

[Schwab S&P 500 Index Fund - Select Shares \(SWPIX\) +8 Fund Authority Score](#)
Category : US Large Capitalization Stock Mutual Funds & ETFs
Published by [The Skilled Investor](#) on Nov/30/2007

Schwab S&P 500 Index Fund - Select Shares (SWPIX) achieve a +8 Fund Authority Score [Fund Authority Scores rate mutual funds and exchange traded funds \(ETFs\)](#) on the most important economic factors that influence individual investors' net long term diversified investment fund performance. *The Skilled Investor* developed the Fund Authority Score system to provide individual investors with concise, objective, and realistic summaries of mutual funds and ETFs for comparisons within investment asset classes. For a [directory of the Fund Authority Score reports of other mutual funds and ETFs, go here](#). When you go to this [Fund Authority Score directory](#), you can easily find a list of all fund reports at the bottom of each article for that particular investment asset class. For more information about [how a Fund Authority Score is developed for each mutual fund or ETF, go here](#).

The diversified mutual fund investment strategy of this Schwab S&P 500 Index mutual Fund At approximately \$3.9 billion in assets, the Schwab S&P 500 Index Fund (SWPIX) is a low cost, medium sized, passively managed diversified index mutual fund. This mutual fund's investment portfolio consists of large capitalization U.S. stock securities, and the objective of this index mutual fund is to match closely the investment results of the Standard & Poor's 500 Index. Schwab S&P 500 Index Fund - Select Shares (SWPIX) can be purchased directly by an individual investor from Charles Schwab & Co, Inc. with only \$100 as an opening balance. *The Skilled Investor's* analysis of this passively managed S&P 500 index mutual fund The Schwab S&P 500 Index Fund - Select Shares (SWPIX) have tended to match relatively closely the returns of the Standard and Poors 500 Index, and have done so, in part, because of this fund's relatively low management expense ratio. For the most recent three-year Morningstar's and Lipper's relative performance ratings, this fund's performance has been average for actively managed and passively managed mutual funds benchmarked against the S&P500 index. This Schwab mutual fund has achieved a +8 Fund Authority Score rating, because of its low cost structure and its reasonably faithful tracking of the S & P 500 index. For an individual investor interested in such an index fund, Schwab S&P 500 Index Fund - Select Shares (SWPIX) are certainly one of the better index mutual fund choices in the marketplace -- given the unreasonably high fees of so many other mutual fund promoter companies. The problem that some investors might have is that they would like to pay less than .36% annually in management fees for a commodity S & P 500 index fund. There are some solutions to this problem. If an investor has a reason to stay within the Schwab family of mutual funds, then he or she might choose a "sister" fund, which is named the [Schwab S&P 500 Index Fund - Select Shares \(SWPPX\)](#). Notice that the only difference in the naming is that the fourth letter of the ticker symbol in parentheses has changed from an "I" to a "P." However, this change does have its financial implications. The good news is that the annual percentage expense ratio moves down from .36% per year to .19% per year. The bad news is that the Schwab SWPPX fund requires a \$50000 minimum commitment. In other respects, the Schwab SWPIX and Schwab SWPPX index mutual funds are very similar. The other good news is that the Schwab SWPPX fund received the highest +10 Fund Authority Score due to its lower management expense ratio which added another point to the score. Lower fees also probably impacted positively the total of the Morningstar and Lipper 3-year performance ratings, which helped to add another point. Note also that the Schwab SWPPX equity index fund was listed as one of the top 25 lowest cost S and P 500 index mutual funds in a research study. See this article on *The Skilled Investor* website, which describes this study: [Low Cost S&P 500](#)

[Index Mutual Funds](#). Another alternative that an individual investor has is to choose a similar index mutual fund that has both a lower annual management expense ratio and a lower minimum assets requirement. Check the [directory of the Fund Authority Score reports of other mutual funds and ETFs](#) for such alternative choices. The Fund Authority Score for the Schwab S&P 500 Index Fund - Select Shares (SWPIX) The table below presents the Fund Authority Score and other information for the Schwab S&P 500 Index Fund - Select Shares (SWPIX). Using an integer scale ranging from -10 to +10, Fund Authority Scores measure five factors:

- 1) annualized management and investment sales expenses (40% weighting),
 - 2) annual trading costs implied by investment fund portfolio turnover (30% weighting),
 - 3) inferior and superior historical performance (20% weighting),
 - 4) minimum fund maturity (5% weighting), and
 - 5) minimum fund size for operating efficiency (5% weighting).
- Fund Authority Summary for the Schwab S&P 500 Index Fund - Select Shares (SWPIX)
Fund Authority Summary Schwab S&P 500 Index Fund Fund Authority Score

FUND AUTHORITY SCORE (scale of -10 to +10) 8

FUND AUTHORITY SCORING COMPONENTS

A) Management expenses & sales loads (-4 to +4)

- Annual expense ratio with 12b-1 fees 0.36%
- Front-end sales load with 5 year amortization 0.00%
- Total annual direct costs 0.36% 3

B) Fund portfolio transactions costs (-3 to +3)

- Annual turnover as a trading cost proxy 3% 3

C) Penalize very inferior historical performance and credit average and superior historical performance (-2 to +2)

- Total of the 3 year Morningstar + Lipper ratings 7 1

D) Is this fund sufficiently mature? (0 or +1) 1

E) Very small fund efficiency penalty (-1 or 0) 0

INVESTMENT FUND OVERVIEW

- Type of investment fund index mutual fund
- Active versus passive management passive index fund
- Total net assets \$3.9 Billion
- Type of investment portfolio securities stocks - equities
- Geographic focus United States
- Market capitalization of portfolio securities large
- Strategy summary to track the return of the S&P 500 index
- Target performance benchmark index Standard and Poors 500 Index
- Year of inception 1996
- Trading symbol SWPIX
- Share class evaluated Select Shares
- Minimum initial deposit for individual investor \$100

TOP 10 INVESTMENT SECURITIES HOLDINGS ExxonMobil Corporation (XOM)

General Electric Company (GE)

Microsoft Corporation (MSFT)

AT&T Inc. (T)

Citigroup Inc. (C)
Bank of America Corporation (BAC)
Procter & Gamble Company (PG)
Chevron Corporation (CVX)
Cisco Systems Inc. (CSCO)
Johnson & Johnson (JNJ)
----- Top 10 Investment Portfolio Holdings (%) 20.17%

Fund family website www.schwab.com
Customer service telephone number 866-855-9102 (24 hours x 7 days)
SEC EDGAR filings and/or fund website accessed 29 November 2007

NOTES:-- Most mutual funds and ETFs change their fees and trading strategies relatively little over time. Because investment expenses, trading/turnover costs, fund maturity, and operating efficiency account for 80% of the Fund Authority Score rating system, Fund Authority Scores tend to remain relatively stable over time for such consistent investment funds.-- The date in the table above indicates when fund information was accessed from SEC EDGAR filings and/or the fund company website. Normally, data used to develop Fund Authority Scores rely upon reporting periods ending the previous calendar quarter or half year.

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-- Fund Authority Scores are developed on a fund by fund basis. Just because a mutual fund or ETF has a high Fund Authority Score does not mean that other funds from that fund family do, as well. On your own, always be careful to check current management expenses, sales loads, portfolio turnover, fund maturity, fund size, fund performance, and other current factors before investing in any diversified investment fund.

-- If you do not need and/or are unwilling to pay the direct and indirect costs of an investment counselor, stock broker, or other financial advisory intermediary, you should note that many mutual funds can be purchased directly from diversified investment fund families by accessing their websites or by calling their customer service telephone numbers. Similarly many ETFs can be purchased with lower transactions fees through discount brokers. (See these articles: [Payment of Investment Advisors, Financial Planners, and Investment Counselors](#))-- **DISCLAIMER: THERE ARE NO WARRANTIES, EXPRESSED OR IMPLIED, FOR THIS WEBSITE, INCLUDING NO WARRANTY FOR MERCHANTABILITY AND NO WARRANTY FOR FITNESS FOR ANY PARTICULAR PURPOSE.** Read here this website's [TERMS OF USE](#).-- Your decision on whether to purchase or to sell any investment security is yours and yours alone. This TSI Site is a financial publication and is solely for informational and educational purposes related to your personal, private, and non-commercial use. Our articles report on publicly available documents and research studies. We have not verified any of the information reported in the information provided, and there could be errors with this information. It is solely your responsibility to verify any and all information before investing or purchasing any financial product or service. In no way does this site constitute a solicitation or offer to sell securities or investment advisory services. This site does not provide investment advice.