

March 2025

Construction and Methodology Document

Schwab 1000 Index®

The Charles Schwab logo is located in the bottom right corner of the page. It consists of a solid blue square. Inside the square, the word "charles" is written in a white, italicized serif font, and the word "SCHWAB" is written in a white, all-caps sans-serif font directly below it.

charles
SCHWAB

Table of Contents

Index Overview.....	3
Index Tickers.....	3
Bloomberg.....	3
Base Universe Eligibility.....	4
Base Universe	4
Domicile Criteria	4
Security Level Eligibility Criteria.....	4
Market capitalization	4
Liquidity	4
MVTR	4
Ineligible securities	5
Index Construction	5
Weighting scheme	5
Share classes.....	5
Index reconstitution	5
Index rebalance	5
Index Maintenance	6
Index calculation	6
Base currency rate.....	6
Initial Public Offerings (IPOs)	6
Additions and Deletions.....	6
Spin-offs	6
Initial Public Offerings (IPOs)	6
Share change adjustments.....	6
Disclaimer	7

Index Overview

The Schwab 1000 Index® (the Index) is a proprietary index of Charles Schwab Investment Management, Inc. Created in 1991, the Index is designed to represent the largest 1,000 U.S. common equity stocks based on full float market capitalization.

Index Tickers

On most platforms and quote services, the index can be found utilizing the following price and total return tickers.

- Price Return: SNX
- Total Return: SNXTR

Bloomberg

Bloomberg maintains distinct tickers for the index.

- Price Return: SCHWONEP
- Total Return: SCHWONET

Base Universe Eligibility

Base Universe

The Schwab 1000 Index, calculated by the S&P Dow Jones Custom Index Services Group, eligible universe begins with the top 2,400 U.S. based companies, ranked by full float market capitalization that meet the requirements for inclusion in the S&P U.S. Broad Market Index (BMI). This universe of potential index constituents is further filtered based on rules established by the Charles Schwab Proprietary Index Committee, as described in this Construction and Methodology document.

Please refer to the S&P Dow Jones Indices Index Methodology for the S&P Global BMI. This can be found at us.spindices.com.

Domicile Criteria

Common stock issued by an operating company or real estate investment trust (REIT) incorporated in the United States, its territories or possessions, are eligible for inclusion in the Schwab 1000 Index. Companies incorporated offshore for tax purposes, among other reasons, may also be eligible for inclusion based on factors including operational headquarters location, geographic breakdown of revenue and assets, ownership information, location of officers, directors and employees, investor perception, among other factors deemed relevant. A market for the common shares must exist on a U.S. exchange.

Security Level Eligibility Criteria

Market capitalization: stocks eligible for potential addition to the Schwab 1000 Index must be publicly listed equities with float-adjusted market capitalization of at least US\$ 100 million. At the annual reconstitution, existing index constituents are removed if their float-adjusted market capitalization falls below US\$ 75 million.

Liquidity: stocks must meet two separate liquidity requirements: minimum 12-month median value traded ratio (MVTR) of 20% (14% for continued inclusion) and minimum 6-month median daily value traded (MDVT) of US\$ 0.25 million (US\$ 0.175 million for continued inclusion).

MVTR: this ratio is calculated by taking the median daily value traded amount for each of the 12 months preceding the rebalance reference date, multiplying the amount by the number of days that the stock traded during that month, and then dividing by its end-of-month float-adjusted market capitalization.

Ineligible securities: the following security types, company structures and shares are not eligible for inclusion in the Schwab 1000 Index:

- Fixed-dividend shares
- Investment trusts
- Unit trusts
- Mutual fund shares
- Limited Liability Companies (LLCs)
- Special Purpose Acquisition Companies (SPACs)
- Closed-end funds
- Convertible bonds
- ETFs
- ETNs
- Business development companies (BDCs)
- Equity warrants
- Limited Partnerships (LPs)
- Master Limited Partnerships (MLPs)
- Convertible preferred stock
- Preferred (preferred stock that provides a guaranteed fixed return is not eligible)

Index Construction

The Schwab 1000 Index is constructed on a bottom-up basis, ranking all eligible U.S. common stocks from largest to smallest based on full float market capitalization. A stock must be an operating company or REIT. The Index is then comprised of the top 1,000 stocks as measured by full float market capitalization. The Index will generally be comprised of 1,000 stocks, but the actual number of index constituents may be more or less than 1,000 as a result of corporate actions, including, but not limited to spin-offs, or delistings.

Weighting scheme: Index weight is determined by free float market capitalization value.

Share classes: multiple share classes are included as separate lines. Each share class must meet the base universe eligibility requirements and the weight of each class reflects its own float, not the combined float of all separate share class lines.

Index reconstitution: Index reconstitution is done annually. The annual reconstitution is effective after market close on the third Friday of September.

Index rebalance: Index rebalance is done quarterly in March, June and December, subject to the schedule of the S&P U.S. Broad Market Index (BMI) rebalance.

Index Maintenance

Index calculation: the Index is calculated continuously throughout the day in 15-second intervals. Additionally, an end-of-day basis price- and total- return series are calculated based on actual trading days.

Base currency rate: the Index is calculated in U.S. Dollars.

Initial Public Offerings (IPOs): eligible IPOs are considered for index inclusion only at annual reconstitution.

Additions and Deletions: delisted companies will generally be deleted from the Index on or around its expected delisting date and will not be replaced until the next annual reconstitution. Deletion dates are selected such that a minimum of one day's notice is given to clients.

Spin-offs: spin-offs, including in specie distributions, from an index constituent are included in the Index if it trades on eligible exchanges and has float-adjusted market values above US\$ 25 million. Generally, spin-offs are added at a zero price at the market close of the day before the ex-date (with no divisor adjustment). The spin-off security will remain in the Index if it meets all domicile and security level eligibility criteria described in detail in the Base Universe Eligibility section of this document. If a spin-off security is determined to be ineligible to remain in the Index, it will be removed after at least one day of regular way trading (with a divisor adjustment). If there is a gap between the ex-date and distribution date (or payable date), or if the spin-off security does not trade regular way on the ex-date, the spin-off security is kept in the Index as a constituent until the spin-off security begins trading regular way. An indicative or estimated price may be used for the spin-off entity in place of a zero price until the spin-off security begins trading.

Share change adjustments: share changes, as a result of company share changes of at least 5% of outstanding shares, are processed on a weekly basis. The announcement of such changes occur after market close on Friday for implementation after the close of trading the following Friday. These share changes do not include share changes due to stock splits, bonuses, rights issues or corporate actions, such as mergers or acquisitions that are affected immediately.

Share changes less than 5% of outstanding shares are processed on a quarterly basis after the close of the 3rd Friday of March, June, and December. Notice of such share changes are made available after the close of the 2nd Friday of March, June, and December.

Disclosures

Copyright © 2025 Charles Schwab Investment Management, Inc. All rights reserved. Redistribution, reproduction and/or photocopying in whole or in part is prohibited without written permission. This document does not constitute an offer of services in jurisdictions where Charles Schwab Investment Management, Inc. or its respective affiliates does not have the necessary licenses. All information provided by Charles Schwab Investment Management, Inc. is impersonal and not tailored to the needs of any person, entity or group of persons. Charles Schwab Investment Management, Inc. may receive compensation in connection with licensing its indices to third parties. Past performance of an index is not a guarantee of future results.

It is not possible to invest directly in an index. Exposure to an asset class represented by an index is available through investable instruments based on that index. Charles Schwab Investment Management, Inc. makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. A decision to invest in any such investment fund or other investment vehicle should not be made in reliance on any of the statements set forth in this document. Prospective investors are advised to make an investment in any such fund or other vehicle only after carefully considering the risks associated with investing in such funds, as detailed in an offering memorandum or similar document that is prepared by or on behalf of the issuer of the investment fund or other investment product or vehicle. Charles Schwab Investment Management, Inc. is not a tax advisor. A tax advisor should be consulted to evaluate the impact of any tax-exempt securities on portfolios and the tax consequences of making any particular investment decision. Inclusion of a security within an index is not a recommendation by Charles Schwab Investment Management, Inc. to buy, sell, or hold such security, nor is it considered to be investment advice.

The Schwab 1000 Index® (the “Index”) is the property of Charles Schwab Investment Management, Inc. (“CSIM”), which has contracted with S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC) to calculate and maintain the Index. The Index is not sponsored by S&P Dow Jones Indices LLC or its affiliates or its third-party licensors, including Standard & Poor's Financial Services LLC and Dow Jones Trademark Holdings LLC (collectively, “S&P Dow Jones Indices”). S&P Dow Jones Indices will not be liable for any errors or omissions in calculating the SP Calculated Indexes. “Calculated by S&P Dow Jones Indices” and the related stylized mark(s) are service marks of S&P Dow Jones Indices and have been licensed for use by CSIM. S&P® is a registered trademark of Standard & Poor's Financial Services LLC, and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC.

Funds based on the Index are not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices. S&P Dow Jones Indices does not make any representation or warranty, express or implied, to the owners of the funds or any member of the public regarding the advisability of investing in securities generally or in the Index or the funds particularly or the ability of the Index or the funds to track general market performance. S&P Dow Jones Indices' only relationship to CSIM with respect to the Index is the licensing of the S&P Global BMI, certain trademarks, service marks and trade names of S&P Dow Jones Indices, and the provision of the calculation services on behalf of CSIM related to the Index without regard to CSIM or the funds. S&P Dow Jones Indices is not responsible for and has not participated in the creation of the funds, the determination of the prices and amount of the funds or the timing of the issuance or sale of the

funds or in the determination or calculation of the equation by which the funds may be converted into cash or other redemption mechanics. S&P Dow Jones Indices has no obligation or liability in connection with the administration, marketing or trading of the funds. There is no assurance that investment products based on the Index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion or exclusion of a security within the Index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it investment advice. S&P Dow Jones Indices does not act nor shall be deemed to be acting as a fiduciary in providing the S&P Global BMI.

S&P DOW JONES INDICES DOES NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE INDEX, INTELLECTUAL PROPERTY, SOFTWARE, OR ANY DATA RELATED THERETO, OR ANY COMMUNICATION WITH RESPECT THERETO, INCLUDING, ORAL, WRITTEN, OR ELECTRONIC COMMUNICATIONS. S&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY CSIM, A FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX, INTELLECTUAL PROPERTY, SOFTWARE, OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME, OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD-PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND CSIM, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

These materials have been prepared solely for informational purposes based upon information generally available to the public and from sources believed to be reliable. No content contained in these materials (including index data, ratings, credit-related analyses and data, research, valuations, model, software or other application or output therefrom) or any part thereof ("Content") may be modified, reverse-engineered, reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of CSIM. The Content shall not be used for any unlawful or unauthorized purposes. CSIM and its third-party data providers and licensors (collectively "CSIM Parties") do not guarantee the accuracy, completeness, timeliness or availability of the Content. CSIM Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON AN "AS IS" BASIS. CSIM PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall CSIM Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if

advised of the possibility of such damages. CSIM keeps certain activities of its various divisions and business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions and business units of CSIM may have information that is not available to other business units. CSIM has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

(0325-LPDS)