



Asset
Management

Annual Report | February 28, 2025
Schwab U.S. REIT ETF

Ticker Symbol: SCHH
Principal U.S. Listing Exchange: NYSE Arca, Inc.

This annual shareholder report contains important information about the fund for the period of March 1, 2024, to February 28, 2025. You can find additional information about the fund at www.schwabassetmanagement.com/prospectus. You can also request this information by calling 1-866-414-6349 or by sending an email request to orders@mysummaryprospectus.com. If you purchase or hold fund shares through a financial intermediary, the fund's prospectus, Statement of Additional Information (SAI), reports to shareholders and other information about the fund are available from your financial intermediary.

FUND COSTS FOR THE LAST YEAR ENDED FEBRUARY 28, 2025 (BASED ON A HYPOTHETICAL \$10,000 INVESTMENT)

	COSTS OF A \$10,000 INVESTMENT	COSTS PAID AS A PERCENTAGE OF A \$10,000 INVESTMENT
Schwab U.S. REIT ETF	\$7	0.07%

MANAGEMENT'S DISCUSSION OF FUND PERFORMANCE

For the 12-month reporting period ended February 28, 2025, the fund's NAV return was 13.75% (for an explanation of NAV returns, please refer to footnote 3 on the following page). The S&P 500[®] Index, which serves as the fund's regulatory index and provides a broad measure of market performance, returned 18.41%. The fund generally invests in securities that are included in the Dow Jones Equity All REIT Capped Index which returned 13.87% during the same period. The fund does not seek to track the regulatory index. Differences between the return of the fund and the return of the Dow Jones Equity All REIT Capped Index may be attributable to, among other things, the operational and transactional costs incurred by the fund and not the index.

Top detractors from total return:

- Hotel & resort REITs sub-industry securities, including Host Hotels & Resorts, Inc.
- Industrial REITs sub-industry securities

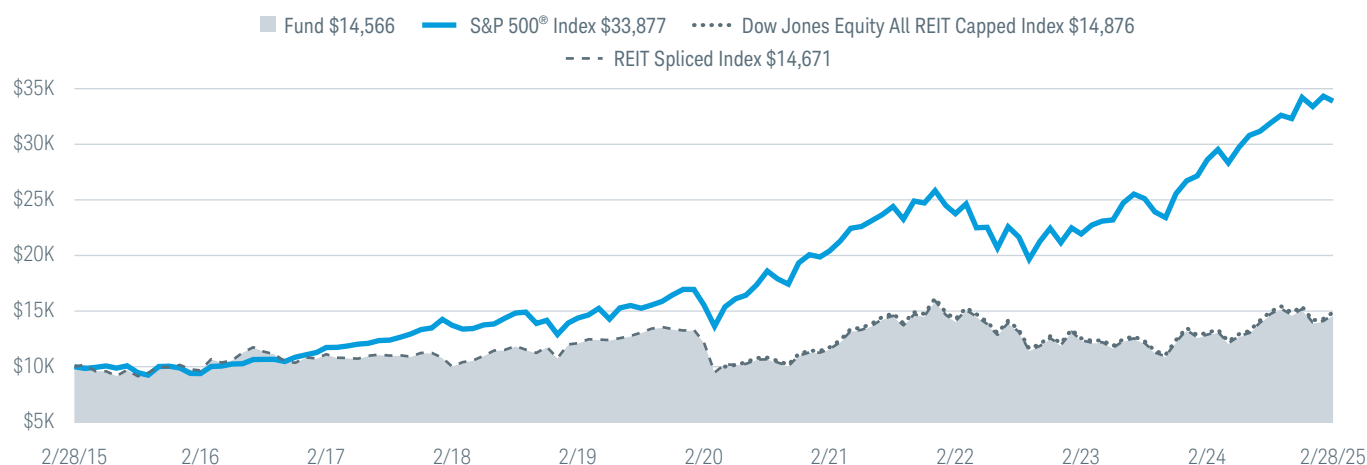
Top contributors to total return:

- Health care REITs sub-industry securities, including Welltower, Inc.
- Multi-family residential REITs sub-industry securities

Portfolio holdings may have changed since the report date.

The performance data quoted represents past performance. Past performance does not guarantee future results. Investment returns 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 data quoted. To obtain performance information current to the most recent month end, please visit www.schwabassetmanagement.com/prospectus.

PERFORMANCE OF HYPOTHETICAL \$10,000 INVESTMENT (FEBRUARY 28, 2015 - FEBRUARY 28, 2025)^{1,2}



AVERAGE ANNUAL TOTAL RETURNS

FUND AND INCEPTION DATE	1 YEAR	5 YEARS	10 YEARS
Fund: Schwab U.S. REIT ETF (01/13/2011) ^{1,3}	13.75%	3.71%	3.83%
S&P 500® Index ⁴	18.41%	16.85%	12.98%
Dow Jones Equity All REIT Capped Index ²	13.87%	N/A	N/A
REIT Spliced Index	13.87%	3.77%	3.91%

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 www.schwabassetmanagement.com/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 – 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.

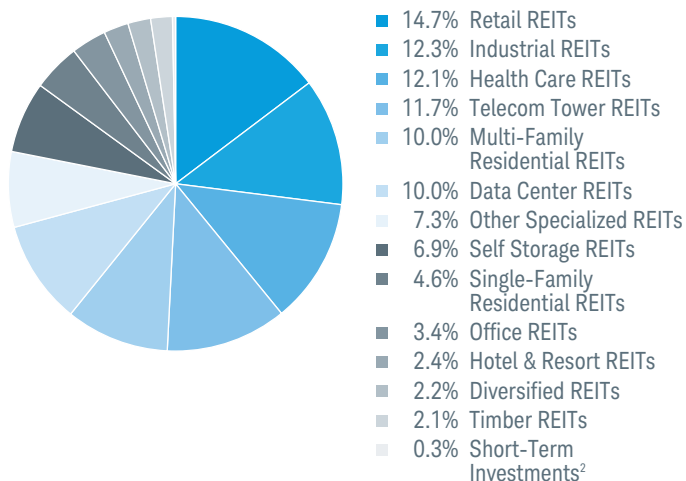
³ Performance is shown on a NAV basis. The fund's per share NAV is the value of one share of the fund. NAV is calculated by taking the fund's total assets (including the fair value of securities owned), subtracting liabilities, and dividing by the number of shares outstanding. Returns assume that dividends and capital gain distributions have been reinvested in the fund at NAV.

⁴ Due to new regulatory requirements, the fund's regulatory index has changed from the Dow Jones Equity All REIT Capped Index to the S&P 500® Index. The S&P 500® Index provides a broad measure of market performance. The fund generally invests in securities that are included in the Dow Jones Equity All REIT Capped Index. The fund does not seek to track the regulatory index.

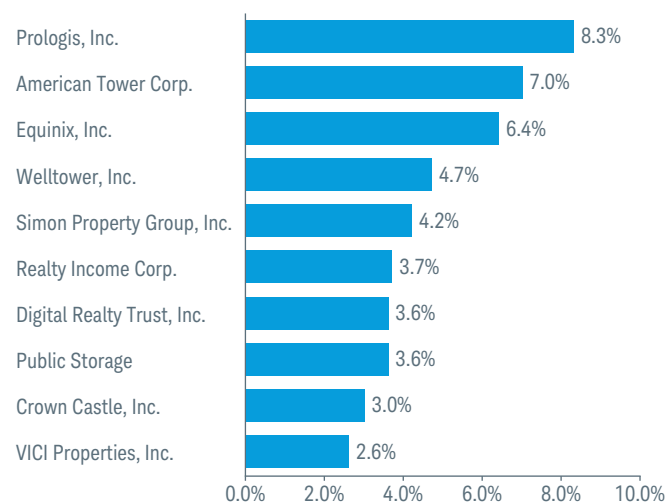
STATISTICS

Net Assets (millions)	\$7,694
Number of Holdings (excludes derivatives)	121
Portfolio Turnover Rate (excludes in-kind transactions)	8%
Advisory Fees Paid by the Fund	\$4,991,490
Weighted Average Market Cap (millions)	\$44,909
Price/Earnings Ratio (P/E)	37.8
Price/Book Ratio (P/B)	2.5
Qualified Dividend Income	\$3,759,717
Qualified Business Income Deduction (199A)	\$224,833,893

INDUSTRY WEIGHTINGS % OF INVESTMENTS¹



TOP EQUITY HOLDINGS % OF NET ASSETS



Portfolio holdings may have changed since the report date.

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.

¹ Excludes derivatives.

² Includes the fund's position(s) in money market mutual funds registered under the Investment Company Act of 1940, as amended.

AVAILABILITY OF ADDITIONAL INFORMATION

You can find the fund's prospectus, Statement of Additional Information (SAI), reports to shareholders, financial information, holdings, certain tax information, proxy voting information, and other information about the fund online at www.schwabassetmanagement.com/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/prospectus, the SEC's website at 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/prospectus or the SEC's website at www.sec.gov, by calling 1-866-414-6349, or by sending an email request to orders@mysummaryprospectus.com.