

SCHD

Schwab US Dividend Equity ETF

Analyst Report

This ETF offers exposure to dividend-paying U.S. equities, making SCHD a potentially useful tool for either enhancing current returns derived from the equity portion of a portfolio or for scaling back risk exposure within a portfolio. While there are dozens of funds offering exposure to dividend-paying stocks, SCHD offers a somewhat unique approach to this strategy. The underlying index methodology requires a long track record of distributions, meaning that this product is unlikely to include small, speculative firms that are offering an attractive distribution yield because their stock price has been depressed. The methodology also considers multiple metrics, including dividend growth and dividend yield, resulting in a portfolio that should offer a substantial upgrade in payout compared to the broader market.

Given the methodology employed by this fund, SCHD can be used in a number of different ways. Though the portfolio is somewhat shallow, this fund certainly could be used as a core holding for achieving U.S. equity exposure; it could also be used as a complement to a more broadly-based fund to derive greater yield.

Like most Schwab ETFs, SCHD is extremely competitive from a cost perspective; this ETF is cheaper than the vast majority of other products in the All Cap Equities ETFdb Category. Further enhancing the appeal to certain cost conscious investors is the ability to trade this product commission free within Schwab accounts; that feature may have appeal to investors looking to keep a lid on trading-related fees.

ESG Themes and Scores

6.76/10

ESG Rate

59.61%

Global Percentile

56.3%

Peer Percentile

Performance Data

	SCHD	ETF Database Category Average	Factset Segment Average
1 Month	2.92%	2.23%	2.69%
3 Month	10.62%	11.22%	10.46%
YTD Return	16.88%	18.04%	15.06%
1 Year Return	28.97%	28.25%	22.77%
3 Year Return	6.88%	5.50%	3.46%
5 Year Return	12.83%	5.59%	5.03%

Top 5 Holdings

Symbol	Holding	% Assets
CSCO	Cisco Systems, Inc.	4.44%
BLK	BlackRock, Inc.	4.43%
CVX	Chevron Corporation	4.24%
BMJ	Bristol-Myers Squibb Company	4.22%
HD	Home Depot, Inc.	4.06%

Vitals

Issuer	Charles Schwab
Brand	Schwab
Structure	ETF
Expense Ratio	0.06%
Inception	Oct 20, 2011
Index Tracked	Dow Jones U.S. Dividend 100 Index

ETF Database Themes

Category	Large Cap Blend Equities
Asset Class	Equity
Asset Class Size	Large-Cap
Asset Class Style	Blend
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Equity: U.S. - Total Market
Category	Size and Style
Focus	Total Market
Niche	Broad-based
Strategy	Fundamental
Weighting	Market Cap

