

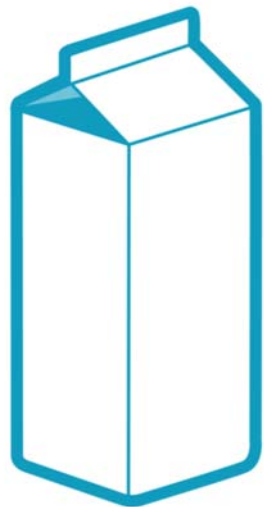
A Different Way to Invest

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

1913



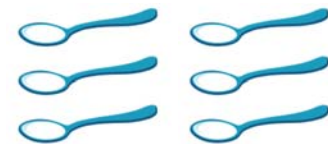
\$0.09 = Quart

1963



\$0.09 = 1 Small Glass

2014



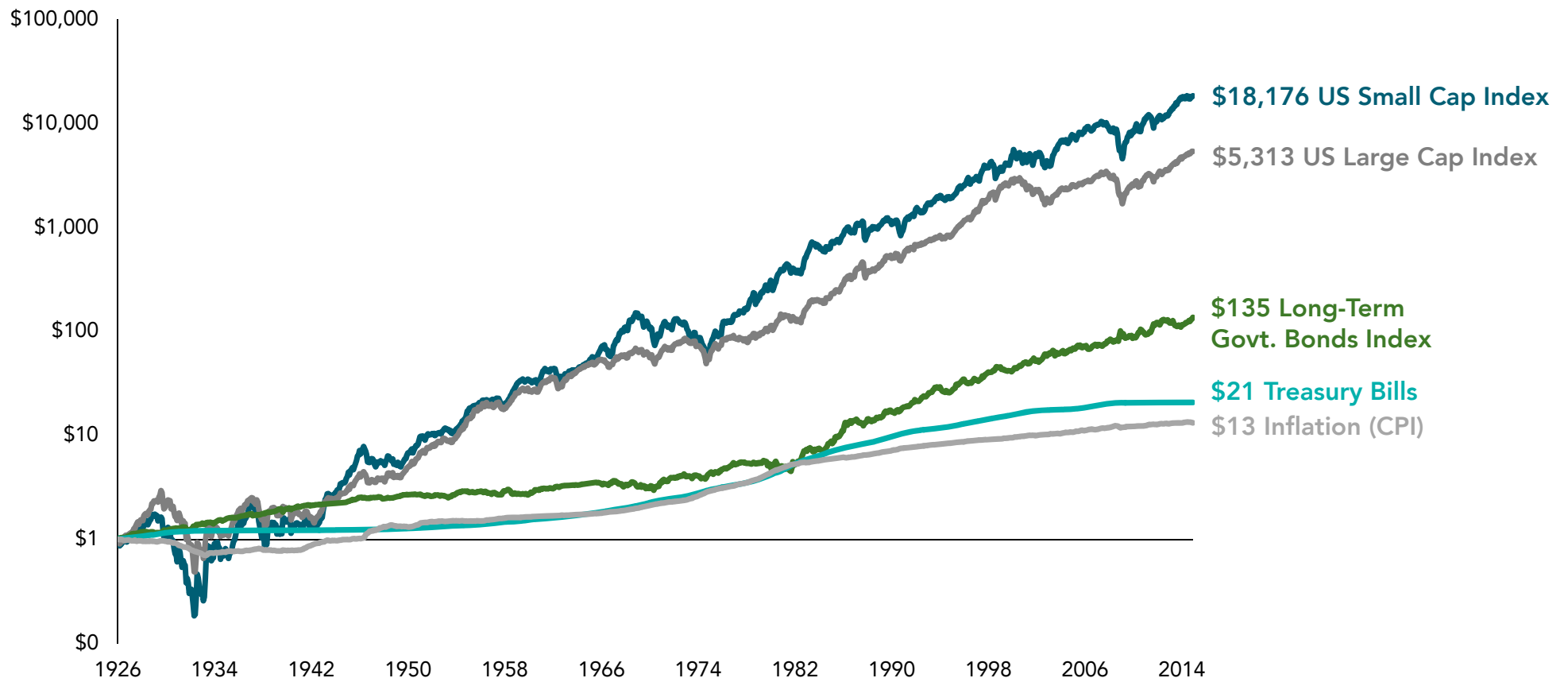
\$0.09 = 6 Tablespoons

Investing means taking risks.

Not
investing means taking risks,
too.

Capital Markets Have Rewarded Long-Term Investors

Monthly growth of wealth (\$1), 1926–2014

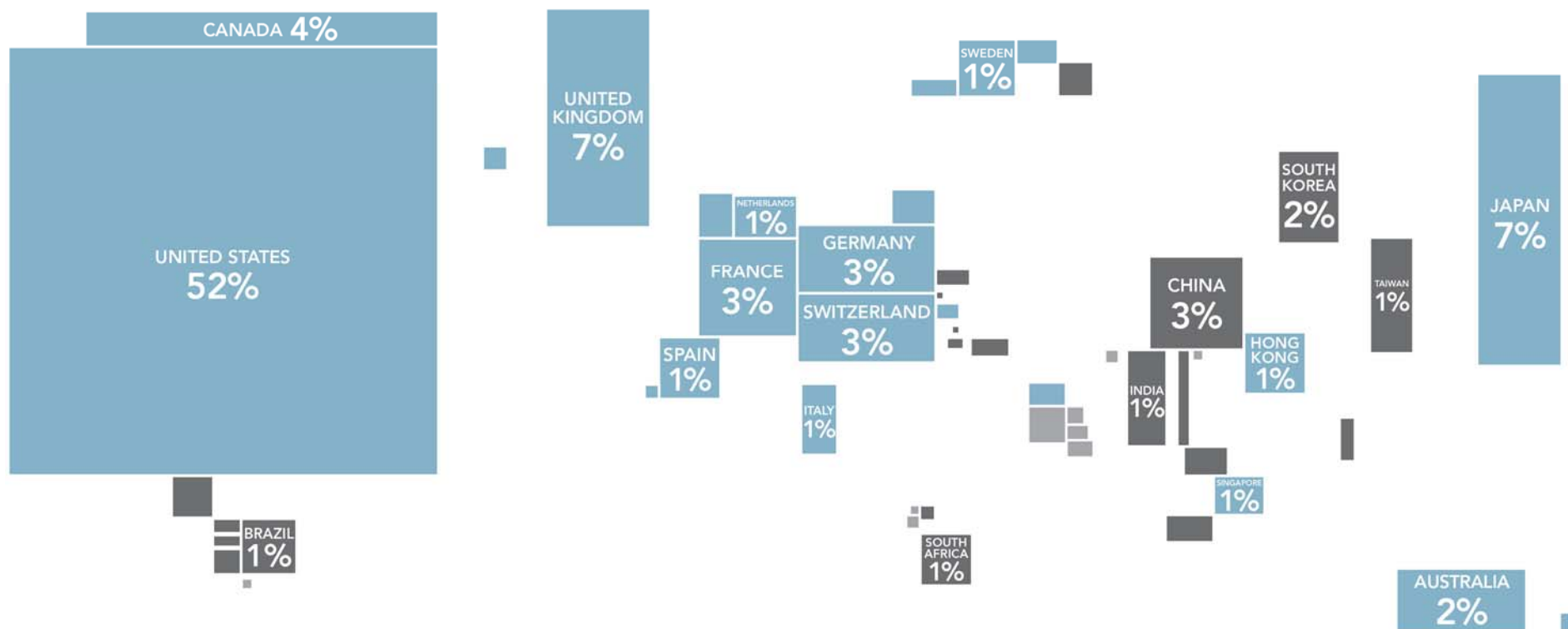


Past performance is no guarantee of future results. In US dollars. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. See "Growth of Wealth Indices" page in the Appendix for more information. US Small 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; 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 © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld). 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, 2014

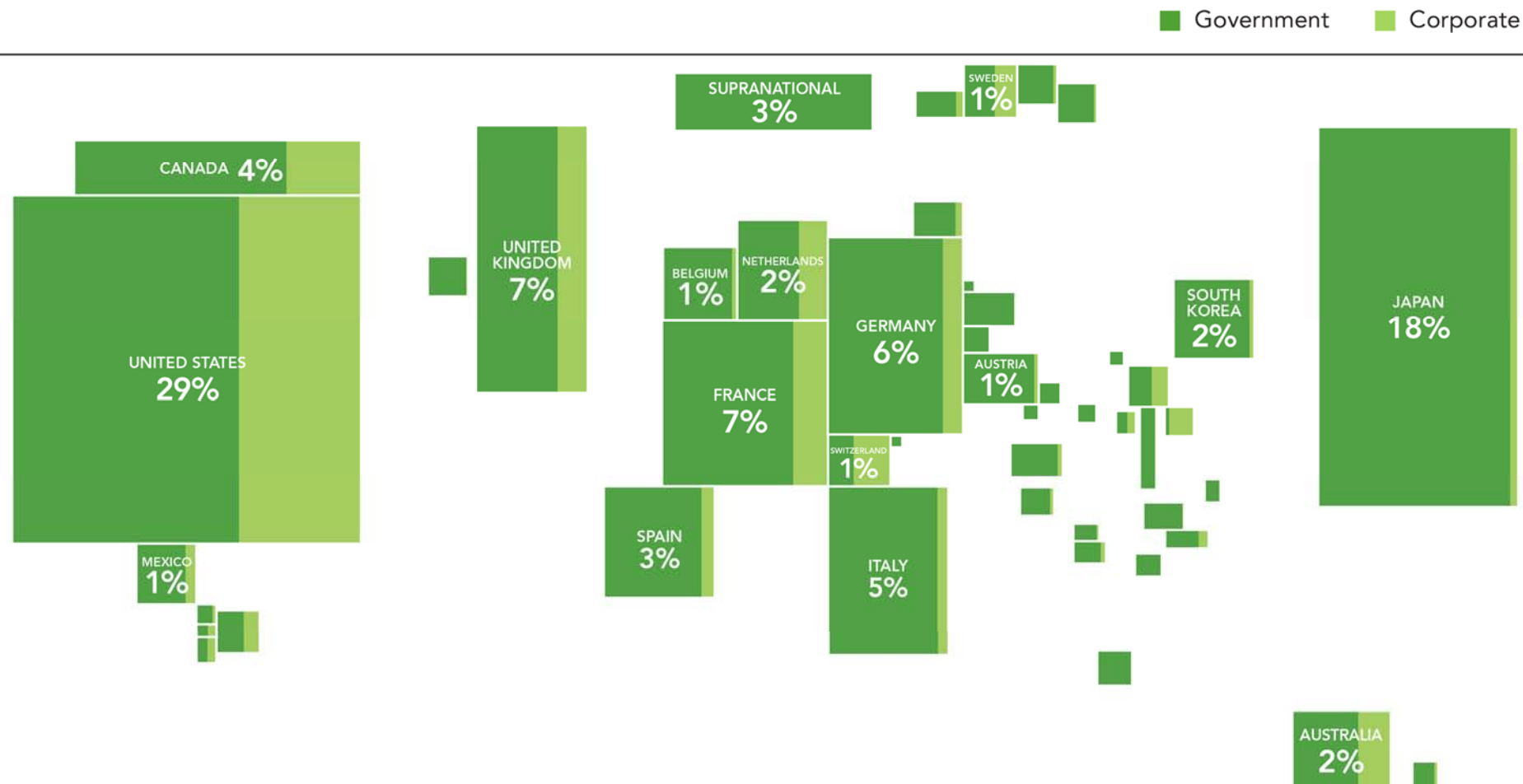
■ Developed Markets
 ■ Emerging Markets
 ■ Frontier Markets



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, 2014



Data is from 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. Barclays data provided by Barclays Bank PLC.

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 2014

	Number of Trades	Dollar Volume
Daily Average	60 million	\$302 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.

What is the Best Way to Invest?

There Are Differing Approaches

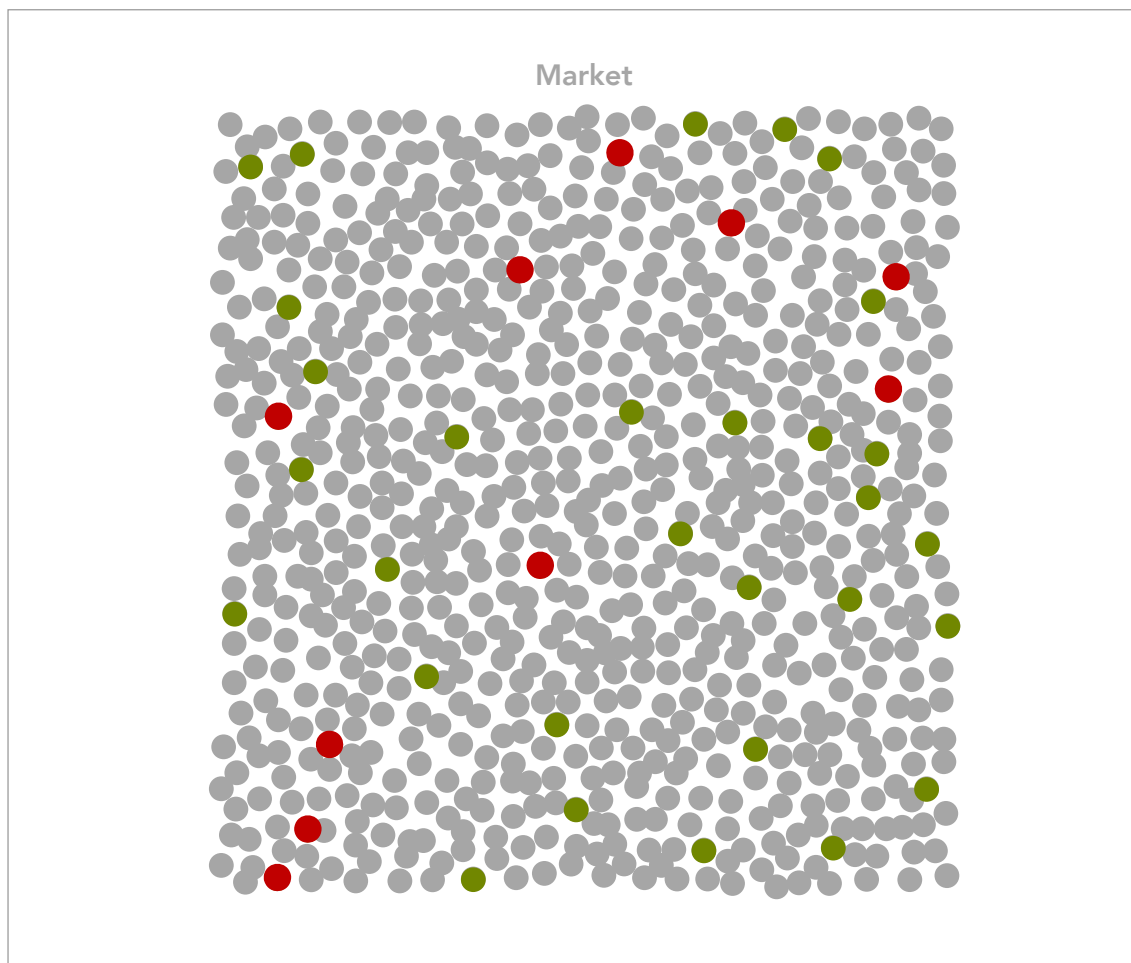
CONVENTIONAL MANAGEMENT

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.