

# Comparison of Leading U.S. Equity Indexes

Category	Schwab 1000 Index <sup>®1</sup>	Dow Jones U.S. TSM Indices <sup>2</sup>	S&P Composite Indices <sup>3</sup>	Russell U.S. Indexes <sup>4</sup>	Center for Research in Security Prices (CRSP) <sup>5</sup>
Governance	Rules-based	Rules-based	Committee-based	Rules-based	Rules-based
Size Segments	Market cap range (#): Large: 1 – 1,000	Market cap range (#): Large: 1 – 750 Mid: 501 – 1,000 Small: 751 – 2,500	Market cap range (#): Large: 1 – 500 Mid: 501 – 900 Small: 901 – 1,500	Market cap range (#): Large: 1 – 1,000 Mid: 201 – 1,000 Small: 1,001 – 3,000	Market cap range (%): Mega: first 70% Large: first 85% Mid: 71% – 85% Small: 85% – 98%
Style Assignment	Not applicable	A stock is EITHER value or growth		A stock may be categorized as BOTH value and growth at the same time	
Style Factors	Not applicable	<ul style="list-style-type: none"> <li>• Projected P/E</li> <li>• Projected Earnings Growth</li> <li>• Price-to-Book</li> <li>• Dividend Yield</li> <li>• Trailing Revenue Growth</li> <li>• Trailing Earnings Growth</li> </ul>	<ul style="list-style-type: none"> <li>• Earnings Per Share Growth</li> <li>• Sales Growth</li> <li>• Internal Growth</li> <li>• Book Value-to-Price</li> <li>• Cash Flow-to-Price</li> <li>• Sales-to-Price</li> <li>• Dividend Yield</li> </ul>	<p><b>Growth Factors</b></p> <ul style="list-style-type: none"> <li>• I/B/E/S<sup>6</sup> Forecast Medium Term Growth Mean (2-year)</li> <li>• Sales Per Share Historical Growth (5-year)</li> </ul> <p><b>Value Factor</b></p> <ul style="list-style-type: none"> <li>• Book-to-Price</li> </ul>	<p><b>Growth Factors</b></p> <ul style="list-style-type: none"> <li>• Future Long-term Growth in EPS</li> <li>• Future Short-term Growth in EPS</li> <li>• 3-year Historical Growth in EPS</li> <li>• 3-year Historical Growth in Sales Per Share</li> <li>• Current Investment-to-Assets Ratio</li> <li>• Return on Assets</li> </ul> <p><b>Value Factors</b></p> <ul style="list-style-type: none"> <li>• Book-to-Price</li> <li>• Forward Earnings-to-Price</li> <li>• Historical Earnings-to-Price</li> <li>• Dividend-to-Price Ratio</li> <li>• Sales Per Share-to-Price Ratio</li> </ul>
Reconstitution	Annually	Annually	Ad-hoc by committee	Annually	Quarterly
Treatment of IPOs	Considered for inclusion at the annual reconstitution	Quarterly	Seasoned for 6 to 12 months before consideration	Quarterly	Considered for inclusion after trading regular way for 5 trading days on one of CRSP's eligible exchanges

1 Schwab 1000 Index Construction and Methodology Document March 2018: <http://www.schwab.com/public/file/P-10783260>

2 Dow Jones U.S. Total Stock Market Indices Methodology May 2018: <http://www.spindices.com/documents/methodologies/methodology-dj-us-total-stock-market-indices.pdf>

3 S&P U.S. Indices Methodology June 2018: <http://us.spindices.com/documents/methodologies/methodology-sp-us-indices.pdf>

4 Russell U.S. Equity Indexes May 2018: [Construction and Methodology](#)

5 CRSP U.S. Equity Indexes Methodology Guide January 2018: [http://www.crsp.com/files/Equity-Indexes-Methodology-Guide\\_0.pdf](http://www.crsp.com/files/Equity-Indexes-Methodology-Guide_0.pdf)

6 Institutional Brokers Estimate System is a service that monitors the earnings estimates on companies of interest to institutional investors.

<https://financial.thomsonreuters.com/en/products/data-analytics/company-data/ibes-estimates.html>

# Comparison of Leading Non-U.S. Equity Indexes

Category	FTSE Global Equity Index Series <sup>7</sup>	MSCI Global Equity Indexes <sup>8</sup>
Governance	Rules-based	Rules-based
Size Segments	Market cap range (%): Large: Top 68% Mid: Next 18% Small: Next 14%	Market cap range (%): Large: Top 70% Mid: Next 15% Small: Next 14%
Number of Countries	76 countries (will be 78 with Kuwait and Saudi Arabia) <ul style="list-style-type: none"> <li>• 24* developed markets, including South Korea</li> <li>• 23** emerging markets</li> <li>• 29 frontier markets</li> </ul> <p>* Poland will be promoted to developed in Sept 2018, increasing developed markets to 25 ** Kuwait and Saudi Arabia will be added in Sept 2018 and Mar 2019, respectively, increasing emerging markets to 24</p>	81 countries <ul style="list-style-type: none"> <li>• 23 developed countries</li> <li>• 26* emerging market countries, including Saudi Arabia and China A shares</li> <li>• 32 frontier markets</li> </ul> <p>* Saudi Arabia and Argentina are expected to be promoted to emerging markets in May and August 2019, respectively, increasing emerging markets to 28</p>
Treatment of China A Shares	Excluded from standard indexes	All standard MSCI Emerging Markets Indexes will hold a portion of China A shares issued by companies allocated to the Large Cap Size-Segment trading through the Stock Connect, effective June 1, 2018
Equity Sector Classification Methodology	Industry Classification Benchmark (ICB)	Global Industry Classification Standard (GICS®)
Reconstitution	Semi-annually	Semi-annually
Treatment of IPOs	(A) Does not qualify for fast entrant: Evaluated at the March and September and semi-annual reviews and must meet turnover and inclusion levels (B) Qualifies for fast entrant: Must satisfy the eligibility criteria and the screens other than the liquidity screen when the closing price on the first trading day is greater than defined thresholds	(A) Small new issues: The new issue must have started trading at least three months before the implementation of a Semi-Annual Index Review (B) Large new issues: Must meet all the MSCI inclusion criteria; inclusion effective after the close of the security's tenth day of trading
Flagship Indexes	FTSE Developed Index (includes Canada and South Korea) FTSE Emerging Index (currently excludes China A shares)	MSCI EAFE Index (excludes Canada) MSCI Emerging Markets Index (includes China A shares)

Indices are unmanaged, do not incur fees, and it is not possible to invest directly in an index. This chart was compiled by synthesizing the data available from the respective index providers. While the data is deemed to be reliable, we cannot guarantee its accuracy.

7 FTSE Global Equity Index Series June 2018: [http://www.ftse.com/products/downloads/FTSE\\_Global\\_Equity\\_Index\\_Series.pdf](http://www.ftse.com/products/downloads/FTSE_Global_Equity_Index_Series.pdf)

8 MSCI Global Investable Market Indexes Methodology May 2018: [https://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_GIMIMethodology\\_May2018.pdf](https://www.msci.com/eqb/methodology/meth_docs/MSCI_GIMIMethodology_May2018.pdf)

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