

STCE

Schwab Crypto Thematic ETF

Fund Description

STCE tracks an index of globally listed companies that enable the cryptocurrency ecosystem. The fund selects and weights companies based on thematic relevance through a proprietary NLP algorithm.

FactSet Analyst Report

STCE is passively managed to hold global equities, including depositary receipts, of companies involved in validating consensus mechanisms for crypto or other digital assets, enabling the use of crypto or other digital assets to buy or sell goods and services, and applications of blockchain and other distributed ledger technology. The index determines relevance and exposure to the theme by applying a proprietary natural language processing (NLP) algorithm. Each company is scored for thematic relevance based on regulatory and patent filings. Eligible companies also undergo liquidity and investability screens and are reviewed to ensure positive exposure to the theme. The remaining companies are ranked by a composite of their relevance score and weight in the previous rebalancing. The resulting portfolio of up to 50 companies is also weighted based on thematic relevance, subject to minimum and maximum weight constraints. The index is reconstituted and rebalanced quarterly.

