

DIMENSIONAL FUND ADVISORS

Discover New Dimensions
in Investment Advice

A disciplined approach to wealth management is critical to pursuing financial independence. Because your dreams and legacy depend on the investment strategies you employ today, you need an effective, intellectually sound strategy aligned with your long-term financial objectives and personal tolerance for risk.

By leveraging the keen insights and scholarship of the renowned fund family Dimensional Fund Advisors, and the objective research of LPL Research, your advisor has access to unique investment strategies within the Model Wealth Portfolios (MWP) that are rooted in academic research. This extensive body of research has been tested by leading academics and portfolio theorists, including Nobel Prize–winning economists. The result is an intelligent approach to portfolio design that leads to the confidence and clarity you seek in the pursuit of your investment goals.

The Dimensional Difference

Dimensional Fund Advisors has long been recognized as one of the leaders in applying financial science to the practical world of investing. In 1981, Dimensional introduced innovative strategies that set a new standard for portfolio design. Dimensional's revolutionary approach is steeped in extensive academic research on capital markets and the drivers of expected returns. Dimensional believes:

- Market prices contain reliable information about differences in expected returns, and capital markets have rewarded investors over the long term.
- Financial markets act as an ally when investors understand that investing isn't about finding a loophole for a quick gain, but instead is about committing to a long-term strategy of diversification and efficient portfolio implementation.

Financial science identifies the sources of investment returns. Dimensional provides the tools and experience to help achieve them.

Dimensional strategies are fundamentally different from traditional mutual fund portfolios. By following a scientific approach to investing, Dimensional Fund Advisors incorporates intellectually sound strategies with the goal of enhancing expected returns while maintaining diversification and minimizing costs.

Market Fluctuation Has Its Advantages

Market fluctuations can lead to losses if investors move out of positions at the wrong time. However, that's not the only way investors experience market losses. When investment managers are chasing a trend and their predictions go wrong, they run the risk of missing strong returns by holding the

No strategy assures success or protects against loss.

wrong stocks at the wrong time. Long-term investors may be rewarded if they remain invested in portfolios constructed around the belief of higher than expected returns.

Total Return Encompasses More Than Meets the Eye

A portfolio's total return relies on far more than how investments are performing at any given time. Factors including taxable gains and transaction fees resulting from unnecessary trading can significantly affect your portfolio returns. For this reason, Dimensional strategies are focused on minimizing internal costs by applying a flexible approach. Instead of chasing short-term gains, the funds retain a long-term focus.

Diversification Creates Balance

Dimensional investment decisions are driven by balancing the trade-offs among higher expected returns, costs, and diversification. Dimensional strategies don't chase returns in a single sector to try to manufacture growth. They rely on deep diversification across thousands—not simply hundreds—of securities within multiple asset classes with the goal of providing downside protection and managing risk.

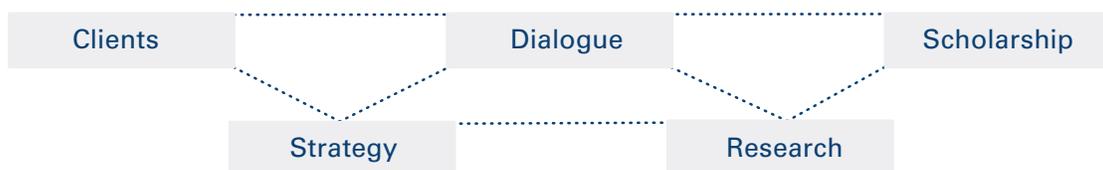
Continual Research Is a Critical Component

Dimensional continues to engage and collaborate with leading academic thinkers, which results in continual evolution and innovation with the goal of delivering the best investment experience. Through this circular process, Dimensional engineers strategies and brings client feedback to financial economists and researchers for further testing and enhancements. Research becomes more relevant to practical investing, ensuring that it's backed by solid theory and economic knowledge.

Academic Excellence Drives Independent Thought

Dimensional portfolio construction is carefully designed and monitored based on the findings of some of the most respected academics in modern history, including Nobel Prize-winning economists. As a pioneer in academic research, Dimensional delivers investment decisions that aren't influenced by institutional relationships, corporate politics, or revenue agreements that could affect investment decisions.

Continual Research Is a Critical Component



There is no guarantee that a diversified portfolio will enhance overall returns or outperform a nondiversified portfolio. Diversification does not protect against market risk.

STRONG TIES TO LEADING ACADEMICS BENEFITS OUR CLIENTS

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¹ Academic consultants have consulting agreements with Dimensional Fund Advisors LP or one of its affiliates.

² Members of the board of directors for Dimensional Fund Advisors LP.

³ Members of Dimensional Fund Advisors LP's Investment Research Committee.

⁴ "US Mutual Fund Board" refers to the boards of directors of the DFA Investment Trust Company, DFA Investment Dimensions Group Inc., Dimensional Investment Group Inc., and Dimensional Emerging Markets Value Fund Inc.

KEY PRINCIPLES OF THE SCHOLARSHIP OF INVESTING

Markets Contain Reliable Information

Capital markets build wealth. Security prices contain reliable information about differences in expected returns among securities. These prices reflect the expectations of all market participants, who trade voluntarily with one another at prices they see as fair given their expectations. This competition quickly drives prices to fair value, ensuring that no investor can expect greater returns without bearing greater risk.

Traditional investment managers strive to beat the market by taking advantage of pricing “mistakes” and attempting to predict the future. When you reject costly speculation and guesswork, investing becomes a matter of identifying the allocation most likely to produce rewards in line with your personal tolerance for risk.

Investing Involves Trading Off Risks and Costs with Expected Return

Returns are the result of assuming risk. Gain is rarely accomplished without taking a chance, but not all risks carry a reliable reward. Over the last 50 years, financial science has

brought us to a powerful understanding of the drivers of expected returns.

Everything we have learned about expected returns in the equity markets can be summarized in three dimensions:

- **Market:** Stocks have higher expected returns than fixed income.
- **Size:** Small company stocks have higher expected returns than large company stocks.
- **Price:** Lower priced “value” stocks have higher expected returns than higher priced “growth” stocks.
- **Profitability:** Holding company size and relative price equal, a company with higher profitability will have higher expected returns.

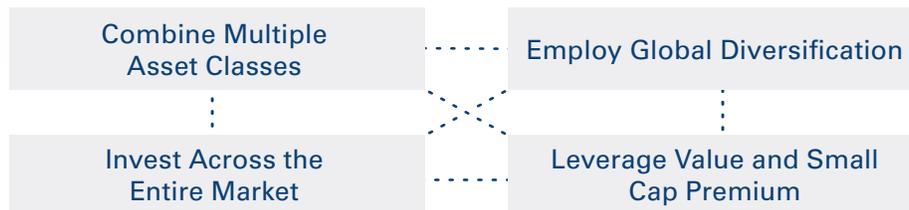
Relative performance in fixed income is largely driven by two dimensions: bond maturity and credit quality. Bonds that mature further in the future on average have higher expected returns. Bonds with lower credit quality on average have higher expected returns. Extending bond maturities and reducing credit quality increases potential returns while also increasing risk.

How Markets Work



Diversification Is Key

Through the proper use of asset allocation, volatility can be reduced to a level that's appropriate for you while still empowering you to pursue your long-term goals.



Smart Trading May Increase Returns

For nearly three decades, Dimensional has implemented a flexible trading approach. Its refusal to make predictions about the future or follow indexes gives it negotiating strength. Where others feel compelled to buy and sell, Dimensional can take its time. Its advanced trading desks around the world ensure a formidable presence in financial markets. Such a large scale brings opportunity for cost-effective trades. The result: performance driven by a potent combination of investment philosophy and trading power.

Asset allocation does not ensure a profit or protect against a loss.

LPL AND DIMENSIONAL

The Dimensional models were developed to provide clients of LPL advisors with an exclusive opportunity to access the Dimensional investment style. LPL Research constructed the Dimensional models based on the Dimensional asset allocation philosophy using Dimensional funds. These portfolios are strategically managed by LPL Research. The models benefit from an alliance that leverages both the insight and track record of Dimensional and the portfolio construction experience of LPL Research.

LPL Research built the Dimensional models to:

- Combine multiple asset classes that have historically experienced different return patterns across various financial and economic environments.
- Incorporate global diversification to a portfolio by adding international investment exposure.
- Invest in thousands of securities through the Dimensional funds, thereby helping to minimize industry-specific and company-specific risk.
- Implement funds that create different exposures to securities to leverage the value and small cap premium.
- Seek a specific risk/return profile aligned with performance goals. Asset allocation does not ensure a profit or protect against a loss.

Dimension Models

Dimension models 1, 2, and 3 attempt to help you align your investment objectives with your personal risk tolerance, investment time frame, and diversification preferences. The Sustainable and Tax-Aware models enable you to further align your investments with specific social or tax-planning considerations.

Dimension Model 1	This model, relative to the other Dimension models offered, is the most conservative, as it has the least exposure to small cap, value, and international securities.
Dimension Model 2	Relative to Dimension 1, this model is more volatile given its greater allocation to small cap, value, and international securities. This model is less volatile than Dimension Model 3.
Dimension Model 3	Relative to the other models offered, it's the most aggressive, as it provides the largest exposure to small cap, value, and international securities.
Sustainable Model	This model offers a risk profile similar to Dimension Model 2; however, its key difference is that this model offers socially responsible considerations.
Tax-Aware Model	This model offers a risk profile similar to Dimension Model 2; however, the main difference is that this model offers tax-planning considerations.

Ongoing Portfolio Management

In MWP, you benefit from the expertise of the Overlay Portfolio Management Group at LPL to implement and maintain the investment strategy you and your financial advisor select. The Overlay Portfolio Management Group seeks to ensure that your portfolio maintains its intended investment objective, while rebalancing* allocations to maintain the most current recommended models.

Stock investing involves risk including loss of principal. The prices of small- and mid-cap stocks are generally more volatile than large-cap stocks. Value investments can perform differently from the market as a whole. They can remain undervalued by the market for long periods of time.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a nondiversified portfolio. Diversification does not protect against market risk.

*Rebalancing may incur a taxable event.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.

There is no guarantee that the Dimensional models will achieve their stated investment objectives.

Personalize Your Investment Strategy

Perhaps the most important step toward a successful financial journey is finding the right partner—and the right investment vehicle—that will guide you closer to your investment goals. Through MWP and Dimensional Fund Advisors, you and your financial advisor can target the stage

of your unique financial life cycle with the appropriate investment strategy to complement your investment objectives.

We invite you to talk with your financial advisor today about MWP.

IMPORTANT DISCLOSURES

The opinions voiced in this material are for general information only and are not intended to provide any specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing.

Past performance is no guarantee of future results.

Investors should consider the investment objective, risks, charges, and expenses of the investment company carefully before investing. The prospectus contains this and other information about the investment company. You can obtain the prospectus from your financial advisor. Read carefully before investing.

Investing in mutual funds involves risk, including possible loss of principal. Investments in specialized industry sectors have additional risks, which are outlined in the prospectus.

Small-cap stocks may be subject to a higher degree of risk than more established companies' securities. The illiquidity of the small-cap market may adversely affect the value of these investments.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values and yields will decline as interest rates rise and bonds are subject to availability and change in price.

Asset allocation does not ensure a profit or protect against a loss.

Credit Quality: One of the principal criteria for judging the investment quality of a bond or bond mutual fund. As the term implies, credit quality informs investors of a bond or bond portfolio's credit worthiness, or risk of default.

Please contact your financial advisor for additional information on all fees and expenses.

This research material has been prepared by LPL Financial.

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