

Dimensional Fund Advisors

Putting Financial Science to Work for You

Data as at 31 March 2016

Dimensional Fund Advisors

ABOUT THE FIRM

Dimensional is a global investment firm that has been serving investors for more than 30 years.

A DIFFERENT APPROACH TO INVESTING

A strong belief in markets frees us to think differently about investing.

PUTTING RESEARCH INTO PRACTICE

We identify compelling research and apply it to practical investing.

A CLEAR VIEW OF EXPECTED RETURNS

Decades of research and rigorous testing underpin our approach to pursuing higher expected returns.

A DYNAMIC INVESTMENT PROCESS

Our goal is to add value over benchmarks and peers through an integrated and robust process.

OUR TRACK RECORD

We have a long history managing time-tested investment strategies for clients.

About the Firm

Dimensional is a global investment firm that has been serving investors for more than 30 years



- Dimensional offers investment solutions across asset classes, including global equities, fixed interest, and REITs.
- We manage \$531 billion for investors worldwide.

With offices positioned around the world, we manage portfolios across time zones and provide responsive service to our clients.

A Different Approach to Investing

A strong belief in markets frees us to think differently about investing

WHERE DO RETURNS COME FROM?

Dimensional's View

The market drives returns, and portfolio structure and implementation determine performance.

Conventional Manager's View

Performance comes from identifying "mispriced" securities or accurately predicting economic and market conditions.

Index Manager's View

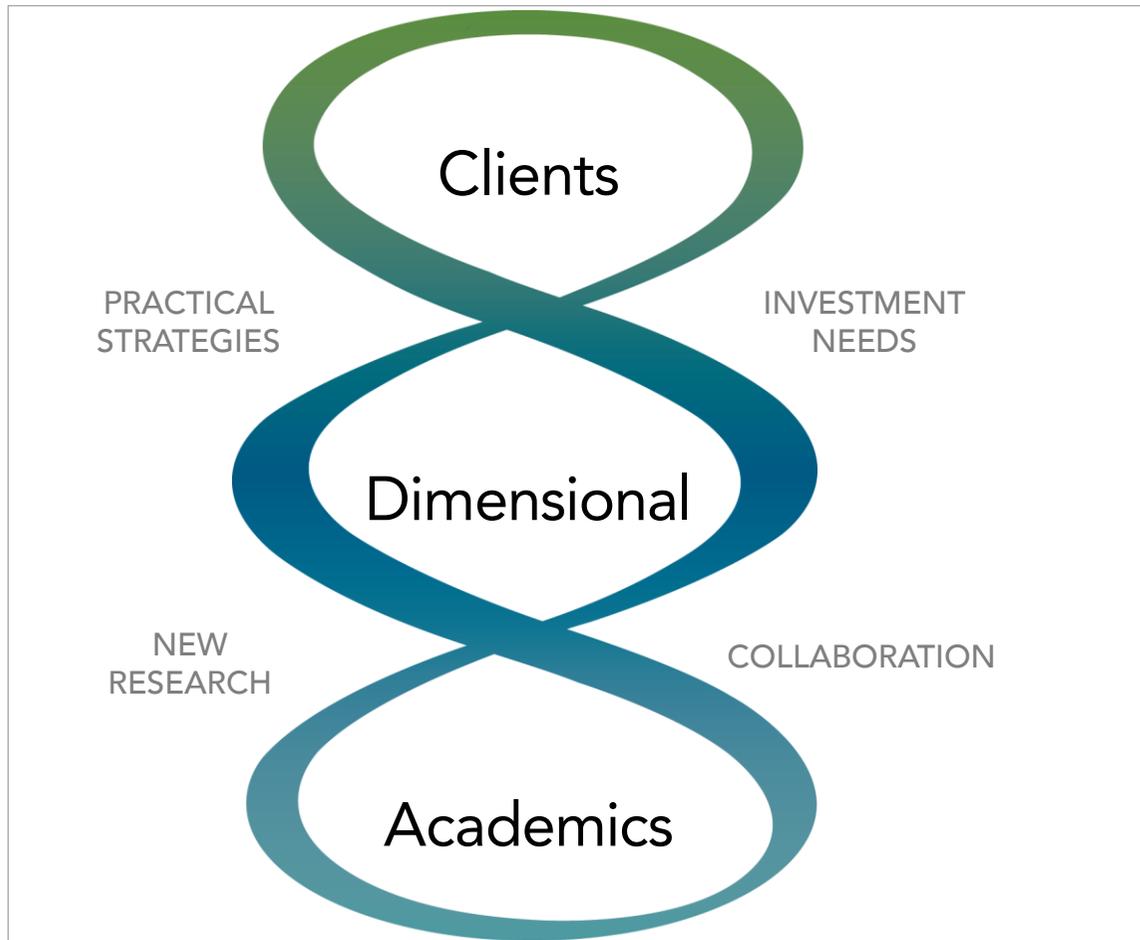
Commercial indices attempt to represent asset class returns, requiring index funds to follow the portfolio construction and rebalancing decisions of the index provider.

At Dimensional, we believe the best way to invest is to identify differences in expected returns and balance the tradeoffs among competing premiums, diversification, and costs.

Our consistent philosophy has guided the investment solutions we have offered clients since our founding.

Putting Research into Practice

Dimensional identifies compelling research and applies it to practical investing



- Many of the greatest advancements in finance have come from the academic community.
- Dimensional works closely with leading financial academics to identify new ideas and research that may benefit investors.

Advancements in research and technology inform our investment strategies and keep us responsive to evolving markets and client needs.

Dimensions of Expected Returns

Expected returns are driven by prices investors pay and cash flows they expect to receive



To be considered a dimension of expected return, a premium must be:

- Sensible
- Persistent across time periods
- Pervasive across markets
- Robust to alternative specifications
- Cost-effective to capture in well-diversified portfolios

Diversification does not eliminate the risk of market loss.

1. Relative price as measured by the price-to-book ratio; value stocks are those with lower price-to-book ratios.

2. Profitability is a measure of current profitability, based on information from individual companies' income statements.

Dynamic Investment Process

An integrated approach to adding value



- **The Market**
Use information in prices and fundamental data to pursue higher expected returns.
- **Portfolio Structure**
Identify the dimensions of expected returns and consider the interactions among premiums, diversification, and costs.
- **Implementation**
Maintain strategy focus while balancing tradeoffs between competing premiums and use a flexible process to help control costs.

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