

Schwab ETF Model Portfolios

A+B Series

Enhanced risk/return potential

Schwab Asset Management

Schwab ETF Model Portfolios

Designed to stand the test of time.

Schwab ETF Model Portfolios A+B Series combines broadly diversified market exposures with the potentially benefits of Fundamental Index strategies.

The Schwab ETF Model Portfolios utilize a behavioral-based approach to investing, combining a rigorous analytical framework with a deep understanding of investor preferences and their inherent biases towards markets.

The portfolios are constructed with proprietary exchange-traded funds (ETFs), incorporating strategic beta, style, and sub-asset classes as a complement to traditional cap-weighted index strategies. The AB Series offers seven

models utilizing varying levels of asset class exposures to fit a range of client risk appetites and likely investor behaviors.

The models' underlying Schwab ETFs provide broad exposure to market segments. The asset class selection is driven by capital market expectations, investment style expectations, investor research, and qualitative and quantitative analysis.

A+B Series Key Takeaways:



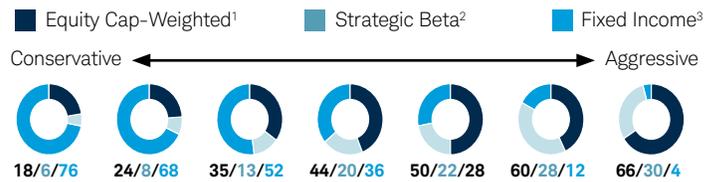
Advantages of adding fundamental weighted strategies:

Combining Schwab's suite of strategic beta ETFs, the Schwab Fundamental Index* ETFs, with other investment strategies may complement many of the positive attributes of traditional cap-weighted indexing. Cap-weighted indexes capture the momentum of the market, good or bad, while fundamental weighted strategies adds value by providing a relatively contrarian approach to investing and disciplined rebalancing.

- Combination may improve a portfolio's risk/return
- May enhance and diversify existing factor, holdings, sector and country exposures
- Additional portfolio diversification and cost-effective alpha potential
- May exhibit a dynamic value factor tilt

* Schwab is a registered trademark of Charles Schwab & Co., Inc. Fundamental Index is a registered trademark of Research Affiliates LLC.

Schwab ETF Model Portfolios A+B Series



Asset Class	Product	Ticker	Expense Ratio	18/6/76	24/8/68	35/13/52	44/20/36	50/22/28	60/28/12	66/30/4
Domestic Equity	Schwab U.S. Large-Cap ETF	SCHX	0.03%	6.4%	8.5%	11.6%	14.6%	15.8%	17.8%	18.5%
	Schwab U.S. Large-Cap Growth ETF	SCHG	0.04%	3.5%	4.7%	6.4%	8.3%	9.1%	10.4%	11.1%
	Schwab U.S. Small-Cap ETF	SCHA	0.04%	1.5%	1.7%	2.7%	2.3%	2.8%	4.0%	4.6%
	Schwab Fundamental U.S. Large Co Index ETF	FNDX	0.25%	4.0%	5.4%	7.5%	9.6%	10.4%	12.0%	12.7%
	Schwab Fundamental U.S. Small Co Index ETF	FNDA	0.25%	-	-	-	1.5%	1.9%	2.7%	3.1%
International Equity	Schwab International Equity ETF	SCHF	0.06%	4.6%	5.3%	8.5%	11.3%	12.7%	15.6%	17.1%
	Schwab Emerging Markets Equity ETF	SCHE	0.11%	-	-	1.5%	1.5%	2.3%	3.8%	4.6%
	Schwab International Small-Cap Equity ETF	SCHC	0.11%	-	1.5%	2.0%	2.8%	1.9%	2.9%	3.3%
	Schwab Fundamental International Large Co Index ETF	FNDF	0.25%	2.4%	2.7%	4.5%	6.1%	6.9%	8.5%	9.3%
	Schwab Fundamental Emerging Markets Large Co Index ETF	FNDE	0.39%	-	-	-	1.5%	1.6%	2.5%	3.0%
	Schwab Fundamental International Small Co Index ETF	FNDC	0.39%	-	-	-	-	1.5%	1.6%	1.9%
Real Assets	Schwab U.S. REIT ETF	SCHH	0.07%	1.6%	2.2%	3.3%	4.5%	5.1%	6.2%	6.8%
Fixed Income	Schwab U.S. Aggregate Bond ETF	SCHZ	0.04%	37.1%	35.1%	31.2%	28.0%	22.1%	8.0%	-
	Schwab Short-Term U.S. Treasury ETF	SCHO	0.04%	18.1%	14.7%	8.8%	4.0%	1.9%	-	-
	Schwab 5-10 Year Corporate Bond ETF	SCHI	0.04%	5.8%	4.7%	2.8%	-	-	-	-
	Schwab Intermediate-Term US Bond ETF	SCHR	0.04%	3.4%	2.7%	1.6%	-	-	-	-
Cash	Schwab U.S. TIPS ETF	SCHP	0.05%	7.6%	6.8%	3.6%	-	-	-	-
	Cash/Cash Equivalents*	-	-	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Average-Weighted Expense Ratio**				0.05%	0.06%	0.07%	0.08%	0.10%	0.11%	0.12%

Asset allocations shown are for illustrative purposes only and are subject to change without notice. They are not representative of any actual investment, strategy, or recommendation. Other ETFs may be appropriate for a given asset class and should be evaluated on a case-by-case basis.

1. Equity Cap-Weighted includes Real Assets.
2. In this allocation, strategic beta is represented by Fundamental Index strategies. Other strategic beta strategies may be appropriate for a client's particular situation.
3. Fixed Income includes Cash/Cash Equivalents.

*Cash/Cash Equivalents are provided in a set amount designed to meet levels typically required by various platform and model portfolio providers. The cash allocation can be adjusted based on applicable circumstances.

**Average-Weighted Expense Ratios as of December 31, 2021, Charles Schwab Investment Management. Expense ratios may change without notice.

Schwab Asset Management

Established expertise in multi-asset class investment management

- 30+ years in asset management with 675+ billion in AUM¹
- History of managing multi-asset portfolios since 2002
- Demonstrated asset allocation experience through multiple market cycles
- Robust multi-asset class investment management and oversight structure
- Multi-asset strategic investment team includes 23 professionals, including 5 PhDs and 13 CFA charterholders

1. As of December 31, 2021 Schwab Asset Management managed approximately \$635.8 billion on a discretionary basis and \$41.5 billion on a non-discretionary basis. Source: Schwab Asset Management



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Contact us

More Schwab ETF Model Portfolios resources are available through your Schwab Asset Management representative.

Call: **1-877-824-5615**

Schwab Asset Management

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Disclosures

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

Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Shares of ETFs are not individually redeemable directly with the ETF. Shares of ETFs are bought and sold at market price, which may be higher or lower than the net asset value (NAV).

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

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