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CORE EQUITY  
FUNDS



## CORE EQUITY FUNDS

# A Comprehensive Approach to Equity Investing

Dimensional's core equity funds are designed to be cost-effective solutions that help investors pursue higher expected returns across the stock market through a single broadly diversified fund. The funds combine Dimensional's innovative core equity methodology with a research-based investment approach and years of expertise in applying financial science to real-world investment solutions.

Each fund is managed to provide extensive coverage of its respective investment universe while emphasizing exposure to the dimensions

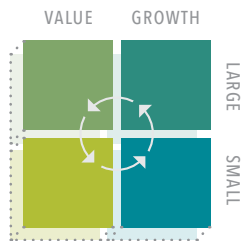
of higher expected returns—small cap stocks, value stocks, and high-profitability stocks. The single-fund design enables portfolio managers to maintain a consistent, higher-than-market weighting to these dimensions while reducing turnover and transaction costs.

All core equity funds share a transparent and disciplined investment process that helps deliver the advantages of asset class investing, but without the higher transaction costs that may arise when using multiple component funds in a portfolio.

## COMPONENT APPROACH VS. INTEGRATED CORE APPROACH

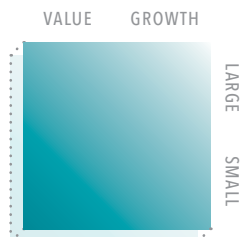
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### Component Funds Approach



Investors may hold several component funds to represent different asset classes in their portfolio. Over time, stocks can "drift" from one asset class to another as their price and characteristics change. This migration forces managers to rebalance, and in many cases, a stock may be simultaneously sold in one fund and bought in another. This unproductive buying and selling can result in higher costs without an increased benefit.

### Dimensional Core Equity



The core equity approach can enable investors to more efficiently capture asset class returns through a single, integrated fund. When a stock changes style or size characteristics, rebalancing can occur in a single portfolio rather than in multiple funds. Spreading investments across the entire market can result in fewer forced trades, less frequent turnover, and lower transaction costs.

## Designed to Pursue Higher Expected Returns

Dimensional's core equity funds are designed to systematically and continually emphasize securities with higher expected returns. Decades of experience managing real-world investment strategies informs how Dimensional can effectively target these securities while reducing unnecessary trades, thereby lowering transaction costs.

## An Extensive Opportunity Set

The portfolios are highly diversified across companies, industries, and sectors—and across countries in multiregion strategies. Research shows that broader diversification\* can help manage risk and improve the consistency of investment outcomes.

## Disciplined, Cost-Aware Execution

As security prices change, so too do expected returns. To keep portfolios focused on securities

with higher expected returns, Dimensional's portfolio management team monitors holdings on an ongoing basis, adjusting positions as necessary while being mindful of costs. Dimensional's philosophy is to trade only when the expected benefit outweighs the incurred cost.

### DIMENSIONAL'S CORE EQUITY PORTFOLIOS

Dimensional developed its core equity approach more than a decade ago and has applied the technology in the design of a wide range of strategies covering the US, international developed, emerging, and global markets.

#### US MARKET

US Core Equity 1 (DFEOX)  
US Core Equity 2 (DFQTX)  
TA US Core Equity 2 (DFTCX)  
US Sustainability Core 1 (DFSIX)  
US Social Core Equity 2 (DFUEX)  
US Vector Equity (DFVEX)

#### INTERNATIONAL MARKETS

Intl Core Equity (DFIEX)  
Intl Vector Equity (DFVQX)  
Intl Sustainability Core 1 (DFSPX)  
Intl Social Core Equity (DSCIX)

#### MULTI-REGION

World ex US Core Equity (DFWIX)  
TA World ex US Core Equity (DFTWX)  
World Core Equity (DREIX)

#### EMERGING MARKETS

EM Core Equity (DFCEX)  
EM Social Core Equity (DFESX)

### EMPHASIZING AREAS OF THE MARKET WITH HIGHER EXPECTED RETURNS



\*Diversification does not eliminate the risk of market loss.



## DIMENSIONAL AT A GLANCE<sup>1</sup>

1981

YEAR  
FOUNDED

\$577B

ASSETS UNDER  
MANAGEMENT

1,200+

EMPLOYEES

13

OFFICES IN  
NINE COUNTRIES

**Dimensional<sup>2</sup> is a global investment manager dedicated to implementing the great ideas in finance.** We have a long history of applying academic research to practical investing. Today, we offer a full suite of equity and fixed income strategies designed to target higher expected returns.

Dimensional's investment approach is grounded in economic theory and backed by decades of research. By integrating our investment process with a flexible trading strategy, we work to manage the tradeoffs that arise when implementing portfolios. We consistently apply this process in all of our global and regional equity and fixed income strategies, with an aim to add value beyond what traditional managers and benchmarks can achieve.

We regard the assets we manage as more than just shares in a portfolio. The money represents the savings, sacrifice, and dreams that investors have entrusted to us. We take this responsibility seriously.

Dimensional is headquartered in Austin, Texas, and has trading offices across North America, Europe, and Asia, which enables us to cover global markets and manage strategies continuously.

## Applying the Principles of Dimensional Investing

Decades of academic research inform Dimensional's investment philosophy and approach. Like all of our strategies, the core equity strategies reflect core principles that define Dimensional's way of investing. These include:

### Harnessing the Power of Market Prices

The market is an effective pricing machine. Millions of participants buy and sell securities in the world markets each day, and their collective knowledge helps set prices. Rather than trying to outguess market prices, Dimensional embraces market pricing and implements strategies to capture what the capital markets offer.

#### WORLD EQUITY TRADING IN 2016

Daily Average<sup>3</sup>

NUMBER OF TRADES	82.7	DOLLAR VOLUME	\$346.4
	MILLION		BILLION

### Targeting Higher Expected Returns

Research has identified securities that share certain characteristics, known as dimensions. These dimensions point to differences in expected returns. Dimensional uses information in current prices and other data to pursue higher expected returns.

#### EQUITIES

##### COMPANY SIZE

Small cap premium (small vs. large companies)

##### RELATIVE PRICE<sup>5</sup>

Value premium (value vs. growth companies)

##### PROFITABILITY<sup>6</sup>

Profitability premium (high vs. low profitability companies)

### Diversifying Broadly

Diversification involves spreading investments across many securities and asset groups to help manage overall risk in a fund. By diversifying broadly, Dimensional can structure a fund to pursue a more consistent outcome by increasing the investment universe and reducing risks not associated with higher expected returns.

#### HOME AND GLOBAL MARKET INDICES<sup>4</sup>

As of December 31, 2017

S&P 500  
INDEX



1 COUNTRY/  
505  
STOCKS

MSCI ACWI  
Investable  
Market  
Index (IMI)



47 COUNTRIES/  
8,653  
STOCKS

### Focusing on Efficient Execution

Costs can detract from investment returns. Some costs, like expense ratios, are easily observed, while others, like trading costs, are more difficult to assess. Dimensional carefully manages these and other costs to help minimize their impact on investor returns.

#### COST MANAGEMENT

TOTAL  
COST



EXPENSE  
RATIO



TRADING  
COSTS

Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Diversification does not eliminate the risk of market loss. There is no guarantee investment strategies will be successful. This information is for illustrative purposes only. See back page for additional exhibit information and important disclosures.

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1. Assets under management as of December 31, 2017, in US dollars (billions). Number of employees and offices as of January 31, 2018.
  2. "Dimensional" refers to the Dimensional separate but affiliated entities generally, rather than to one particular entity. These entities are Dimensional Fund Advisors LP, Dimensional Fund Advisors Ltd., DFA Australia Limited, Dimensional Fund Advisors Canada ULC, Dimensional Fund Advisors Pte. Ltd., and Dimensional Japan Ltd.
  3. In US dollars. Source: World Federation of Exchanges members, affiliates, correspondents and non-members. Trade data from the global electronic order book. Daily averages were computed using year-to-date totals as of December 31, 2016, divided by 250 as an approximate number of annual trading days.
  4. Number of holdings and countries for the MSCI United Kingdom Investable Market Index (IMI) and MSCI ACWI (All Country World Index) Investable Market Index (IMI) as of June 30, 2017. MSCI data © MSCI 2018, all rights reserved. Indices are not available for direct investment, and their performance does not reflect the expenses associated with the management of an actual portfolio. International investing involves special risks such as currency fluctuation and political instability. Investing in emerging markets may accentuate these risks. Past performance is not a guarantee of future results.
  5. Relative price is measured by the price-to-book ratio; value stocks are those with lower price-to-book ratios.
  6. Profitability is a measure of current profitability, based on information from individual companies' income statements.

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#### Principal risks associated with the Core Equity Funds collectively.

Risks include loss of principal and fluctuating value. Small cap securities are subject to greater volatility than those in other asset categories. Value investing is subject to risk which may cause underperformance compared to other equity investment strategies. International investing involves special risks such as currency fluctuation and political instability. Investing in emerging markets may accentuate these risks. Sector specific investments can also increase investment risks. Social issue screens may limit investment opportunities available to a Portfolio. Tax-managed strategies may perform differently from non-tax managed strategies. For more detail regarding the specific risks affecting each Core Equity Portfolio, please see the Principal Risks section of each Portfolio's Prospectus.

Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission. Consider the investment objectives, risks, and charges and expenses of the Dimensional funds carefully before investing. For this and other information about the Dimensional funds, please read the prospectus carefully before investing. Prospectuses are available by calling Dimensional Fund Advisors collect at (512) 306-7400 or at [us.dimensional.com](http://us.dimensional.com).

Dimensional funds are distributed by DFA Securities LLC.

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