

A Different Way to Invest

Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission.

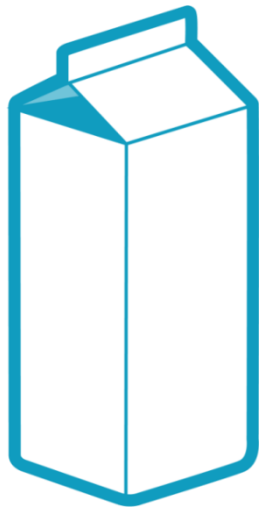
Consider the investment objectives, risks, and charges and expenses of the Dimensional funds carefully before investing. For this and other information about the Dimensional funds, please read the prospectus carefully before investing. Prospectuses are available by calling Dimensional Fund Advisors collect at (512) 306-7400 or at us.dimensional.com/prospectus.

Dimensional funds are distributed by DFA Securities LLC.

Why Invest?

Your Money Today Will Likely Buy Less Tomorrow

1916



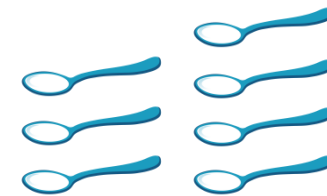
\$0.09 = Quart of milk

1966



\$0.09 = 1 Small Glass of milk

2016



\$0.09 = 7 Tablespoons of milk

In US dollars.

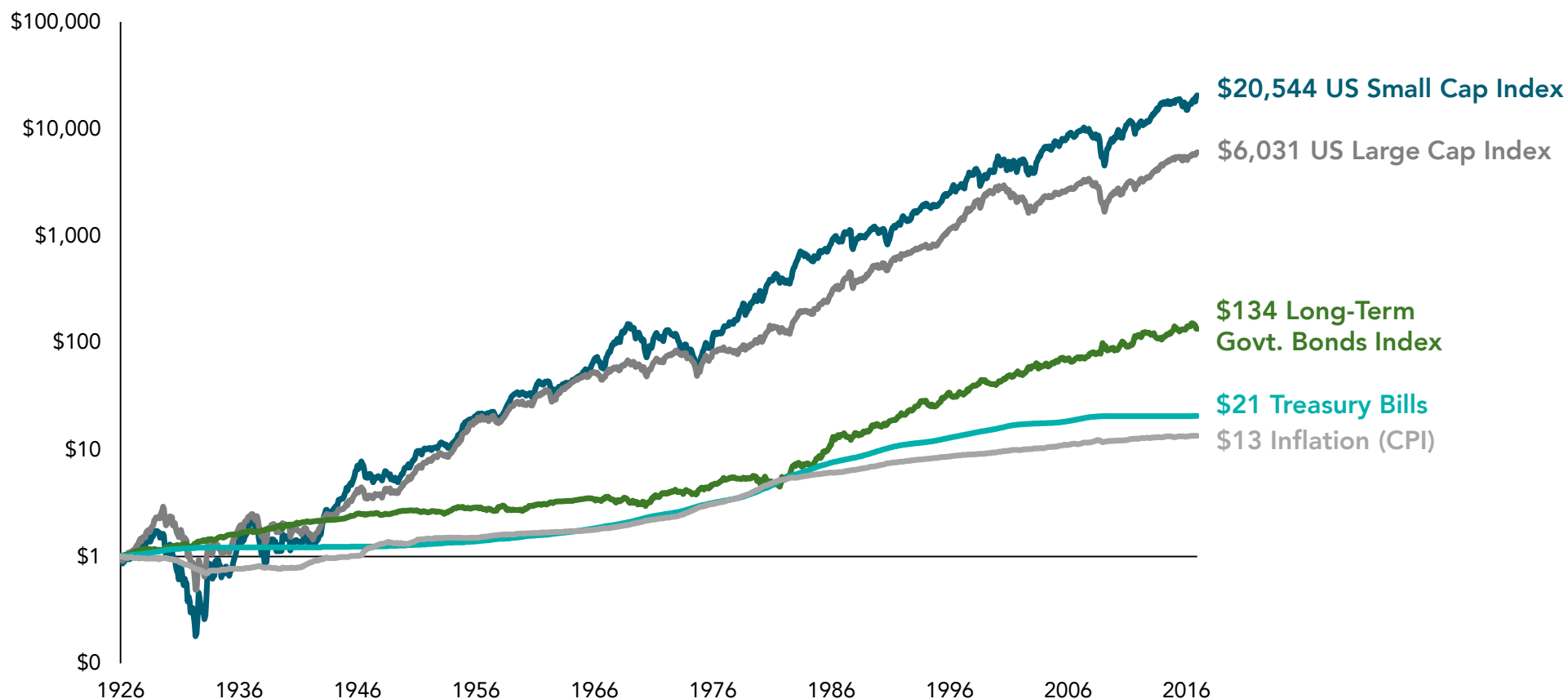
Source for 1916 and 1966: Historical Statistics of the United States, Colonial Times to 1970/US Department of Commerce. Source for 2016: US Department of Labor, Bureau of Labor Statistics, Economic Statistics, Consumer Price Index – US City Average Price Data.

Investing means taking risks.

Not
investing means taking risks,
too.

Capital Markets Have Rewarded Long-Term Investors

Monthly growth of wealth (\$1), 1926–2016

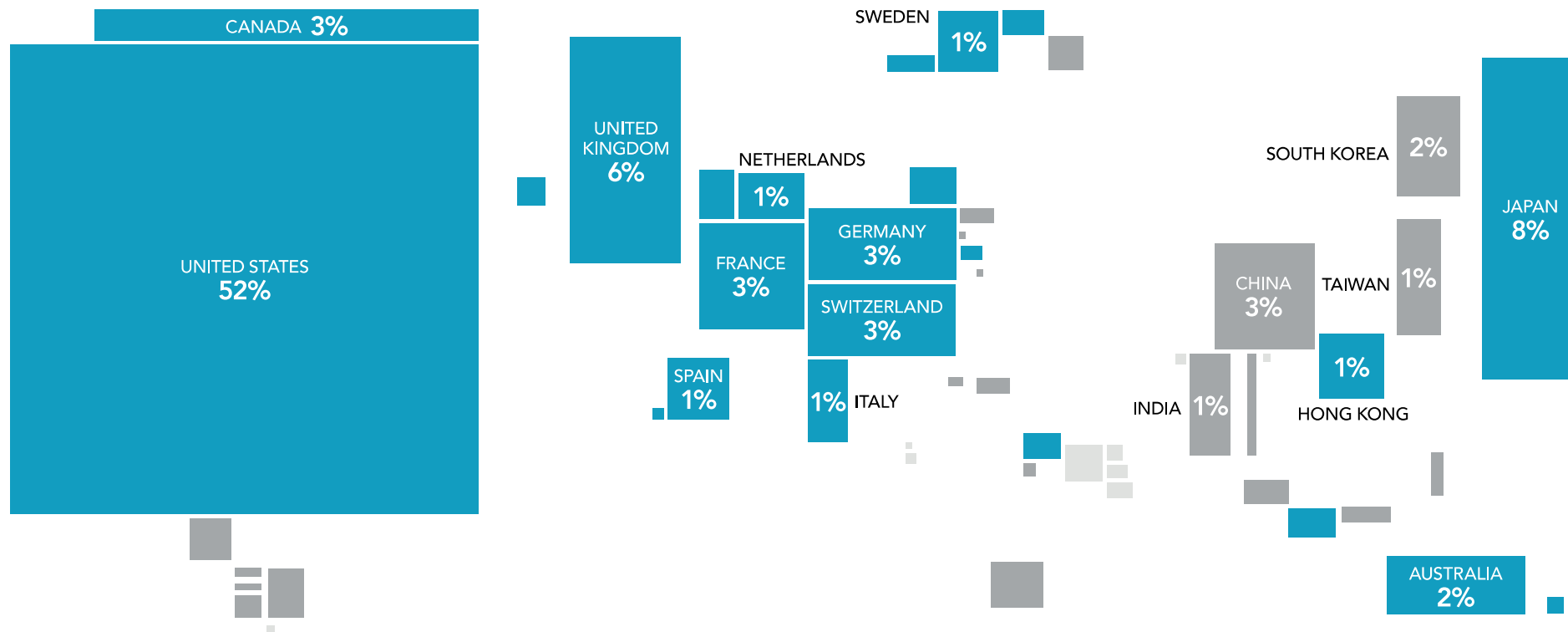


Past performance is no guarantee of future results. In US dollars. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. US Small Cap Index is the CRSP 6–10 Index; US Large Cap Index is the S&P 500 Index; Long-Term Government Bonds Index is 20-year US government bonds; Treasury Bills are One-Month US Treasury bills; US Inflation is the Consumer Price Index. CRSP data provided by the Center for Research in Security Prices, University of Chicago. Bonds, T-bills, and inflation data provided by Morningstar. The S&P data are provided by Standard & Poor's Index Services Group.

There's a World of Opportunity in Equities

Percent of world market capitalization as of December 31, 2015

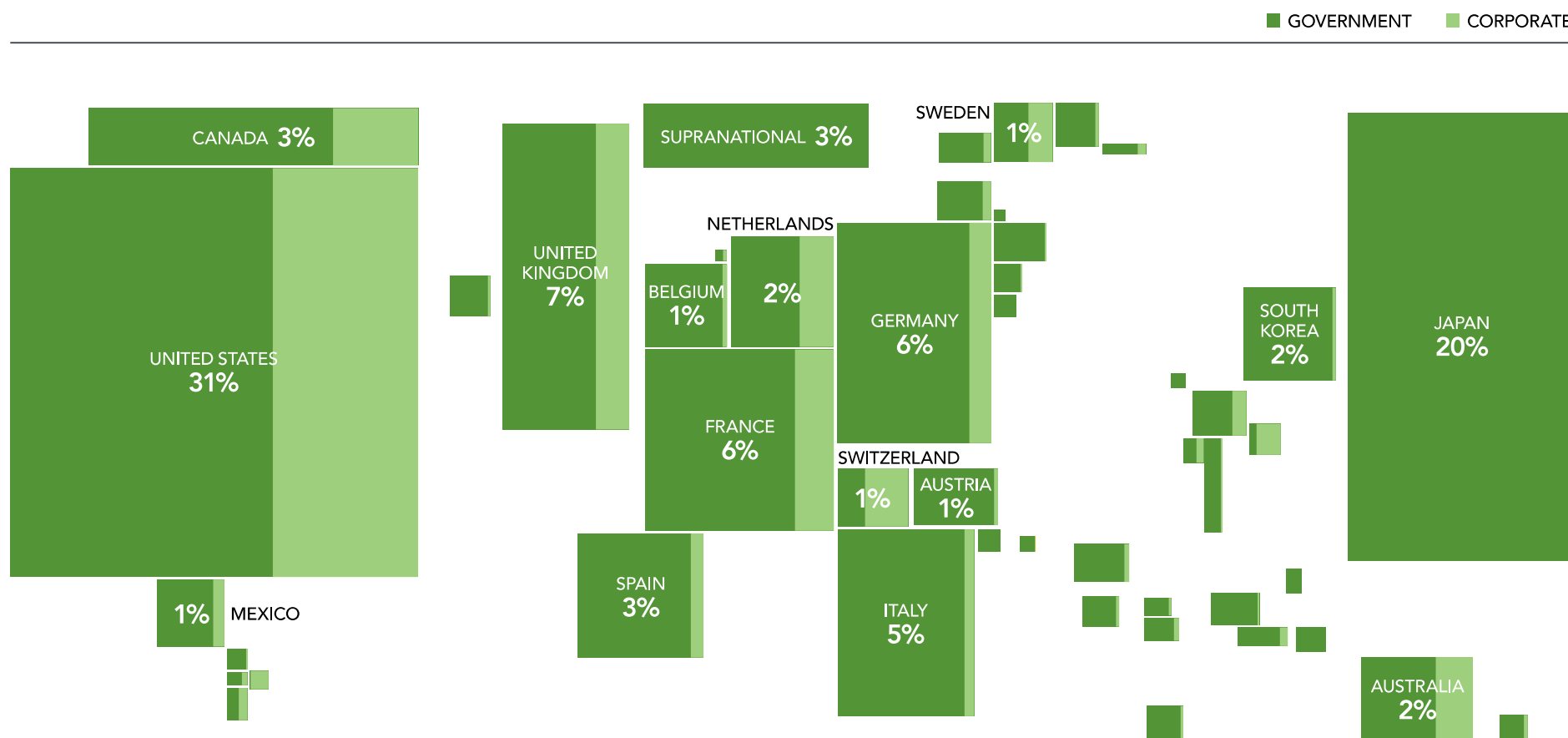
■ DEVELOPED MARKETS ■ EMERGING MARKETS ■ FRONTIER MARKETS



Market cap data is free-float adjusted from Bloomberg securities data. Many nations not displayed. Total may not equal 100% due to rounding. For educational purposes; should not be used as investment advice. China market capitalization excludes A-shares, which are generally only available to mainland China investors.

There's a World of Opportunity in Fixed Income

Percent of global investment grade bond market as of December 31, 2015



Data is from Bloomberg Barclays Global Aggregate Ex-Securitized Bond Index. Many nations not displayed. Total may not equal 100% due to rounding. For educational purposes; should not be used as investment advice. Bloomberg Barclays data provided by Bloomberg.

How Do Many People Invest?

They Try to Predict the Future



“I have a proven system for picking winning stocks.”

“That sector will continue advancing through next year.”

“The market is primed for a retreat.”

They Act on Impulse

“I can’t take this bear market—
I’m getting out!”



“Everyone’s making money—I want
a piece of the action.”

They Bet their Savings on Tips and Hunches



“I heard it on cable news.
I’d better sell!”

“I got a hot tip from my neighbor.
It’s a slam dunk.”

“My friend works in the industry—
he’s got the inside scoop.”

They Are Swayed by the Media

“The Death of Equities”

Business Week, 08/13/1979

“The Crash of ’98 Can the US Economy Hold Up?”

FORTUNE, 09/28/1998

“Retire Rich – A Simple Plan to Have it All”

FORTUNE, 08/16/1999

“How to Reach \$1 Million”

Money, 08/2012

What Have We Learned?

Many of the Greatest Advancements in Finance Have Come from Academia

1952
Diversification and Portfolio Risk

HARRY MARKOWITZ
Nobel Prize in Economics, 1990

1966
Efficient Markets Hypothesis

EUGENE FAMA
Nobel Prize in Economics, 2013

1984
Term Structure of Interest Rates

EUGENE FAMA

2012
Profitability

ROBERT NOVY-MARX
EUGENE FAMA
KENNETH FRENCH

1964
Single-Factor Asset Pricing Risk/Return Model

WILLIAM SHARPE
Nobel Prize in Economics, 1990

1981
The Size Effect

ROLF BANZ

1992–1993
Value Effect and Multifactor Asset Pricing Model

EUGENE FAMA
KENNETH FRENCH

Together, We Know More Than We Do Alone



Participants were asked to estimate the number of jelly beans in a jar.

Range: 409-5,365

Average: 1,653

Actual: 1,670

Markets Integrate the Combined Knowledge of All Participants

World Equity Trading in 2015

	Number of Trades	Dollar Volume
Daily Average	98.6 million	\$447.3 billion

The market effectively enables competition among many market participants who voluntarily agree to transact.

This trading aggregates a vast amount of dispersed information and drives it into security prices.

Markets are constantly aggregating information into prices.

What is the Best Way to Invest?

There Are Differing Approaches

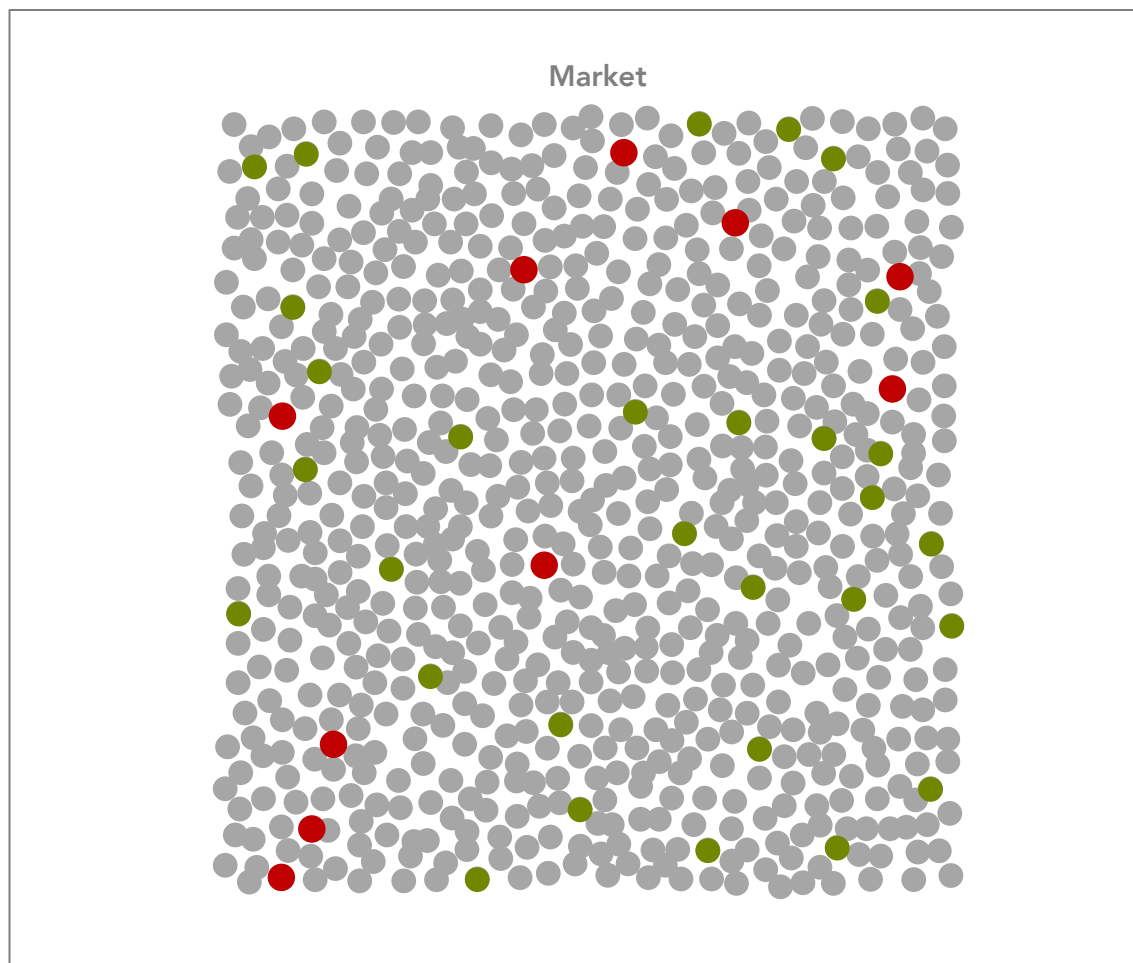
CONVENTIONAL MANAGEMENT

Attempts to identify mispricing in securities

Relies on forecasting to select “undervalued” securities or time markets

Generates higher expenses, trading costs, and risks

The Conventional Approach Attempts to Outguess the Market



Buys a selection of individual securities manager thinks will outperform.

Sells securities when deemed overvalued.

Can lead to high turnover and excess costs.

Conventional Investment Methods Have Low Odds of Success

Fraction of mutual funds that survived and beat their index for 15 years, ending December 31, 2015



Past performance is no guarantee of future results. Survivors are funds that were still in existence as of December 31, 2015. Outperformers are survivors that beat their respective benchmarks over the period. See "Data Appendix" page in the Appendix for additional information.
Source: Mutual Fund Landscape, Dimensional Fund Advisors 2016. US-domiciled mutual fund data is from the CRSP Survivor-Bias-Free US Mutual Fund Database, provided by the Center for Research in Security Prices, University of Chicago.

There Are Differing Approaches

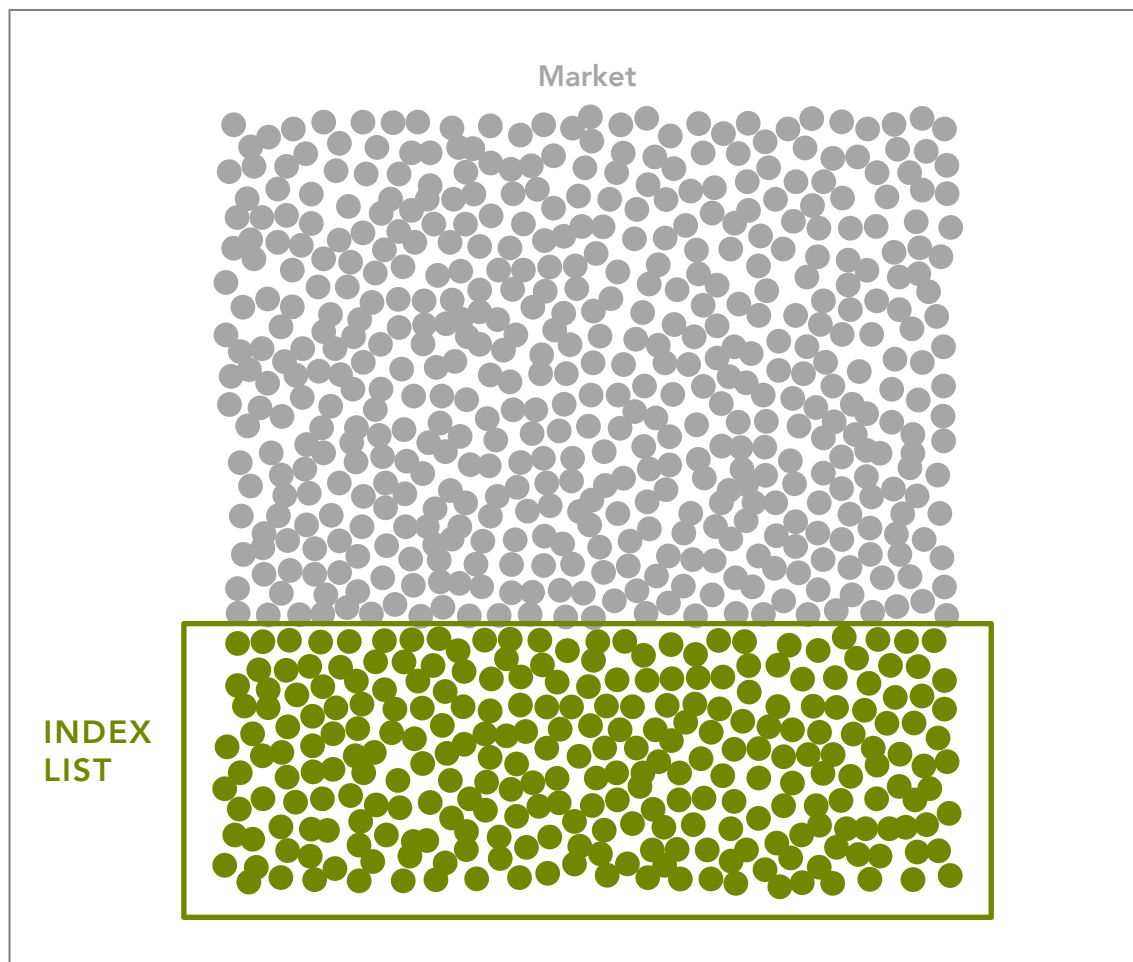
INDEXING

Allows commercial index to determine strategy

Attempts to match index performance, restricting which securities to hold and when to trade

Prioritizes low tracking error over higher expected returns

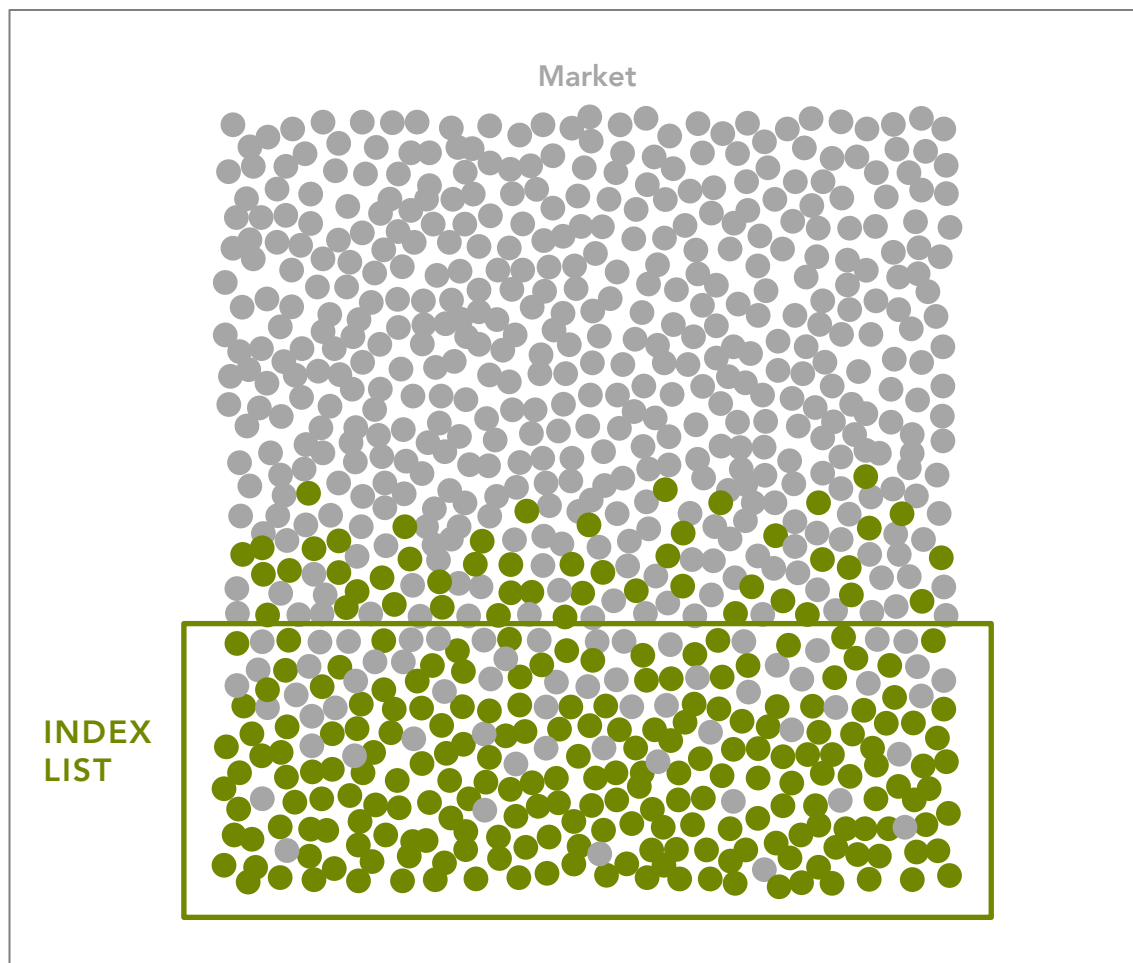
The Indexing Approach Attempts to Match the Returns of a Commercial Benchmark



Holds a basket of securities represented in the index.

Buys and sells the same securities at the same time as all other funds tracking the index.

The Indexing Approach Attempts to Match the Returns of a Commercial Benchmark



Six months later:

Securities have moved in and out of the index's targeted range

As a result, your investment may have drifted from what you intended.

There Are Differing Approaches

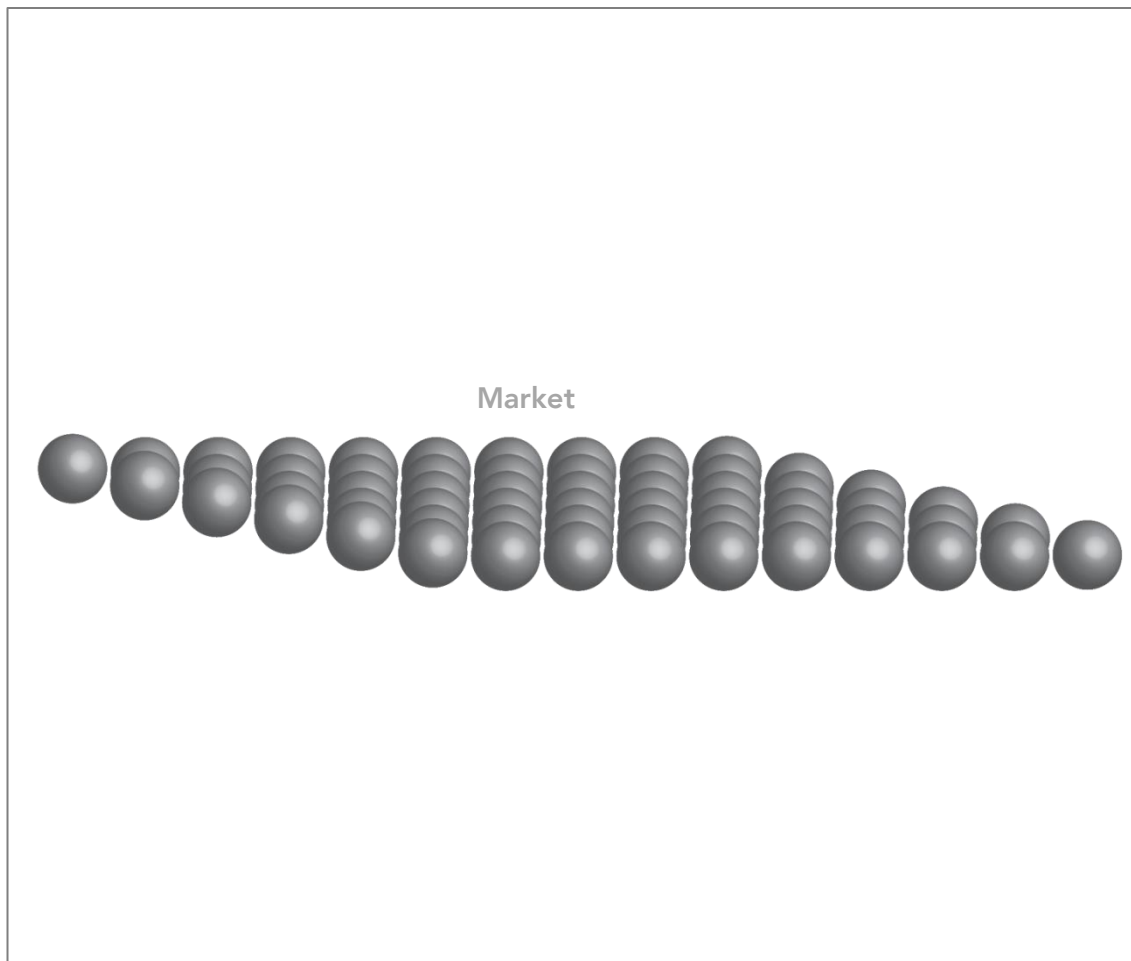
DIMENSIONAL

Gains insights about markets and returns from academic research

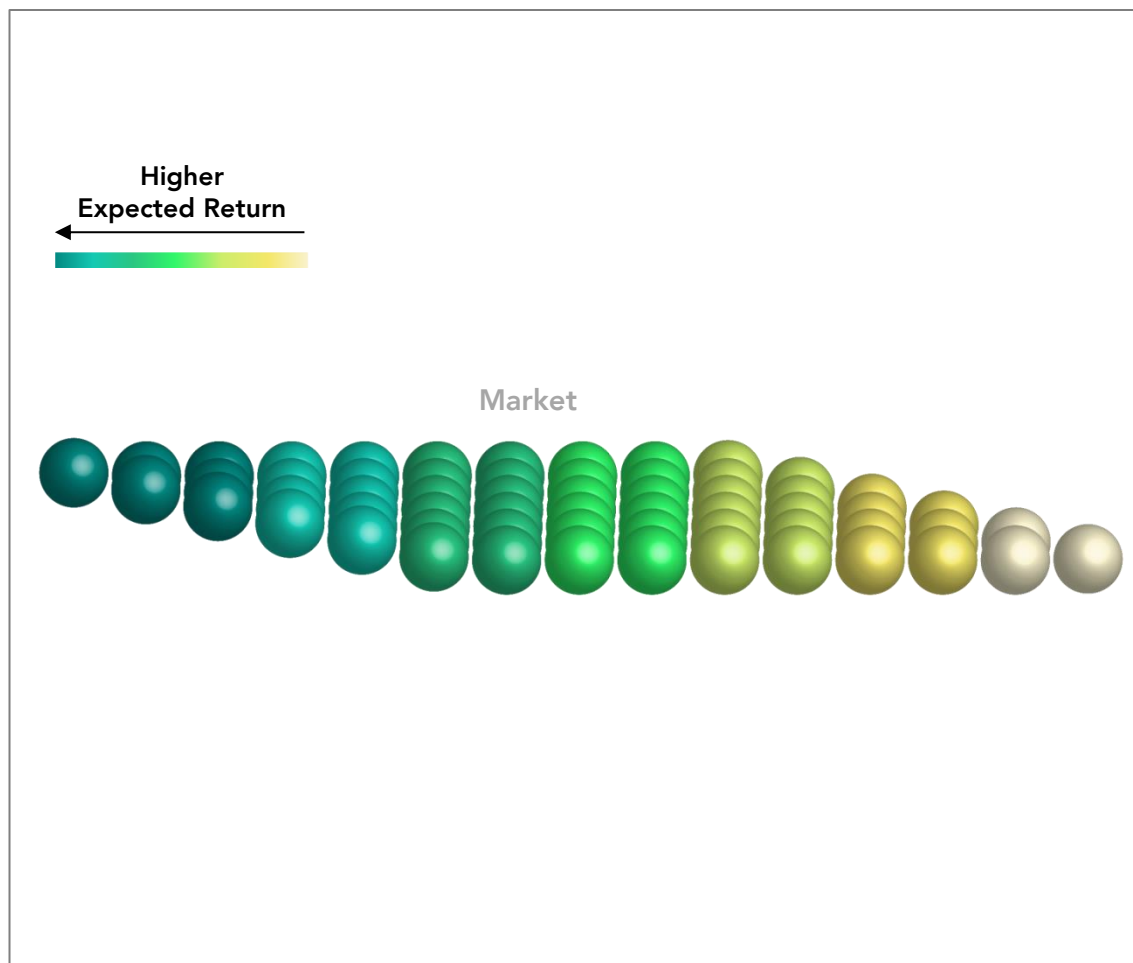
Structures portfolios along the dimensions of expected returns

Adds value by integrating research, portfolio management, and trading

We See the Market in a Different Dimension

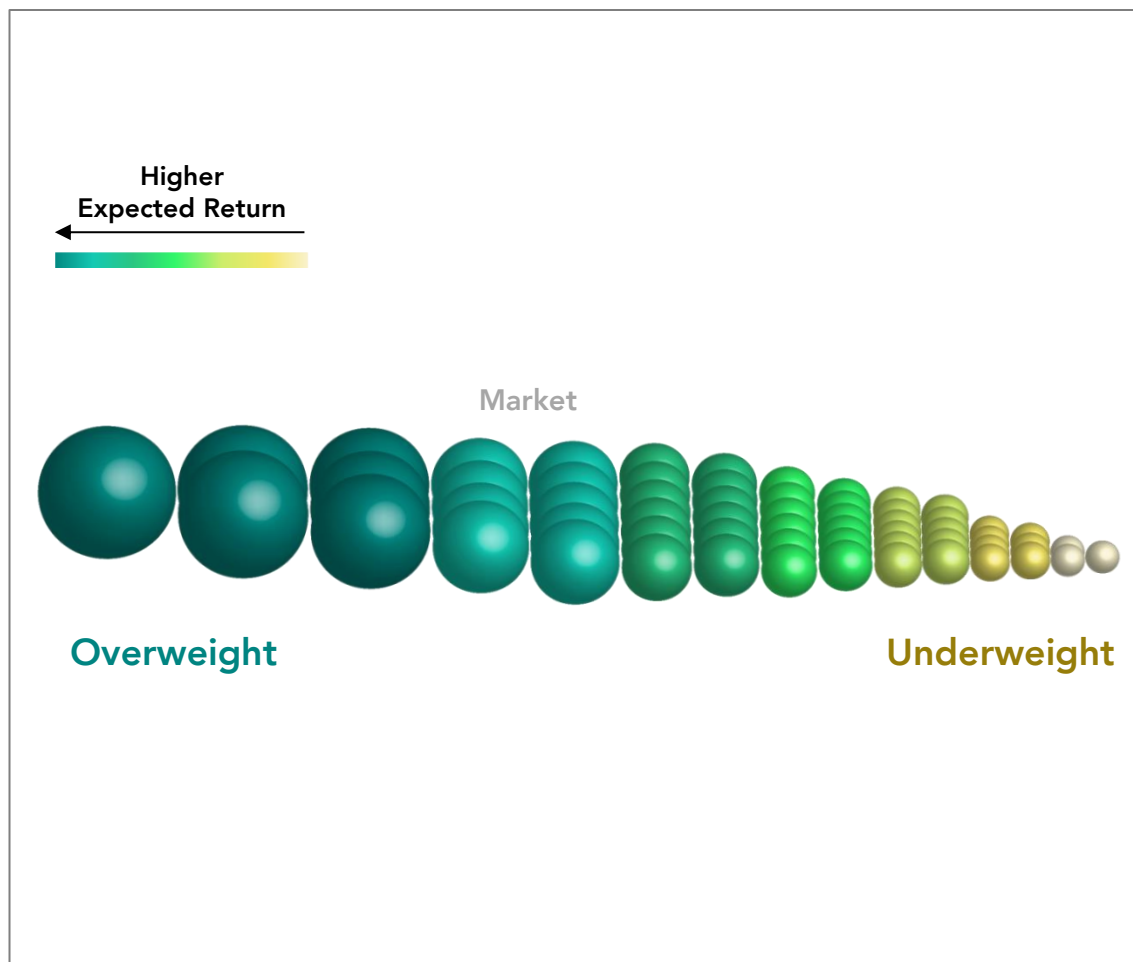


We See the Market in a Different Dimension



Decades of academic research and rigorous testing help us identify relevant dimensions that point to **differences in expected returns**.

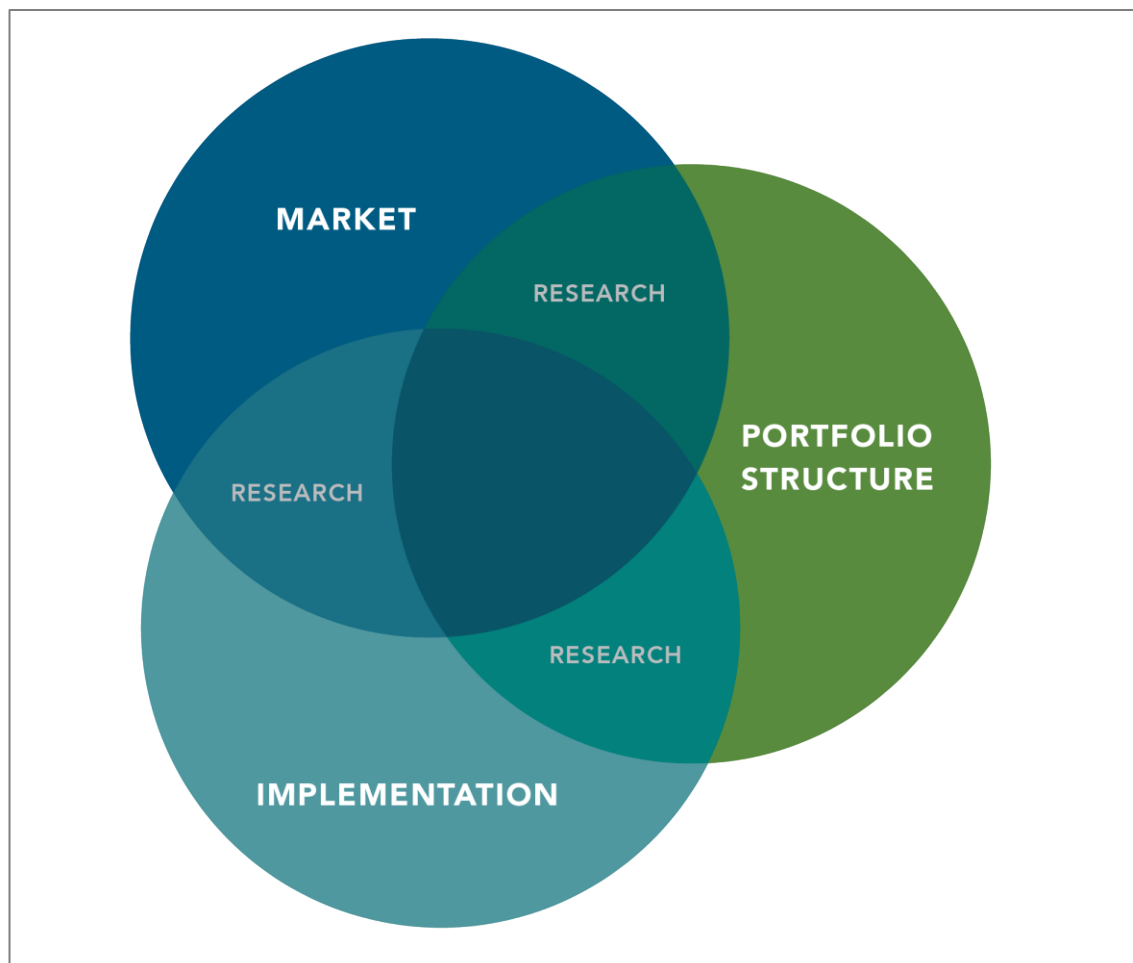
Dimensional Structures Portfolios Along Dimensions of Expected Returns



Within well-diversified portfolios, we **emphasize** areas of the market with higher expected return potential.

The Dimensional Difference

From Insights to Implementation



Our integrated investment process adds value at each step.

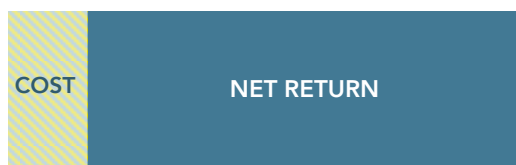
We apply research throughout our process to advance our understanding of all aspects of investing.

Balancing Investment Tradeoffs

Dimensional designs strategies to reduce the total cost of pursuing expected returns

INVESTMENT OPPORTUNITY

A



B



CONDITIONS

Broad diversification and patient, flexible trading lead to **lower turnover and costs**.

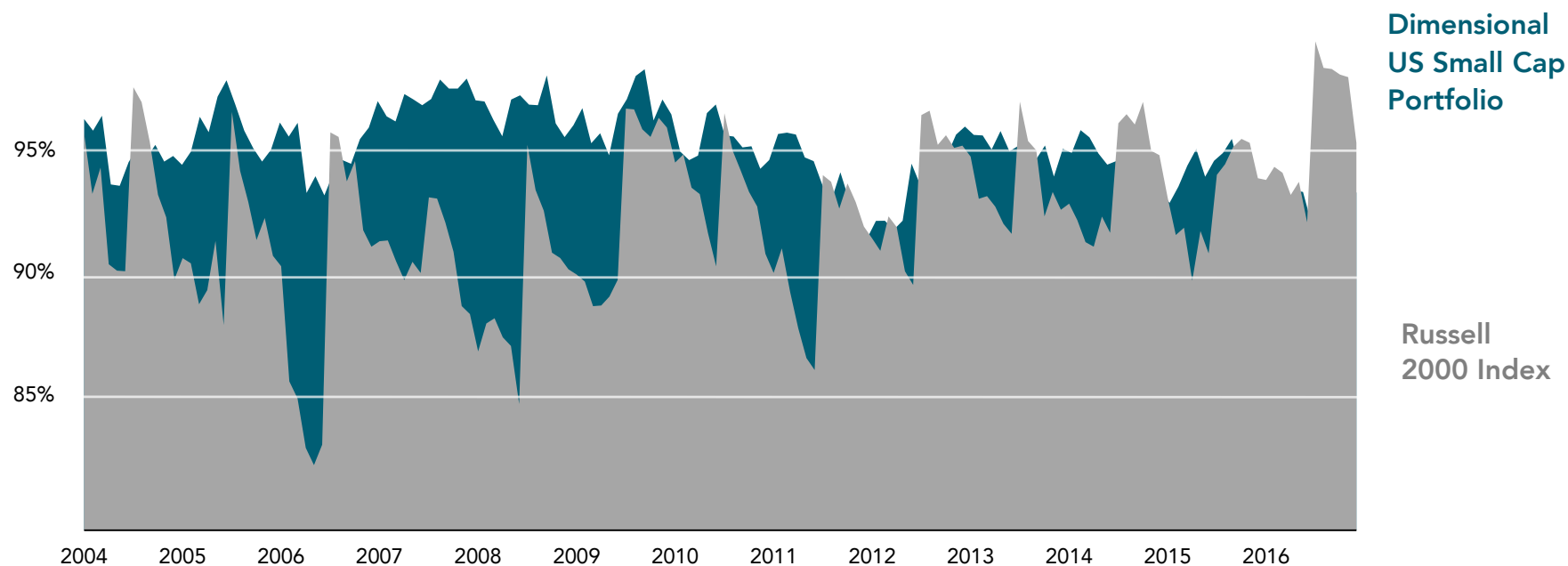
Concentrated holdings and urgent, inflexible trading result in **higher turnover and costs**.

Two investment opportunities can have the same expected return but invite very different conditions.

These conditions result in different costs, which impact net returns.

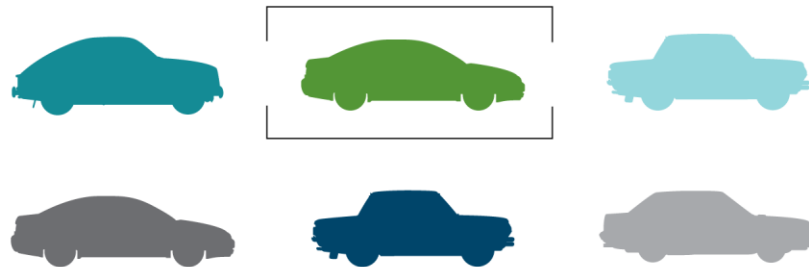
Managing Portfolios to Maintain Asset Class Consistency

Assets in small cap companies (bottom 10% of market cap)

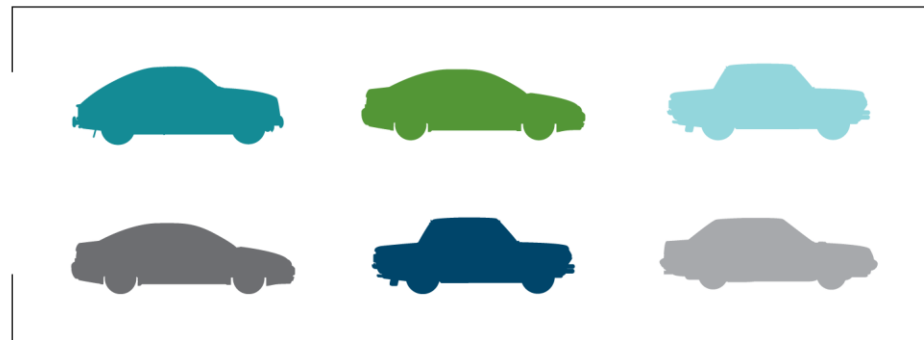


Adding Value through Flexible, Patient Trading

"I want this one—today!"



"I'm flexible."



Track Record After Fees

First full month ¹ through 12/31/2016	ANNUALIZED RETURN	
	Fund (%)	Benchmark (%)
US EQUITY		
US Micro Cap, since 1/82	12.19	10.46
US Small Cap, since 4/92	10.92	9.47
US Large Cap Value, since 3/93	10.17	9.69
US Small Cap Value, since 4/93	12.22	10.55
DEVELOPED ex US EQUITY		
International Small Company, since 10/96	6.70	5.79
International Small Cap Value, since 1/95	7.43	5.57
International Value, since 3/94	5.96	4.58
EMERGING MARKETS EQUITY		
Emerging Markets Small Cap, since 4/98	10.80	6.17
Emerging Markets Value, since 5/98	9.96	6.27
Emerging Markets, since 5/94	6.32	4.99
FIXED INCOME		
One-Year Fixed, since 8/83	4.74	4.34
Intermediate Government, since 11/90	6.26	5.80
Five-Year Global, since 12/90	5.38	4.74

1. Returns are annualized from the first full month and reflect compound returns and assume reinvestment of dividends and other earnings. Benchmark information available in the appendix. See "Track Record Portfolios and Benchmarks" and "Standardized Performance Data and Disclosures" pages in the Appendix.

Portfolios shown are a representative sample of product offerings considered to be early examples and flagship strategies with more than 15 years of performance.

Performance data shown represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance shown.

The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

To obtain the most current month-end performance data, visit us.dimensional.com.

Focus On What You Can Control



A financial advisor can help you create a plan and focus on actions that add value.



Appendix

Data Appendix

Research conducted by Dimensional Fund Advisors LP. Mutual fund data is from the CRSP Mutual Fund Database, provided by the Center for Research in Security Prices, University of Chicago.

Certain types of equity and fixed income funds were excluded from the performance study. For equities, sector funds and funds with a narrow investment focus, such as real estate and gold, were excluded. Money market funds, municipal bond funds, and asset-backed security funds were excluded from fixed income.

Funds are identified using Lipper fund classification codes and are matched to their respective benchmarks at the beginning of the 10-year sample period. Winner funds are those whose cumulative return over the period exceeded that of their respective benchmark. Loser funds are funds that did not survive the period or whose cumulative return did not exceed their respective benchmark. Non-survivors include funds that were either liquidated or merged.

Benchmark data provided by Bloomberg Barclays, MSCI, and Russell. Bloomberg Barclays data provided by Bloomberg. MSCI data copyright MSCI 2017, all rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

Benchmark indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.

Mutual fund investment values will fluctuate, and shares, when redeemed, may be worth more or less than original cost. Diversification neither assures a profit nor guarantees against a loss in a declining market. Past performance is no guarantee of future results.

Track Record Portfolios and Benchmarks

US Micro Cap benchmark is Russell 2000 Index.

US Small Cap benchmark is Russell 2000 Index.

US Large Cap Value benchmark is Russell 1000 Value Index.

US Small Cap Value benchmark is Russell 2000 Value Index.

International Small Company prospectus benchmark is MSCI World ex USA Small Cap Index (net dividends). Due to unavailability of returns data from inception date, performance is that of MSCI All Country World ex USA Small Cap Index (net dividends) from 10/96 to 12/98 and MSCI World ex USA Small Cap Index (net dividends) from 1/99 forward.

International Small Cap Value prospectus benchmark is MSCI World ex USA Small Cap Index (net dividends). Due to unavailability of returns data from inception date, performance is that of MSCI All Country World ex USA Small Cap Index (net dividends) from 1/95 to 12/98 and MSCI World ex USA Small Cap Index (net dividends) from 1/99 forward.

International Value benchmark is MSCI World ex USA Index (net dividends).

Emerging Markets Small Cap prospectus benchmark is MSCI Emerging Markets Index (net dividends). Due to unavailability of returns data from inception date, performance is that of MSCI Emerging Markets Index (gross dividends) from 4/98 to 12/98 and MSCI Emerging Markets Index (net dividends) from 1/99 forward.

Emerging Markets Value prospectus benchmark is MSCI Emerging Markets Index (net dividends). Due to unavailability of returns data from inception date, performance is that of MSCI Emerging Markets Index (gross dividends) from 5/98 to 12/98 and MSCI Emerging Markets Index (net dividends) from 1/99 forward.

Emerging Markets prospectus benchmark is MSCI Emerging Markets Index (net dividends). Due to unavailability of returns data from inception date, performance is that of MSCI Emerging Markets Index (gross dividends) from 5/94 to 12/98 and MSCI Emerging Markets Index (net dividends) from 1/99 forward.

One-Year Fixed benchmark is BofA Merrill Lynch 6-Month US Treasury Bill Index.

Intermediate Government benchmark is Bloomberg Barclays US Government Bond Index.

Five-Year Global benchmark is Citi World Government Bond Index 1-5 Years (hedged to USD).

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Standardized Performance Data & Disclosures

Performance data shown represents past performance. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. To obtain performance data current to the most recent month end, access our website at us.dimensional.com.

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Risks include loss of principal and fluctuating value. Investment value will fluctuate, and shares, when redeemed, may be worth more or less than original cost.

Small and micro cap securities are subject to greater volatility than those in other asset categories.

International and emerging markets investing involves special risks such as currency fluctuation and political instability. Investing in **emerging markets** may accentuate these risks.

Sector-specific investments focus on a specific segment of the market, which can increase investment risks.

Fixed income securities are subject to increased loss of principal during periods of rising interest rates. Fixed income investments are subject to various other risks, including changes in credit quality, liquidity, prepayments, call risk, and other factors. **Municipal securities** are subject to the risks of adverse economic and regulatory changes in their issuing states.

Real estate investment risks include changes in real estate values and property taxes, interest rates, cash flow of underlying real estate assets, supply and demand, and the management skill and creditworthiness of the issuer.

Sustainability funds use environmental and social screens that may limit investment opportunities for the fund.

Commodities include increased risks, such as political, economic, and currency instability, and may not be suitable for all investors. The Portfolio may be more volatile than a diversified fund because the Portfolio invests in a smaller number of issuers and commodity sectors.

The fund prospectuses contain more information about investment risks.

Standardized Performance Data & Disclosures

As of December 31, 2016 Average Annual Total Returns (%)	Symbol	1 Year	5 Years	10 Years	Since Inception	Net Expense Ratio (%)	Total (Gross) Expense Ratio (%)	Management Fee (%)	Inception Date
US Equity Portfolios									
US Micro Cap Portfolio ¹	DFSCX	25.63	16.41	7.63	12.15	0.52	0.52	0.50	12/23/1981
US Small Cap Portfolio ¹	DFSTX	23.53	16.00	8.44	10.77	0.37	0.37	0.35	3/19/1992
US Large Cap Value Portfolio ²	DFLVX	18.89	16.68	6.55	10.21	0.27	0.37	0.35	2/19/1993
US Small Cap Value Portfolio ¹	DFSVX	28.26	16.22	6.82	12.13	0.52	0.52	0.50	3/2/1993
Non-US Equity Portfolios									
International Small Company Portfolio ^{1,3}	DFISX	5.80	9.72	3.46	6.70	0.54	0.54	0.40	9/30/1996
International Small Cap Value Portfolio ¹	DISVX	8.00	11.55	3.50	7.43	0.69	0.69	0.65	12/29/1994
International Value Portfolio ⁴	DFIVX	8.41	6.28	0.28	6.00	0.43	0.63	0.60	2/15/1994
Emerging Markets Small Cap Portfolio ⁴	DEMSX	10.92	5.06	4.92	11.04	0.73	0.93	0.85	3/5/1998
Emerging Markets Value Portfolio ⁴	DFEVX	19.84	1.33	2.27	9.70	0.56	0.66	0.60	4/1/1998
Emerging Markets Portfolio ⁴	DFEMX	12.09	1.38	2.49	6.32	0.57	0.67	0.60	4/25/1994
Fixed Income Portfolios									
One-Year Fixed Income Portfolio ¹	DFIHX	0.84	0.54	1.54	4.73	0.17	0.17	0.15	7/25/1983
Intermediate Government Fixed Income Portfolio ¹	DFIGX	1.15	1.61	4.52	6.25	0.12	0.12	0.10	10/19/1990
Five-Year Global Fixed Income Portfolio ¹	DFGBX	1.79	2.09	3.36	5.37	0.27	0.27	0.25	11/6/1990

1. Expense information as of 10/31/2015. The fund's prospectus contains more information on fees and expenses.

2. Expense information as provided in the prospectus, dated 2/28/2016. The Advisor has agreed to waive certain fees and, in certain circumstances, assume certain expenses of the Portfolio. This portion of the contractual fee waiver and/or expense assumption agreement will remain in effect through 2/28/2017. The "Total Operating Expense Ratio" has been adjusted to reflect the Feeder Portfolio's new investment management agreement, effective July 21, 2015, and includes an investment management fee payable by the Feeder Portfolio and an investment management fee payable by the Master Fund. For any period when the Feeder Portfolio is invested in other funds managed by the Advisor (collectively, "Underlying Funds"), the Advisor has contractually agreed to permanently waive the Feeder Portfolio's direct investment management fee to the extent necessary to offset the proportionate share of any Underlying Fund's investment management fee paid by the Feeder Portfolio through its investment in such Underlying Fund. The fund's prospectus contains more information on fees and expenses.

3. The Advisor has agreed to waive certain fees and, in certain circumstances, assume certain expenses of the Portfolio. This contractual fee waiver and/or expense assumption agreement will remain in effect through 2/28/2017.

4. Expense information as provided in the prospectus, dated 2/28/2016. The "Total Operating Expense Ratio" has been adjusted to reflect the Feeder Portfolio's new investment management agreement, effective July 21, 2015, and includes an investment management fee payable by the Feeder Portfolio and an investment management fee payable by the Master Fund. For any period when the Feeder Portfolio is invested in other funds managed by the Advisor (collectively, "Underlying Funds"), the Advisor has contractually agreed to permanently waive the Feeder Portfolio's direct investment management fee to the extent necessary to offset the proportionate share of any Underlying Fund's investment management fee paid by the Feeder Portfolio through its investment in such Underlying Fund. The fund's prospectus contains more information on fees and expenses.