

Schwab Intermediate-Term U.S. Treasury ETF™

SCHR

As of June 30, 2015

FUND DESCRIPTION

The Schwab Intermediate-Term U.S. Treasury ETF seeks to track as closely as possible, before fees and expenses, the price and yield performance of the Barclays U.S. 3–10 Year Treasury Bond Index.

INDEX DESCRIPTION

The Barclays U.S. 3–10 Year Treasury Bond Index is market cap-weighted and includes U.S. Treasury securities that have a remaining maturity from three up to (but not including) ten years, are rated investment grade, and have \$250 million or more of outstanding face value.

FUND DETAILS

Inception Date	08/05/10
Expense Ratio ¹	0.09%
Ticker	SCHR
Intra-Day Indicative Value	SCHR.IV
Index Bloomberg Ticker	LT31TRUU
CUSIP	808524854
Exchange	NYSE Arca
Distribution Frequency	Monthly
Marginable at Schwab	Yes
Total Net Assets	\$335,323,430

KEY FEATURES AND BENEFITS

Low Cost
No Investment Minimum
Low Turnover
Trading Flexibility
Potential Tax Efficiency
Transparency

PORTFOLIO MANAGERS

Matthew Hastings, CFA Vice President, Head of Taxable Bond Strategies
Steven Chan, CFA Managing Director, Portfolio Manager
Brandon Matsui, CFA Managing Director, Portfolio Manager

PERFORMANCE

As of 06/30/15

	Cumulative		Annualized			
	Year to Date	3 Months	1 Year	3 Years	5 Years	Since Inception
Schwab Intermediate-Term U.S. Treasury ETF™ (Market Price Returns)	0.66%	-1.00%	2.41%	0.94%	—	2.81%
Schwab Intermediate-Term U.S. Treasury ETF™ (NAV Returns)	0.88%	-1.00%	2.53%	1.00%	—	2.83%
Barclays U.S. 3-10 Year Treasury Bond Index	0.96%	-0.95%	2.65%	1.10%	—	2.95%

The performance quoted represents past performance and 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. Performance data current to the most recent month end may be obtained by visiting CSIMFunds.com.

Since ETFs are baskets of securities that trade on a stock exchange, ETF performance must be shown based on both a Market Price and a Net Asset Value (NAV) basis.

Market Price is the price at which investors buy and sell ETF shares in the stock market. ETF Market Price determines investor returns. An ETF's Market Price may be higher or lower than the NAV at any given point in time.

Market price returns are based upon the midpoint of the bid/ask spread at 4:00 PM Eastern time (when NAV is normally determined for most ETFs), and do not represent the returns you would receive if you traded shares at other times. Shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

NAV (Net Asset Value) is a per share valuation of the securities in an ETF officially calculated once per day. NAV price performance is primarily used to evaluate the fund and its managers and may not reflect the actual return for the investor.

FUND CHARACTERISTICS

Number of Securities	77
Weighted Average Duration ²	5.2 Yrs
Weighted Average Maturity ²	5.6 Yrs
SEC 30-Day Yield	1.66%

Weighted Average Duration Duration is a measure of an individual bond's sensitivity to interest rates. Calculations of duration generally take into account the bond's yield, interest payments, maturity date and call features. Weighted average duration is a measure of the duration of all bonds in a fund's portfolio, based on the market value weighted average duration of each bond in the fund's portfolio.

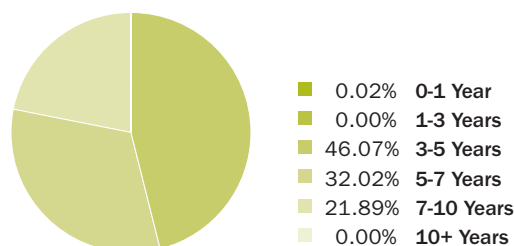
Weighted Average Maturity Maturity of Investments will generally be determined using a portfolio security's final maturity date (date on which the final principal payment of a bond is scheduled to be paid); however, for securitized products, such as mortgage-backed securities and certain other asset-backed securities, maturity will be determined on an average life basis (weighted average time to receipt of all principal payments) by the investment adviser. Because pre-payment rates of individual mortgage pools vary widely, the average life of a particular pool cannot be predicted precisely. For securities with embedded demand features, such as puts or calls, either the demand date or the final maturity date will be used depending on interest rates, yields and other market conditions. The average portfolio maturity of a fund is dollar-weighted based upon the market value of a fund's securities at the time of the calculation.

TOP 10 HOLDINGS³ % of Net Assets

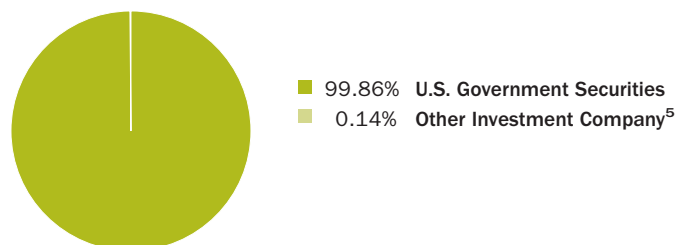
U.S. Treasury Notes, 3.625% 02/15/2020	2.9%
U.S. Treasury Notes, 2.00% 02/15/2023	2.8%
U.S. Treasury Notes, 2.75% 02/15/2024	2.7%
U.S. Treasury Notes, 2.625% 08/15/2020	2.4%
U.S. Treasury Notes, 2.00% 02/15/2025	2.3%
U.S. Treasury Notes, 2.25% 11/15/2024	2.2%
U.S. Treasury Notes, 1.375% 09/30/2018	2.2%
U.S. Treasury Notes, 2.125% 01/31/2021	2.1%
U.S. Treasury Notes, 2.75% 11/15/2023	2.1%
U.S. Treasury Notes, 1.375% 12/31/2018	2.1%
TOTAL	23.8%

Portfolio Composition

By Maturity^{2,4}



By Security Type⁴



FIND OUT MORE TODAY

For more information, visit [CSIMFunds.com](https://www.CSIMFunds.com)

Investors should consider carefully information contained in the prospectus, including investment objectives, risks, charges and expenses. You can obtain a prospectus by visiting [CSIMFunds.com/SchwabETFs_Prospectus](https://www.CSIMFunds.com/SchwabETFs_Prospectus) or calling 1-800-435-4000. Please read the prospectus carefully before investing.

Data provided by State Street Corporation, as of 06/30/15, unless otherwise noted.

¹As stated in the prospectus.

²Data provided by BlackRock Solutions, as of 06/30/15.

³This is not a recommendation of any security by the investment adviser. Portfolio holdings are subject to change.

⁴By Security Type data calculated using the fund's total assets. By Maturity data calculated using the fund's net assets.

⁵Represents the fund's position in money market funds registered under the Investment Company Act of 1940 and may include cash pending settlement.

Index returns are for illustrative purposes only and do not represent actual fund performance. Index returns do not include trading and management costs, which would lower performance. Indexes are unmanaged and one cannot invest directly in an index.

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

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. Unlike mutual funds, shares of ETFs are not individually redeemable directly with the ETF. Fixed income securities are subject to increased loss of principal during periods of rising interest rates. Fixed-income investments are subject to various other risks including changes in credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, tax ramifications and other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Government backing applies only to the government-issued bonds that make up the fund, not the fund itself. Diversification does not eliminate the risk of market loss.

The information provided is not intended to be investment or tax advice.

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