Dimensional

DIMENSIONAL SMAs

The Next Dimension in Customized Investing

Dimensional at a Glance

Dimensional has been applying financial science to investing since 1981. Our firm is driven by an evidence-based approach, Nobel Prize-winning insights, and decades of expertise working to outperform benchmarks and peers while maintaining low costs and diversification. We go where the science leads, continually innovating to improve outcomes for investors.

44

YEARS SINCE FOUNDING

$944B

FIRMWIDE ASSETS UNDER MANAGEMENT

1,600+

EMPLOYEES IN 15 GLOBAL OFFICES

One

INVESTMENT PHILOSOPHY

Data as of December 31, 2025. Firmwide assets under management are in USD (billions).

Harness the power of Dimensional Investing in separately managed accounts tailored to an investor's unique needs.

Our separately managed accounts (SMAs) offer a way to combine Dimensional's investment approach and a level of personalization not available through mutual funds and exchange-traded funds (ETFs). Investors can select direct security strategies to better fit their financial goals, preferences, and values.

Going beyond indexing

Unlike indexed strategies, which rigidly follow commercial indices, Dimensional SMAs seek to outperform markets. The strategies systematically target higher expected returns in a flexible, diversified, low-cost manner.

Multifaceted tax management

Dimensional offers tax management options designed to meet a wide range of investor needs. From deconcentrating single stock positions to meaningful tax loss harvesting, Dimensional provides an integrated, holistic approach that aims to improve tax outcomes for investors.

Personalized

Customization options allow investors to personalize their account to their goals while incorporating employment or values-based customizations.

Dimensional SMAs bring customized investing to individuals, with strategy minimums generally at $250,000 for the direct security sleeve of the account.

Why Use an SMA?

An SMA directly holds stocks on behalf of an individual. The account is managed exclusively for the investor, offering a high level of personalization as to which securities to hold and exclude.

In comparison, mutual funds and ETFs pool assets from many investors. Investors in these funds own shares of the fund rather than the underlying securities.

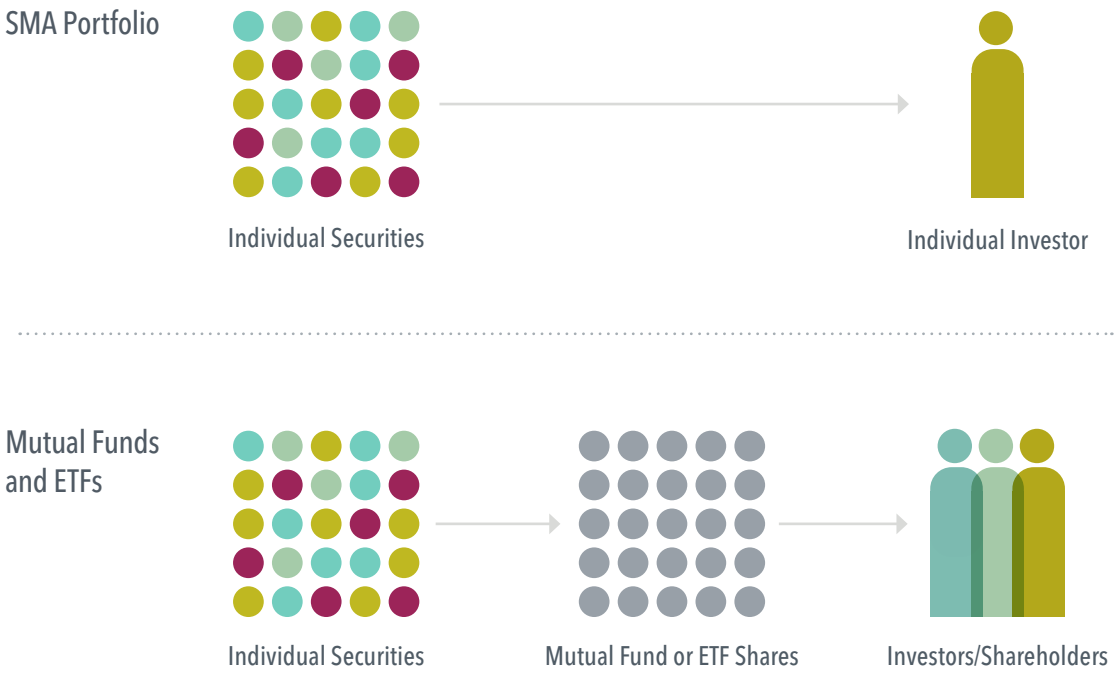
With an SMA, a portfolio manager can take into consideration an individual investor's goals, tax needs, and preferences. For example, investors may want to exclude a company from their portfolio if they have a concentrated position or exposure to it as an employee.

For tax-sensitive investors, directly holding securities in an SMA may provide more opportunities for tax loss harvesting.

Tax loss harvesting is a strategy that involves selling investments that have declined in value since purchase. Unlike mutual funds and ETFs, an SMA can pass through harvested losses on individual securities to an investor. Locking in these capital losses can allow investors to offset other tax liabilities, potentially reducing or deferring a portion of their tax bills.

SMAs may also help tax-sensitive investors maximize the tax impact of charitable giving.

COMPARING SMAs TO MUTUAL FUNDS AND ETFs



Common SMA Goals

Learn more about tax management at Dimensional.com.

Reduce Taxable Capital Gains

Harvest losses to offset external gains associated with selling an appreciated asset, such as a business, a property, or other securities.

Deconcentrate Overweight Positions

Rebalance out of a concentrated stock or fund position while avoiding overall net gains.

Optimize Charitable Giving

Donate individual stocks with the highest embedded gains to maximize the tax impact of the donation.

Customize Holdings

Limit exposure to a company or industry for an investor that has concentrated exposure through current investments, company employment, or board membership.

Incorporate Values-Based Preferences

Select from a curated list of ESG screens to enable values-based investment decisions that thoughtfully balance investment tradeoffs.

The Dimensional Difference

Traditional investment approaches like indexing and stock picking may leave returns on the table. Dimensional takes a different investment approach.

"You don't have to outguess the market to beat the market."

DAVID BOOTH
FOUNDER AND CHAIRMAN

A BETTER WAY TO INVEST

Indexers
TRACK THE MARKET

Indexers focus on matching the returns of an index rather than pursuing outperformance.

- Low cost
- Broad diversification

Stock Pickers
OUTGUESS THE MARKET

Stock pickers seek to outperform an index by relying on predictions to find "mispriced" securities.

- Targeting outperformance

Dimensional
TRUST THE MARKET

Investors don't have to settle for tracking the market. And they don't have to outguess the market to outperform it. Instead, Dimensional uses information in market prices to systematically target research-backed drivers of higher expected returns.

- Driven by financial science
- Flexible process
- Low cost
- Broad diversification
- Targeting outperformance

Dimensional SMA Strategies

Dimensional's SMA strategies are built around Dimensional's systematic investment approach, which embodies more than 40 years of experience adding value over indexing.

Our SMA strategies are designed to meet a wide variety of needs across regions, asset classes, and expected return preferences. The US All Cap Equity Market SMA strategy is designed for investors who want returns similar to the overal market without the potential inefficiencies of indexing.

Dimensional's US All Cap Core SMA strategies go a step further, with varying levels of emphasis on stocks with higher expected returns.[1]

Global Core and Global ex US Core strategies are available for investors seeking a globally diversified portfolio.

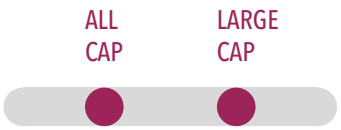
Each SMA account is managed through a daily, flexible investment process, balancing the tradeoffs between expected returns, tax considerations, risk, and costs.

Dimensional ETFs and mutual funds, and an extensive list of non-Dimensional ETFs, can also be integrated with the direct security holdings for more holistic tax management, expanded asset class exposure, and enhanced operational efficiency.

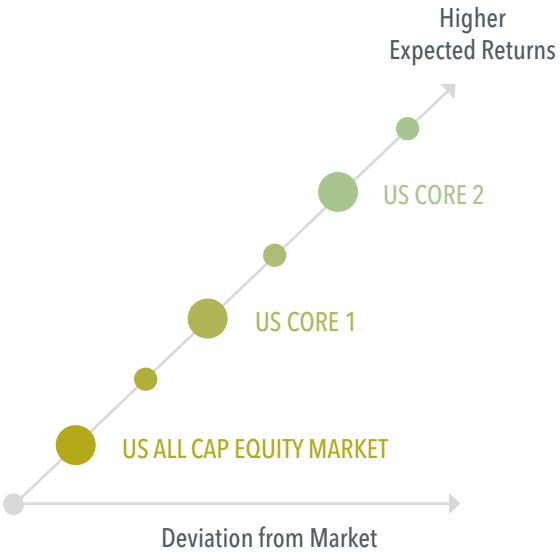
DIMENSIONAL SMA STRATEGIES

Regional Exposure

Asset Class Refinements



Emphasis on Higher Expected Returns



1. The core SMA strategies are designed to target reliable long-term drivers of stock returns through higher weightings to stocks with smaller market capitalizations, lower relative prices, and higher profitability.

Diversification neither assures a profit nor guarantees against loss in a declining market.

Multifaceted Tax Management

Dimensional has extensive experience designing and managing investment solutions that thoughtfully balance investors' tax sensitivities with their financial goals.

To meet the needs of different types of SMA clients, we offer four tax management approaches.[2] The No Tax Management approach is designed for SMAs held in tax-advantaged accounts or investors who prefer no tax management. Each of the three active tax management approaches (Targeted, Moderate, and Aggressive) applies integrated, holistic tax management and aims to improve after-tax performance by managing capital gains and dividend income. These approaches are designed to meet different client needs, including deconcentrating overweight positions (Targeted),

TAX MANAGEMENT OPTIONS

No Tax Management

Emphasizes pre-tax returns.

POTENTIAL USES

- IRA or tax-advantaged account
- Endowments, Foundations, or other tax-advantaged entities

Targeted Approach

Aims to use captured losses to deconcentrate highly overweight positions or to rebalance while incurring net zero total gains.

POTENTIAL USES

- Highly overweight securities
- Net zero total gains goal

2. Certain SMA account types such as IRAs, solo 401(k)s, and other non-ERISA tax-advantaged accounts may only select no tax management when choosing a tax management approach.

and meaningful or aggressive tax loss harvesting (Moderate or Aggressive).

Each trading day, Dimensional monitors SMA holdings at the tax-lot level, seeking opportunities for tax-efficient rebalancing and meaningful tax loss harvesting. We also work with advisors to manage tax-efficient cash raises, charitable giving opportunities, and any requests to realize gains.

Dimensional SMAs offer a range of tax management options to address an investor's unique and evolving tax circumstances.

Moderate Approach

Aims to harvest meaningful net losses to be used outside of the account.

POTENTIAL USES

- Meaningful net loss goal
- Ongoing external gains

Aggressive Approach

Aims to aggressively harvest net losses to be used outside of the account.

POTENTIAL USES

- Aggressive net loss goal
- Significant external gains; for example, from sale of home or business

For illustrative purposes only. Dimensional is not a tax advisor and does not know the effective tax position of any individual client. Tax management in Dimensional SMAs is limited to managing the account's investment approach in a tax-sensitive manner.

Personalization

Dimensional SMAs enable customization of direct security holdings based on an investor's financial goals, preferences, and values, leading to a more personalized investment experience.

SMAs can be set up to exclude or restrict direct security holdings to avoid concentration in a particular security, industry, sector, or country based on company employment, legacy holdings, board membership, human capital exposure, tax considerations, and other factors.

Dimensional SMAs also provide an intuitive and transparent set of ESG themes to enable values-based decisions. Investors can choose from an extensive, curated list of research-driven environmental considerations and social and governance screens.

Through select custodians, proxy voting guidelines that implement Dimensional's thoughtful, systematic corporate governance approach can be applied to an investor's SMA.

DIMENSIONAL SMA CUSTOMIZATIONS[3]

Environmental

Climate Change

- GHG[4] emissions (level or intensity)
- Potential emissions from reserves
- Fossil fuel reserves (coal, oil, or natural gas)

Sustainability Impacts

- Biodiversity and land use
- Factory farming
- Nuclear power
- Palm oil
- Toxic spills and waste-related
- Water stress

Social

Human Rights and Diversity

- Child labor
- Private prisons
- Sanctions-related
- Weapons-related
- Diversity-related

Personal and Faith-Based Values

- Substances (alcohol, cannabis, tobacco)
- Abortion-related
- Contraceptives
- Entertainment-related
- Stem cell research
- Pork

Governance

Governance Screens

- Poison pills
- Staggered boards

Proxy Voting Approach[5]

- Standard
- Socially focused
- Sustainability focused

Restrictions

Sector or Industry

- Exclude holdings by security, industry,[6] sector, or country, and evaluate how restrictions may impact portfolio characteristics.

Company-Specific

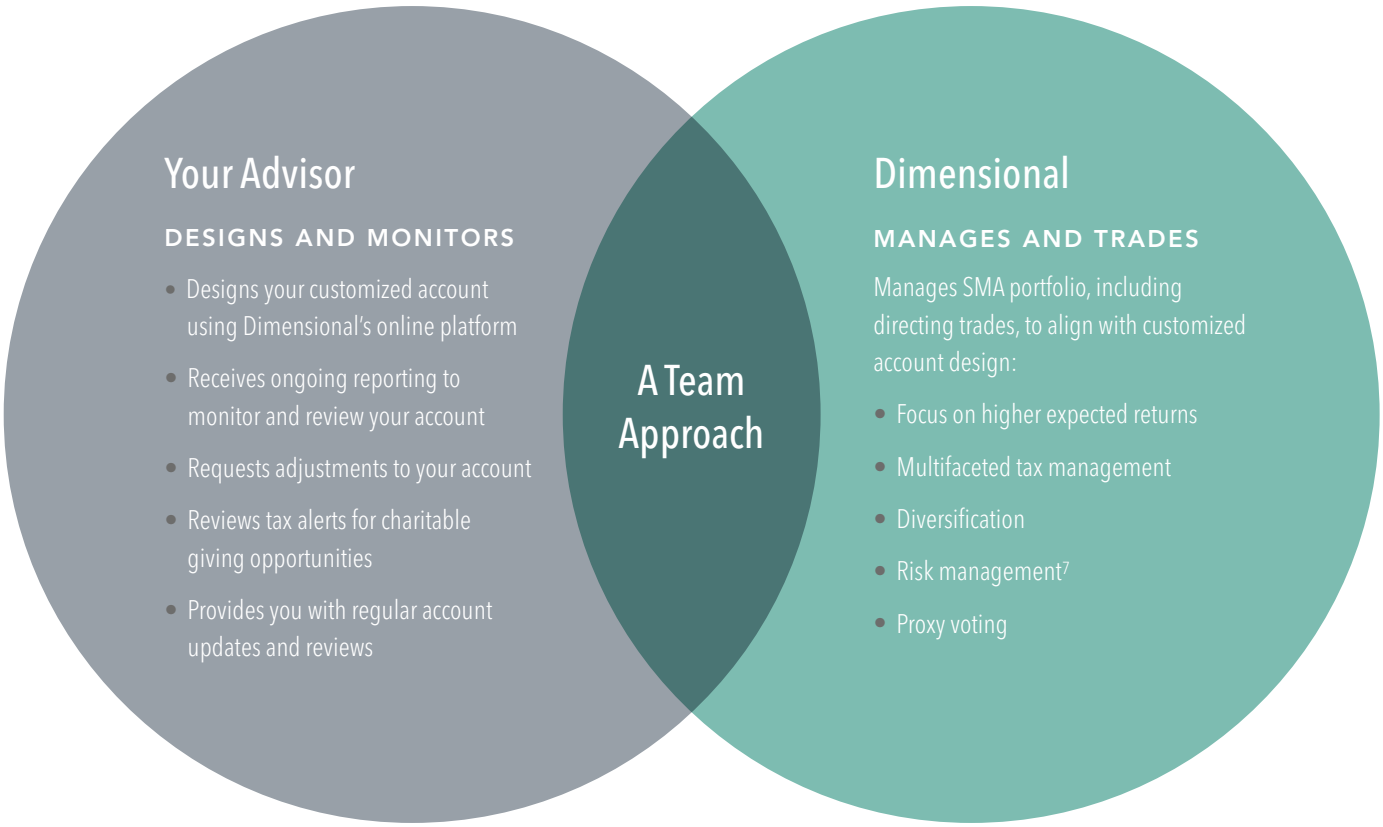
- Choose do-not-buy, do-not-trade, do-not-hold, or do-not-sell restrictions on individual securities.

3. This is a partial list of preferences available in Dimensional's online platform. Investment customization options may change at any time without notice.
4. Greenhouse gas (GHG).
5. Where available through participating custodians.
6. Exclusions based on Global Industry Classification Standard (GICS®) Level 3.

The Investor Experience

Dimensional SMAs were created to allow more investors to access customized investment solutions. The SMAs reflect decades of expertise in applying financial science to custom-managed portfolios. Key benefits include:

- Systematic pursuit of higher expected returns
- Holistic tax management
- Extensive customization options
- Integrated direct security, mutual fund, and ETF management
- Dedicated SMA support team for advisors



7. Dimensional seeks to manage risk within the portfolios through adherence to a well-defined and structured investment approach that is designed to reduce risk through diversification. Dimensional incorporates a number of systematic controls throughout the investment process to promote process integrity, style consistency, and guideline compliance.

Diversification neither assures a profit nor guarantees against loss in a declining market.

To learn more, contact a Dimensional representative or visit Dimensional.com.

Glossary

Market capitalization: The total market value of a company's outstanding shares, computed as price times shares outstanding.

Profitability: A company's operating income before depreciation and amortization minus interest expense scaled by book equity.

DISCLOSURES

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 *dimensional.com*.** Dimensional funds are distributed by DFA Securities LLC.

Investments involve risks. The investment return and principal value of an investment may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original value. There is no guarantee strategies will be successful. Diversification neither assures a profit nor guarantees against loss in a declining market.

Dimensional does not provide any investment, tax, or financial advice. Investors should consult with their financial advisors and tax professionals about their individual circumstances.

Dimensional may be directed to manage separate accounts in a predetermined tax-sensitive manner by utilizing certain measures including, but not limited to, tax loss harvesting, seeking to minimize short-term capital gains, maximizing the qualified portion of dividend income, applying a tax-efficient lot selection methodology, and considering tradeoffs among premiums, costs, diversification, wash-sale rules, and capital gains in daily portfolio management. "Wash sales" relate to a tax regulation that seeks to prevent investors from selling securities at a loss and then repurchasing the same or a substantially identical security in a span of 30 days before or after the sale, in order to realize a capital loss for tax purposes. Additionally, certain events (including, but not limited to, client requests to update custodians, strategies, or client-directed restrictions; ongoing client activities like contributions, redemptions, and gifts; incorrect custodian account settings; and advisor direction) may limit Dimensional's ability to engage in tax loss harvesting and to evaluate the tradeoffs outlined above. While Dimensional will regularly monitor accounts for tax loss harvesting opportunities, Dimensional might not engage in daily tax loss harvesting.

In accounts where Dimensional has been directed to incorporate tax management, Dimensional will generally seek to limit potential wash sales. Dimensional may be unable to avoid wash sales or other tax consequences, particularly around client cash flows, corporate actions, or when clients hold substantially identical securities in accounts that are not managed by Dimensional or in accounts that are not linked to the separate accounts Dimensional manages (external accounts).

Dimensional is reliant on accurate, thorough, and timely tax-lot reporting from custodians. Should custodians fail to provide accurate, thorough, and timely tax-lot data, Dimensional may be unable to transact in those accounts. The tax consequences of tax loss harvesting, including wash-sale rules, are complex and uncertain and subject to rulings by tax authorities. Dimensional does not provide tax advice, and each client should consult their own tax advisor or accountant. As such, Dimensional will not be responsible for any tax consequences of such transactions. Dimensional does not guarantee any particular tax outcome.

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