

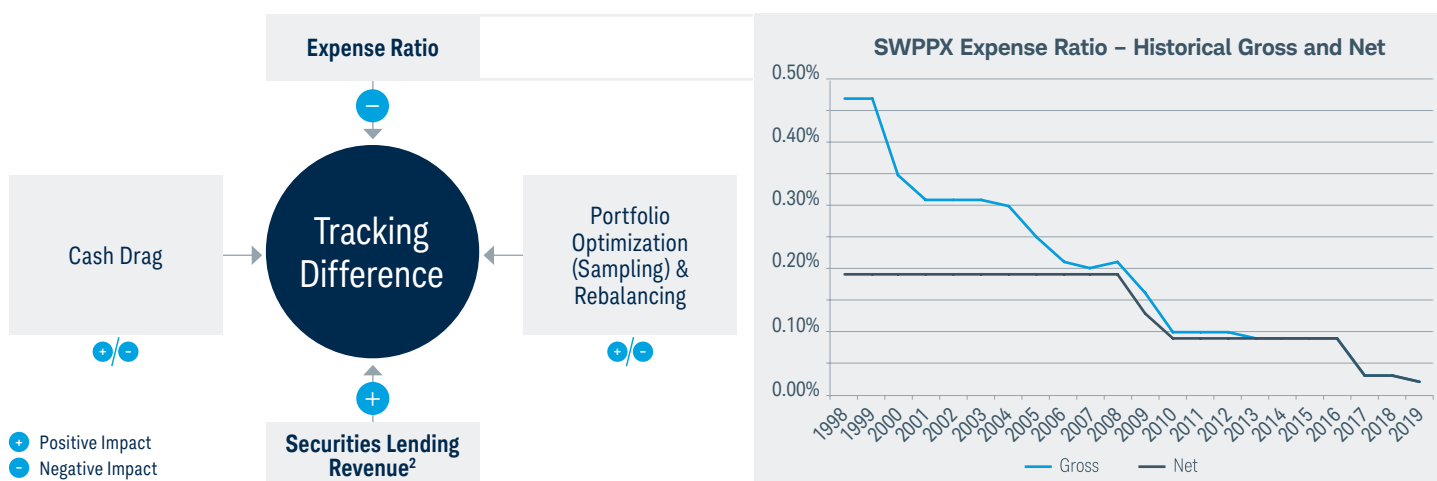
Schwab S&P 500 Index Fund (SWPPX)

Key Takeaways:

- On March 1, 2017, SWPPX's expense ratio was reduced from 0.09% to 0.03% and again on December 20, 2018, from 0.03% to 0.02%. This has contributed to a reduction in "expense drag" on the fund's net excess returns against the S&P 500 Index.
- SWPPX generally seeks to replicate the holdings of the S&P 500 Index¹

Factors Influencing an Index Fund's Tracking Difference

- The expense ratio is an explicit cost to the fund that impacts the Net Asset Value (NAV), creating "drag" on an index fund's net excess returns over its index (tracking difference)
- Lowering the expense ratio lowers the overall holding cost of the fund to the investor



Source: State Street, Morningstar Direct. Data as of 06/30/2019.

Manager vs. Benchmark Total Returns (%)

- SWPPX's excess return (net of fees) was -0.05%, for 1 year, as of June 30, 2019³

Schwab S&P 500 Index Fund ³ (SWPPX)	ANNUALIZED						
	YTD	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Schwab S&P 500 Index Fund (Gross of fees)	18.52	10.40	14.17	10.70	14.69	8.82	5.97
Schwab S&P 500 Index Fund (Net of fees) ⁴	18.51	10.37	14.13	10.63	14.61	8.70	5.83
S&P 500[®] Index	18.54	10.42	14.19	10.71	14.70	8.75	5.90
Excess Return – Gross of fees	-0.02	-0.02	-0.02	-0.01	-0.01	0.07	0.07
Excess Return – Net of fees	-0.03	-0.05	-0.06	-0.08	-0.09	-0.05	-0.07

Source: State Street, Morningstar Direct. Data as of 06/30/2019.

Performance data quoted represents past performance and is no guarantee of future results. Investment returns and principal value will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than performance data quoted. To obtain performance information current to the most recent month end, please visit www.schwabfunds.com.

For additional information

Visit: [schwabfunds.com](https://www.schwabfunds.com) Call: 877-824-5615

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

¹ The fund generally gives the same weight to a given stock as the index does. However, when the investment adviser believes it is in the best interest of the fund, such as to avoid purchasing odd-lots, for tax considerations, or to address liquidity considerations with respect to a stock, the investment adviser may cause the fund's weighting of a stock to be more or less than the index's weighting of the stock.

² 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. The fund does not seek to profit from securities lending as a means to justify lower pricing. Instead, 100% of securities lending revenue (net of costs and expenses) is returned to the fund for the benefit of shareholders.

³ Rounded to the nearest one-hundredth of a percent (basis point).

⁴ The fund's total annual operating expenses are 0.02%, as stated in the prospectus. These figures may differ from those presented in a fund's shareholder report. The fund has a unitary fee structure.

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