will be selected. The results of the Factor Model analysis are then applied to the Model Universe. The Proxy Portfolio is then generated as a result of this Model Universe analysis with the Proxy Portfolio being a small sub-set of the Model Universe. The Factor Model is applied to both the Actual Portfolio and the Model Universe to construct the fund's Proxy Portfolio that performs in a manner substantially identical to the performance of its Actual Portfolio.

The Proxy Portfolio will only include investments the fund is permitted to hold. The fund's SAI contains more information on the Proxy Portfolio and its construction. Proxy Portfolio and Proxy Overlap Information regarding the contents of the Proxy Portfolio, and the percentage weight overlap between the holdings of the Proxy Portfolio and a Fund's Actual Portfolio holdings that formed the basis for its calculation of NAV at the end of the prior Business Day (the Portfolio Overlap), is available by visiting the fund's website [www.schwabassetmanagement.com](http://www.schwabassetmanagement.com).

Because environmental, social and governance (ESG) strategies exclude some securities, ESG-focused products may not be able to take advantage of the same opportunities or market trends as products that do not use such strategies. Additionally, the criteria used to select companies for investment may result in investing in securities, industries or sectors that underperform the market as a whole.

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**Item 2: Code of Ethics.**

- (a) Registrant has adopted a code of ethics that applies to its principal executive officer, principal financial officer, and any other persons who perform a similar function, regardless of whether these individuals are employed by Registrant or a third party.
- (c) During the period covered by the report, no amendments were made to the provisions of this code of ethics.
- (d) During the period covered by the report, Registrant did not grant any waivers, including implicit waivers, from the provisions of this code of ethics.
- (f)(1) Registrant has filed this code of ethics as an exhibit pursuant to Item 13(a)(1) of Form N-CSR.

**Item 3: Audit Committee Financial Expert.**

Registrant's Board of Trustees has determined that Kiran M. Patel, Kimberly S. Patmore and J. Derek Penn, each currently serving on its audit, compliance and valuation committee, are each an "audit committee financial expert," as such term is defined in Item 3 of Form N-CSR. Each member of Registrant's audit, compliance and valuation committee is "independent" under the standards set forth in Item 3 of Form N-CSR.

The designation of each of Mr. Patel, Ms. Patmore and Mr. Penn as an “audit committee financial expert” pursuant to Item 3 of Form N-CSR does not (i) impose upon such individual any duties, obligations, or liability that are greater than the duties, obligations and liability imposed upon such individual as a member of Registrant’s audit, compliance and valuation committee or Board of Trustees in the absence of such designation; and (ii) affect the duties, obligations or liability of any other member of Registrant’s audit, compliance and valuation committee or Board of Trustees.

**Item 4: Principal Accountant Fees and Services.**

Registrant is composed of twenty-seven operational series. Seven series have a fiscal year-end of the last day of February, whose annual financial statements are reported in Item 1, one has a fiscal year-end of March 31, twelve series have a fiscal year-end of August 31, and seven series have a fiscal year-end of December 31. Principal accountant fees disclosed in Items 4(a)-(d) and 4(g) include fees billed for services rendered to each of the twenty-seven operational series during 2021/2022 and the twenty-five operational series during 2020/2021, based on their respective 2021/2022 and 2020/2021 fiscal years, as applicable.

The following table presents fees billed by the principal accountant in each of the last two fiscal years for the services rendered to the Funds:

(a) Audit Fees <sup>1</sup>		(b) Audit-Related Fees		(c) Tax Fees <sup>2</sup>		(d) All Other Fees	
Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021
\$468,400	\$450,900	\$ 0	\$ 0	\$83,700	\$77,500	\$ 0	\$ 0

- 1 The nature of the services includes audit of the registrant’s annual financial statements and normally provided services in connection with regulatory filings for those fiscal years.
- 2 The nature of the services includes tax compliance, tax advice and tax planning.

(e) (1) Registrant’s audit, compliance and valuation committee does not have pre-approval policies and procedures as described in paragraph (c)(7) of Rule 2-01 of Regulation S-X.

(2) There were no services described in each of paragraphs (b) through (d) above (including services required to be approved by Registrant’s audit, compliance and valuation committee pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X) that were approved by Registrant’s audit, compliance and valuation committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

(f) Not applicable.

(g) Below are the aggregate non-audit fees billed in each of the last two fiscal years by Registrant’s principal accountant for services rendered to Registrant, to Registrant’s investment adviser, and to any entity controlling, controlled by, or under common control with Registrant’s investment adviser that provides ongoing services to Registrant.

2021/2022: \$2,523,317

2020/2021: \$4,326,956

(h) During the past fiscal year, all non-audit services provided by Registrant’s principal accountant to either Registrant’s investment adviser or to any entity controlling, controlled by, or under common control with Registrant’s investment adviser that provides ongoing services to Registrant were pre-approved. Included in the audit, compliance and valuation committee’s pre-approval was the review and consideration as to whether the provision of these non-audit services is compatible with maintaining the principal accountant’s independence.

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**Item 5: Audit Committee of Listed Registrants.**

The Registrant is a listed issuer as defined in Rule 10A-3 under the Exchange Act and has separately-designated standing audit, compliance and valuation committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Registrant's audit, compliance and valuation committee members are Kiran M. Patel, J. Derek Penn and Kimberly S. Patmore.

**Item 6: Schedule of Investments.**

The schedules of investments are included as part of the report to shareholders filed under Item 1 of this Form.

**Item 7: Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

Not applicable.

**Item 8: Portfolio Managers of Closed-End Management Investment Companies.**

Not applicable.

**Item 9: Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.**

Not applicable.

**Item 10: Submission of Matters to a Vote of Security Holders.**

Not applicable.

**Item 11: Controls and Procedures.**

- (a) Based on their evaluation of Registrant's disclosure controls and procedures, as of a date within 90 days of the filing date, Registrant's Chief Executive Officer, Jonathan de St. Paer and Registrant's Chief Financial Officer, Mark Fischer, have concluded that Registrant's disclosure controls and procedures are: (i) reasonably designed to ensure that information required to be disclosed in this report is appropriately communicated to Registrant's officers to allow timely decisions regarding disclosures required in this report; (ii) reasonably designed to ensure that information required to be disclosed in this report is recorded, processed, summarized and reported in a timely manner; and (iii) are effective in achieving the goals described in (i) and (ii) above.
- (b) During the period covered by this report, there have been no changes in Registrant's internal control over financial reporting that the above officers believe to have materially affected, or to be reasonably likely to materially affect, Registrant's internal control over financial reporting.

**Item 12: Disclosure of Securities Lending Activities for Closed-End Management Investment Companies.**

Not applicable.



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**Item 13: Exhibits.**

- (a) (1) [Registrant's code of ethics \(that is the subject of the disclosure required by Item 2\(a\)\) is attached.](#)
- (2) [Separate certifications for Registrant's principal executive officer and principal financial officer, as required by Rule 30a-2\(a\) under the 1940 Act, are attached.](#)
- (3) Not applicable.
- (b) [A certification for Registrant's principal executive officer and principal financial officer, as required by Rule 30a-2\(b\) under the 1940 Act, is attached. This certification is being furnished to the Securities and Exchange Commission solely pursuant to 18 U.S.C. section 1350 and is not being filed as part of the Form N-CSR with the Commission.](#)

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Schwab Strategic Trust - Schwab U.S. REIT ETF and Schwab Fundamental Index ETFs

By: /s/ Jonathan de St. Paer  
Jonathan de St. Paer  
Chief Executive Officer

Date: April 18, 2022

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Jonathan de St. Paer  
Jonathan de St. Paer  
Chief Executive Officer

Date: April 18, 2022

By: /s/ Mark Fischer  
Mark Fischer  
Chief Financial Officer

Date: April 18, 2022

## CODE OF BUSINESS CONDUCT AND ETHICS FOR PRINCIPAL EXECUTIVE AND SENIOR FINANCIAL OFFICERS

## SCHWAB FUNDS:

THE CHARLES SCHWAB FAMILY OF FUNDS  
 SCHWAB INVESTMENTS  
 SCHWAB CAPITAL TRUST  
 SCHWAB ANNUITY PORTFOLIOS

## LAUDUS FUNDS:

LAUDUS TRUST

## SCHWAB ETFs:

SCHWAB STRATEGIC TRUST

**I. SCOPE**

This Code of Business Conduct and Ethics (the “Code”) for the Schwab Funds, Laudus Funds and Schwab ETFs (the “Funds”) covers the Principal Executive Officer and Principal Financial Officer and any other officers who serve a similar function (each an “Officer”) of all of the investment companies within the Funds’ complex and applies to their service to the Funds.

**II. INTRODUCTION**

The Funds are committed to the highest standards of ethical conduct. The Code consists of an outline of policies regarding conduct pertaining to legal compliance, personal conflicts of interest, confidentiality and privacy, and certain business practices. You are responsible for reviewing the Code and for acting in compliance with the Code in your daily activities.

The Code is not exhaustive; it provides guidance for carrying out your responsibilities on behalf of the Funds and observing the highest standards of ethical conduct. Because the Code does not address every possible situation that may arise, you are responsible for exercising good judgment, applying ethical principles, and raising questions when in doubt. Your integrity and good judgment reflect on the Funds’ brand and reputation, and are the foundation of trust for our shareholder and business relationships.

If you are unsure of what to do in any situation or how to interpret the provisions of the Code, seek guidance before you act. Use the Funds’ resources, including the Chief Legal Officer or the Chief Compliance Officer. If you feel that it is not appropriate to discuss a matter with the Chief Legal Officer or the Chief Compliance Officer, you may contact the Ombudsperson for The Charles Schwab Corporation.

## CONTACT INFORMATION

Title	Name	Phone Number
Chief Compliance Officer	Michael F. Hogan	415-667-1987
Chief Legal Officer of Schwab Funds, Laudus Funds and Schwab ETFs	Catherine MacGregor	415-667-0650
The Charles Schwab Corporation Ombudsperson	Scott Ferber, Esq, King & Spalding	(202) 626-9550

**III. POLICIES**

In executing your responsibilities on behalf of the Funds, your conduct should reflect positively on the Funds. A strong personal sense of ethics should always play a significant role in guiding you towards a proper course of action. The appearance of impropriety can be as harmful to the Funds’ reputation as improper conduct.

The information contained herein is the property of Charles Schwab and may not be copied, used or disclosed in whole or in part, stored in a retrieval system or transmitted in any form or by any means (electronic, mechanical, reprographic, recording, or otherwise) outside of Charles Schwab without prior permission of the Mutual Fund’ s Chief Compliance Officer or his/her designee.

The Funds' business is subject to various laws, rules and regulations, including federal securities and state and local laws. Although you are not expected to know the details of the myriad of laws governing our business, you are expected to be familiar with and comply with policies and procedures that apply to your business unit and complete any required training that applies to you (e.g., training regarding privacy or anti-money laundering).

#### A. PERSONAL CONFLICTS OF INTEREST

It is important that you do not place yourself in a position that would cloud your judgment in carrying out the business affairs of the Funds. A "personal conflict of interest" occurs when your private interest interferes in any way – or even appears to interfere – with the interests of the Funds. You have a duty to report any material transaction or relationship to the Chief Compliance Officer that reasonably could be expected to be or to create a conflict of interest with the Funds.

Officers, in addition to their obligation to the Funds, may also be an officer or employee of CSIM or a CSIM affiliate. As a result, this Code recognizes that the Officers will, in the normal course of their duties (whether formally for the Funds, for CSIM, for CSIM's affiliate or for more than one entity), be involved in establishing policies and implementing decisions that will have different effects on CSIM, CSIM's affiliates and the Funds. The participation of the Officers in such activities is inherent in the contractual relationship between the Funds and CSIM and is consistent with the performance by the Officers of their duties as officers of the Funds. Thus, if performed in conformity with the provisions of the Investment Company Act of 1940, as amended (the "1940 Act"), and the Investment Advisers Act of 1940, as amended (the "Advisers Act"), such activities will be deemed under the Code to have been handled ethically. In addition, it is recognized by the Trustees that the Officers may also be officers or employees of one or more other investment companies covered by this or other codes.

#### B. INSIDE INFORMATION

Do not trade on inside information or disclose inside information to anyone except those who have a need to know it in order to fulfill their responsibilities for the Funds and in accordance with the Funds' policy. This applies to information regarding the Funds, The Charles Schwab Corporation and its subsidiaries, and any other publicly traded company.

Generally, material information is any information that an investor would likely consider important in deciding whether to buy, sell or hold securities or that could affect the market price of the securities. Examples include actual or estimated financial results or change in dividends; significant discoveries or product developments; possible mergers, acquisitions or divestitures; major changes in business strategies; obtaining or losing significant contracts; and threatened major litigation or related developments. If you have or receive information and are unsure whether it is within the definition of inside information or whether its release might be contrary to a fiduciary or other obligation, contact the Chief Compliance Officer prior to disclosing any such information.

You must not use the Funds' non-public holdings or transactions information in any way to influence your trades or the trades of other shareholders, including those of other employees, officers and directors. Trading ahead of shareholder or the Funds' transactions (frontrunning) and following shareholder or the Funds' transactions (piggybacking or shadowing) is prohibited.

#### C. ACCEPTANCE OF GIFTS OR ENTERTAINMENT

You must not accept gifts or entertainment from shareholders, vendors, suppliers, competitors or other employees where they present a conflict of interest or create the appearance of impropriety.

**The information contained herein is the property of Charles Schwab and may not be copied, used or disclosed in whole or in part, stored in a retrieval system or transmitted in any form or by any means (electronic, mechanical, reprographic, recording, or otherwise) outside of Charles Schwab without prior permission of the Mutual Fund's Chief Compliance Officer or his/her designee.**

You must adhere to the CSIM and The Charles Schwab Corporation policies regarding gifts and entertainment, and apply the more stringent restrictions. In addition, if you are an employee of another CSIM affiliate you must also adhere to that affiliate's policies regarding gifts and entertainment, and apply the more stringent restrictions.

#### D. CONFIDENTIALITY OF INFORMATION AND PRIVACY

Information concerning the identity of the Funds' underlying shareholders and their transactions and accounts is confidential. Such information may not be disclosed to persons working on behalf of the Funds except as they may need to know it in order to fulfill their responsibilities to the Funds. You may not disclose such information to anyone or any firm outside the Funds unless (i) the outside firm needs to know the information in order to perform services for the Funds and is bound to maintain its confidentiality; (ii) when the shareholder has consented or been given an opportunity to request that the information not be shared; (iii) as required by law; or (iv) as authorized by the Chief Legal Officer or Chief Compliance Officer.

The Funds are committed to safeguarding their customers' privacy. We do not sell any personally identifiable customer information. Sharing of such information with third parties is limited to situations related to the processing and servicing of customer accounts, and to specifically delineated exceptions in the federal privacy law. We share information with our affiliates to the extent permitted by federal law. You must be familiar with the procedural and systemic safeguards we maintain to protect this information.

You have the responsibility to safeguard the Funds' proprietary information. Proprietary information includes intellectual property (copyrights, trademarks or patents or trade secrets), particular know-how (business or organizational designs, or business, marketing or service plans or ideas) and sensitive information about the Funds (databases, records, salary information or unpublished financial reports).

#### E. PROTECTION AND USE OF FUNDS' ASSETS

You are obligated to protect the Funds' assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Funds. The Funds' equipment should not be used for non-Funds' business, though incidental personal use may be permitted.

#### F. FINANCIAL DISCLOSURES

The Funds are committed to providing full, fair, accurate, timely and understandable disclosure in reports and documents that the Funds file with, or submit to, the Securities and Exchange Commission and other regulatory agencies and in other public communications made by the Funds. You are required to comply with the Funds' policies and procedures to provide such full, fair, accurate, timely and understandable disclosure.

#### G. CONDUCT OF AUDITS

Neither you nor any other person acting under your direction shall directly or indirectly take any action to fraudulently influence, coerce, manipulate, or mislead any independent public or certified public accountant engaged in the performance of an audit or review of the Funds' financial statements.

Types of conduct that constitute improper influence include, but are not limited to, directly or indirectly:

- Offering or paying bribes or other financial incentives, including offering future employment or contracts for non-audit services

- Providing an auditor with inaccurate or misleading legal analysis

**The information contained herein is the property of Charles Schwab and may not be copied, used or disclosed in whole or in part, stored in a retrieval system or transmitted in any form or by any means (electronic, mechanical, reprographic, recording, or otherwise) outside of Charles Schwab without prior permission of the Mutual Fund's Chief Compliance Officer or his/her designee.** 3

Threatening to cancel or canceling existing non-audit or audit engagements if the auditor objects to the issuer's accounting  
Seeking to have a partner removed from the audit engagement because the partner objects to the Funds' accounting  
Blackmailing  
Making physical threats

#### H. RECORDKEEPING

You must be familiar with the Funds' record retention policies and always retain or destroy records according to them. In the event of litigation, governmental investigation or the threat of such action, you should consult the Chief Legal Officer or the Chief Compliance Officer regarding record retention.

The Funds' books, records and accounts must conform both to applicable legal requirements and to the Funds' internal controls and policies.

Unrecorded or "off-the-books" funds or assets are prohibited unless permitted by applicable law or regulation. Business records must not contain exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies. This applies equally to email, internal memoranda, formal reports, and all other forms of business records.

#### I. SALES PRACTICES

If you transact business for shareholders, you are required to know and observe the Funds' specific policies and procedures for shareholder sales and transactions, such as the content and use of sales materials, documentation for transactions, quotations and suitability. Likewise, if you transact business with third parties (such as vendors or suppliers), you will be required to know and observe the Funds' policies and procedures for such transactions, such as marketing policies, procedures for performing due diligence on third parties, and obtaining proper authorizations for any agreements. You must be familiar with any enumerated policies and procedures governing your sales activities and use good judgment in complying with them.

#### J. COMPETITION AND FAIR DEALING

We operate our business fairly and honestly. We seek competitive advantage through performance and never through unethical or illegal business practices. It is our policy to comply with anti-trust laws. These laws are complex and not easily summarized, but at a minimum require that there be no agreement or understanding between the Funds and their competitors that affect prices, terms or conditions of sale or that unreasonably restrain full and fair competition. You must always respect the rights of and deal fairly with the Funds' shareholders and competitors. You must never take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

#### K. PROHIBITION OF BRIBERY AND KICKBACKS

Our policies prohibit bribery or kickbacks of any kind and to anyone in the conduct of our business. The U.S. government has a number of laws and regulations applicable specifically to business gratuities that may be offered to or accepted by U.S. and foreign government personnel. The promise, offer or delivery to an official or employee of the U.S. government or an official, employee or candidate of a foreign government of a gift, favor, payment or other gratuity in violation of these rules would not only violate the Funds' policy but could also be a criminal offense. Similarly, federal law, as well as the laws of many states, prohibits engaging in "commercial bribery." Commercial bribery involves soliciting, demanding or agreeing to accept anything of value from any person intending to influence or be rewarded in connection with any business or transaction, and prohibits all such behavior, for example, with respect to vendors, competitors, shareholders, and government employees.

**The information contained herein is the property of Charles Schwab and may not be copied, used or disclosed in whole or in part, stored in a retrieval system or transmitted in any form or by any means (electronic, mechanical, reprographic, recording, or otherwise) outside of Charles Schwab without prior permission of the Mutual Fund's Chief Compliance Officer or his/her designee.** 4

**L. WAIVERS**

Waivers of the Code may be made only by the Trustees, and will be promptly disclosed publicly as required by law.

**M. CODE AMENDMENTS**

This Code may not be amended except in written form, which is specifically approved or ratified by a majority of the Trustees including a majority of the independent Trustees. Any amendments will, to the extent required, be disclosed in accordance with law.

**N. CONFIDENTIALITY**

All reports and records prepared or maintained pursuant to this Code will be considered confidential and shall be maintained and protected accordingly. Except as otherwise required by law or this Code, such matters shall not be disclosed to anyone other than the Trustees, CSIM, The Charles Schwab Corporation and their respective counsel. However, nothing contained in this Code or in any applicable employment or severance agreement(s) should be interpreted as prohibiting employees or former employees from voluntarily communicating with the Securities and Exchange Commission or other authorities regarding possible violations of law or from recovering a whistleblower award.

**IV. ESCALATION AND PROHIBITION AGAINST RETALIATION**

If you know of, or reasonably believe there is, a violation of this Code, you must report that information immediately to the Funds' Chief Compliance Officer. Depending on the possible violation, you may also be required to report it pursuant to The Charles Schwab Corporation Code of Business Conduct and CSIM and/or CSIM' s affiliate' s compliance policies and procedures. You should not conduct preliminary investigations unless authorized to do so by the Compliance Department.

No Officer will be retaliated against for making a good faith complaint or for bringing inappropriate conduct to the attention of the Funds' personnel, Ombudsperson of The Charles Schwab Corporation or Trustees, for assisting another employee or applicant in making a good faith report, for cooperating in an investigation, or for filing an administrative claim with a state or federal governmental agency. Any Officer who in good faith raises an issue regarding a possible violation of law, regulation or company policy or any suspected illegal or unethical behavior will be protected from retaliation.

If you have violated the Code, however, making a report will not protect you from the consequences of your actions. You can be subject to discipline up to and including termination of employment if you violate the Code or fail to report violations that come to your attention.

Any employee who engages in retaliatory conduct in violation of our policies will be subject to disciplinary action, up to and including termination of employment. If you reasonably believe retaliatory conduct has occurred, you must report such conduct to the Funds' Chief Compliance Officer.

**V. PROCEDURES****A. OFFICERS**

Read and be familiar with conduct rules outlined in the Code, and periodically review them.

**The information contained herein is the property of Charles Schwab and may not be copied, used or disclosed in whole or in part, stored in a retrieval system or transmitted in any form or by any means (electronic, mechanical, reprographic, recording, or otherwise) outside of Charles Schwab without prior permission of the Mutual Fund' s Chief Compliance Officer or his/her designee.** 5

Affirm in writing to the Trustees that you have received, read and understand the Code.

Annually affirm to the Trustees that you have complied with the requirements of the Code.

Comply with the conduct standards outlined in this Code in all dealings and actions, including those with shareholders, the public, and vendors.

Report any material transaction or relationship to the Chief Compliance Officer that reasonably could be expected to be or to create a personal conflict of interest with the Funds.

Report in a timely manner to the Chief Compliance Officer any conduct that may constitute a violation of the Code, the Funds' policies, or laws, rules and regulations.

Raise questions or concerns about conduct issues with your supervisor, the Chief Legal Officer or Chief Compliance Officer, and seek advice when in doubt.

Cooperate with management during fact-finding investigations and comply with any confidentiality rules imposed.

#### B. CHIEF COMPLIANCE OFFICER

The Chief Compliance Officer, upon becoming notified of potential violation of this Code, will conduct, facilitate or delegate a review of the matter and will report to the Chairperson of the affected Fund' s Audit, Compliance and Valuation Committee any violations of this Code that he or she believes to be material.

The Chief Compliance Officer, upon becoming notified of a personal conflict of interest between an Officer and the Funds that the Chief Compliance Officer deems to be material, will report the issue to the Chairperson of the affected Fund' s Audit, Compliance and Valuation Committee and will work with the Chief Legal Officer and other appropriate parties to ensure that any required disclosures are made.

#### C. TRUSTEES

The Board of Trustees will consider appropriate action to address any violations of the Code that they deem to be material, which may include review of and appropriate modification to applicable policies and procedures, notification to appropriate personnel of CSIM or its board of directors, notification to appropriate personnel of The Charles Schwab Corporation or its board of directors, or a recommendation to dismiss the Officer.

### VI. REGULATORY AUTHORITY

This Code constitutes the sole code of ethics adopted by the Funds for purposes of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules and forms applicable to registered investment companies thereunder. Insofar as other policies or procedures of the Funds, CSIM, CSIM' s affiliates, The Charles Schwab Corporation or other Fund service providers govern or purport to govern the behavior or activities of an Officer who is subject to this Code, they are superseded by this Code to the extent that they conflict with the provisions of this Code. CSIM' s, the Funds' and Charles Schwab & Co. Inc.' s (as distributor) joint code of ethics under Rule 17j-1 pursuant to the 1940 Act and Rule 204A-1 of the Advisers Act, and CSIM' s, CSIM' s affiliates' , and The Charles Schwab Corporation' s policies and procedures set forth in their respective compliance manuals and elsewhere are separate requirements applying to the Officers and are not part of this Code.

#### VERSION HISTORY

Adopted Schwab and Laudus Funds: June 15, 2011, Schwab ETFs: August 4, 2011 Revised August 8, 2013; December 11, 2015; August 25, 2016; December 11, 2017; September 25, 2018 (no changes); December 12, 2019; November 3, 2020; October 7, 2021; February 24, 2022

END

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## CERTIFICATIONS

I, Jonathan de St. Paer, certify that:

1. I have reviewed this report on Form N-CSR for the following series of Schwab Strategic Trust: Schwab Fundamental U.S. Broad Market Index ETF, Schwab Fundamental U.S. Large Company Index ETF, Schwab Fundamental U.S. Small Company Index ETF, Schwab Fundamental International Large Company Index ETF, Schwab Fundamental International Small Company Index ETF, Schwab Fundamental Emerging Markets Large Company Index ETF, and Schwab U.S. REIT ETF;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosures and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed to the registrant's auditors and the audit committee of the registrant's Board of Trustees (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 18, 2022

/s/ Jonathan de St. Paer

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Jonathan de St. Paer  
Chief Executive Officer



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**CERTIFICATIONS**

I, Mark Fischer, certify that:

1. I have reviewed this report on Form N-CSR for the following series of Schwab Strategic Trust: Schwab Fundamental U.S. Broad Market Index ETF, Schwab Fundamental U.S. Large Company Index ETF, Schwab Fundamental U.S. Small Company Index ETF, Schwab Fundamental International Large Company Index ETF, Schwab Fundamental International Small Company Index ETF, Schwab Fundamental Emerging Markets Large Company Index ETF, and Schwab U.S. REIT ETF;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosures and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed to the registrant's auditors and the audit committee of the registrant's Board of Trustees (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 18, 2022

/s/ Mark Fischer

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Mark Fischer  
Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF THE  
SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report for the following series of Schwab Strategic Trust - Schwab Fundamental U.S. Broad Market Index ETF, Schwab Fundamental U.S. Large Company Index ETF, Schwab Fundamental U.S. Small Company Index ETF, Schwab Fundamental International Large Company Index ETF, Schwab Fundamental International Small Company Index ETF, Schwab Fundamental Emerging Markets Large Company Index ETF, and Schwab U.S. REIT ETF (the "Funds") on Form N-CSR for the period ended February 28, 2022 ("periodic report"), each of the undersigned, being the Chief Executive Officer and Chief Financial Officer, respectively, hereby certifies, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The periodic report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of the Funds for the period presented therein.

/s/ Jonathan de St. Paer Date: April 18, 2022  
Jonathan de St. Paer  
Chief Executive Officer

/s/ Mark Fischer Date: April 18, 2022  
Mark Fischer  
Chief Financial Officer

This certification is being furnished to the Securities and Exchange Commission solely pursuant to 18 U.S.C. section 1350 and is not being filed as part of the Form N-CSR with the Commission.