

SMBS

Schwab Mortgage-Backed Securities ETF

Fund Description

SMBS tracks a market value-weighted index of investment grade US mortgage-backed securities.

FactSet Analyst Report

SMBS offers representative exposure to US mortgage pass-through securities. The index consists of fixed-rate, investment grade, agency mortgage-backed securities guaranteed by Ginnie Mae, Fannie Mae, and Freddie Mac. The index construction starts by initially grouping individual to-be-announced (TBA) deliverable mortgage-backed securities into pool aggregates based on program, coupon, and vintage. These pool aggregates must have a minimum of \$1 billion currently outstanding and a weighted average maturity of at least 1 year to be included in the index. The index constituents are market value-weighted and reconstituted on the last business day of each month.