
Go Beyond Indexing with Dimensional

If you are a retail investor in the UK, Ireland, Germany or the Netherlands, this document has been provided to you by your financial adviser, who can help explain its contents.

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.

43

YEARS SINCE
FOUNDING

£621B

FIRMWIDE ASSETS
UNDER MANAGEMENT

1,500+

EMPLOYEES IN
15 GLOBAL OFFICES

One

INVESTMENT
PHILOSOPHY

Data as at 31 December 2024.
Firmwide assets under management
are in GBP (billions).

Dimensional funds and ETFs are designed to outperform the market. Our strategies use daily flexibility and a research-backed approach to pursue higher expected returns for investors.

Why Dimensional Strategies

Higher Expected Returns

Market prices contain reliable information that can be used to position portfolios toward outperformance.

Flexible Daily Process

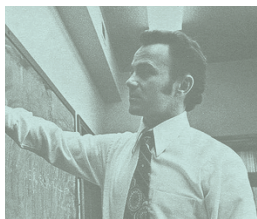
Every day, we actively manage our strategies through a flexible process that allows us to focus on reducing costs and minimising risks.

Broad Diversification

Our broadly-diversified portfolios make investment outcomes more reliable while offering portfolio managers and traders rebalancing options that add value.

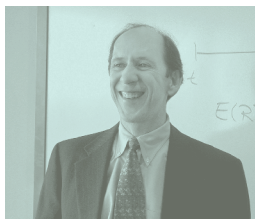
A Heritage of Leading Research

Dimensional has forged lasting relationships with some of the best academics in finance.



Eugene Fama

University of Chicago
Director and Consultant,
Dimensional
1981–present
Nobel laureate, 2013



Kenneth French

Dartmouth College
Director, Consultant,
and Co-Chair of
the Investment
Research Committee,
Dimensional
2006–present



Robert Merton

MIT
Resident Scientist,
Dimensional
Holdings, Inc.
2010–present
Nobel laureate, 1997

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

The Dimensional Difference

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

Indexers

TRACK THE MARKET

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

Low cost

Broad diversification

Low turnover

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

You don’t have to settle for tracking the market. And you 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

Low turnover

Targeting outperformance

“You don’t have to outguess the market to beat the market.”

DAVID BOOTH
Founder and Chairman

Guiding Principles for Investors in Dimensional Strategies

PUT THE MARKETS TO WORK FOR YOU

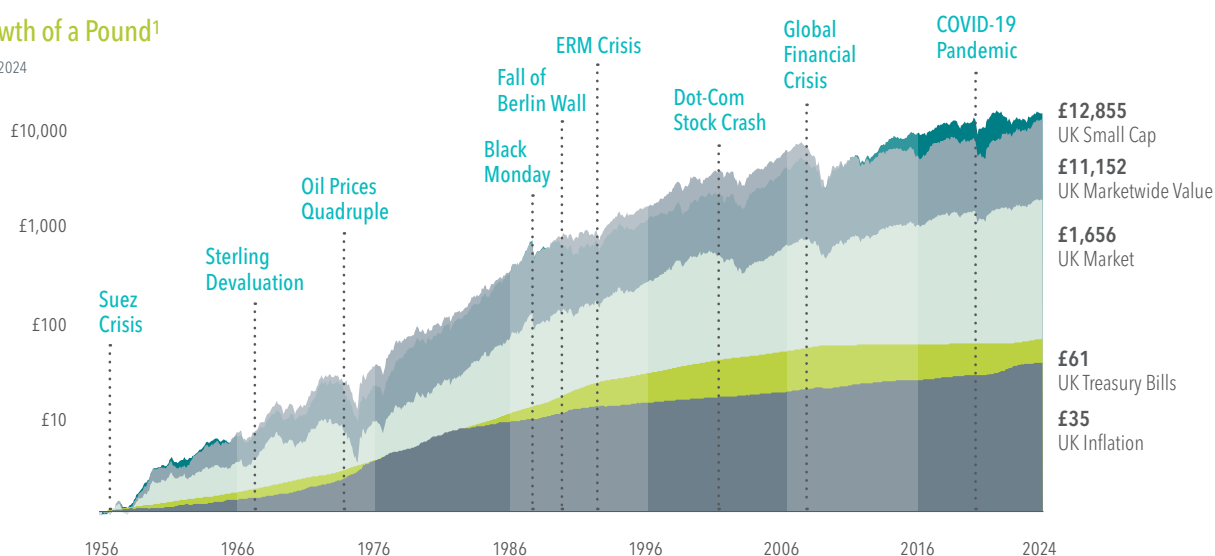
The financial markets have rewarded long-term investors.

While daily market news and commentary may challenge an investor's discipline, equity and bond markets have a long history of delivering growth—despite the headlines.

Dimensional strategies can help investors increase their wealth over time with broadly diversified exposure to equity and bond markets.

Growth of a Pound¹

1956-2024



Past performance is no guarantee of future results.

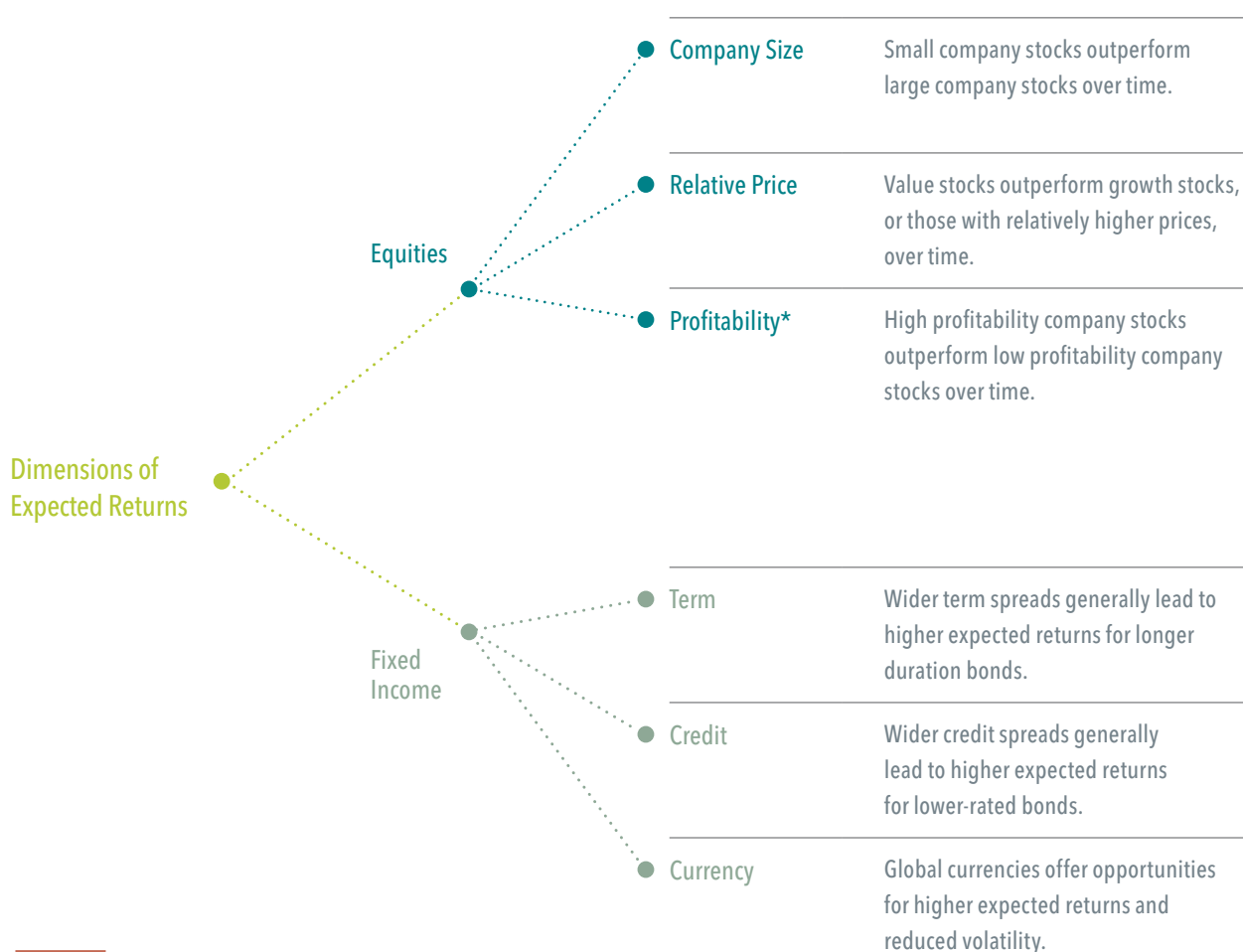
Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio.

1. In GBP. Data presented in the Growth of a Pound chart is hypothetical and assumes reinvestment of income and no transaction costs or taxes. The chart is for illustrative purposes only and is not indicative of any investment. UK Small Cap is the Dimensional UK Small Cap Index. UK Marketwide Value is the Dimensional UK Marketwide Value Index. UK Market is the Dimensional UK Market Index. UK Treasury Bills is UK One-Month Treasury Bills. UK Inflation is the UK Retail Price Index. See last page for index descriptions.

LOOK TO FINANCIAL SCIENCE

Decades of academic and empirical research provide insight into what drives differences in expected returns.

Dimensional funds and ETFs are designed with an emphasis on higher expected returns across equities and fixed income.



“At Dimensional, we don’t jump on every new idea that comes along. We’re looking for what will stand up over a long period of time.”

EUGENE FAMA

Nobel laureate, 2013
Professor, University of Chicago
Dimensional Director and Consultant

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

INVEST WITH FLEXIBILITY

The benefits of remaining flexible are evident in many aspects of life, including in investing. Dimensional strategies use daily flexibility in our pursuit of higher expected returns.

Stay Current

While driving, using a GPS that adapts to traffic patterns in real time is better than relying on a static map.



Like traffic, stock prices and market conditions are always changing. Dimensional's flexible daily process uses real-time information in market prices to position our portfolios toward higher expected returns and to manage risks.

Shop Sensibly

When you go to the grocery store, you use a list of what you need to buy that week because you might not need one of everything in the store.



Each day, Dimensional can buy or sell stocks based on what can improve expected returns. That's daily flexibility many index funds don't have.

Reduce Costs

On Valentine's Day, the high demand for roses drives up prices. Smart gifters may opt for tulips instead.



Dimensional can avoid price pressures around events like index rebalancing, when funds that track an index may have to trade. This flexibility allows us to reduce trading costs.

"It's 10% having a good idea and 90% implementing that idea and making it work. Dimensional has been making it work for decades."

ROBERT MERTON

Nobel laureate, 1997
Professor, MIT
Dimensional Resident Scientist

Interested in learning more?

Contact your financial adviser to learn more about Dimensional Investing and using Dimensional strategies to pursue your long-term investment goals.

The Dimensional indices reflected above are not “financial indices” for the purpose of the EU Markets in Financial Instruments Directive (MiFID). Rather, they represent academic concepts that may be relevant or informative about portfolio construction and are not available for direct investment or for use as a benchmark.

The Dimensional indices have been retrospectively calculated by Dimensional Fund Advisors LP and did not exist prior to April 2008. Profitability is defined as operating income before depreciation and amortization minus interest expense divided by book equity. Asset growth is defined as change in total assets from the prior fiscal year to current fiscal year.

Results shown during periods prior to each index’s inception date do not represent actual returns of the respective index. Other periods selected may have different results, including losses. Backtested index performance is hypothetical and is provided for informational purposes only to indicate historical performance had the index been calculated over the relevant time periods. Backtested performance results assume the reinvestment of dividends and capital gains.

DIMENSIONAL UK SMALL CAP INDEX: January 1990–present: Compiled by Dimensional from Bloomberg, LSPD securities data. Market-capitalisation-weighted index of small company securities in the eligible markets, excluding those with the lowest profitability and highest relative price within their country’s small cap universe. The index also excludes those companies with the highest asset growth within their country’s small cap universe. The index monthly returns are computed as the simple average of the monthly returns of four subindices, each one reconstituted once a year at the end of each quarter of the year. Maximum index weight of any one company is capped at 10%. Exclusions: REITs and investment companies. The calculation methodology for the index was amended in January 2014 to include profitability as a factor in selecting securities for inclusion in the index. The calculation methodology for the index was amended in November 2019 to include asset growth as a factor in selecting securities for inclusion in the index. July 1981–December 1989: Includes securities in the bottom 10% of market capitalisation excluding the bottom 1%. Rebalanced semiannually. Prior to July 1981: Elroy Dimson and Paul Marsh, Hoare Govett Smaller Companies Index 2009, ABN-AMRO/Royal Bank of Scotland, January 2009.

DIMENSIONAL UK MARKETWIDE VALUE INDEX: January 1990–present: Compiled by Dimensional from Bloomberg, LSPD securities data. Consists of companies whose relative price is in the bottom 33% of their country’s respective constituents, after the exclusion of utilities and companies with either negative or missing relative price data. The index emphasises companies with smaller capitalisation, lower relative price and higher profitability, excluding those with the lowest profitability within their country’s small cap universe. The index also excludes those companies with the highest asset growth within their country’s small cap universe. The index monthly returns are computed as the simple average of the monthly returns of four subindices, each one reconstituted once a year at the end of each quarter of the year. Maximum index weight of any one company is capped at 10%. The country currently included is the UK. Exclusions: REITs and investment companies. The calculation methodology for the index was amended in January 2014 to include profitability as a factor in selecting securities for inclusion in the index. The calculation methodology for the index was amended in November 2019 to include asset growth as a factor in selecting securities for inclusion in the index. Prior to January 1990: Source: Large value and small value portfolio returns from Elroy Dimson, Stefan Nagel and Garrett Quigley “Capturing the value premium in the United Kingdom, *Financial Analysts Journal* 59, no. 6 (November 2003): 35–45. Large value and small value portfolios combined at market cap weights. Created returns, converted from GBP to USD using the WM/Reuters at 4 pm EST (closing spot), from PFPC exchange rate.

DIMENSIONAL UK MARKET INDEX: Compiled by Dimensional from Bloomberg, LSPD securities data. Market capitalisation-weighted index of all securities in the eligible markets. The index monthly returns are computed as the simple average of the monthly returns of four subindices, each one reconstituted once a year at the end of each quarter of the year. Maximum index weight of any one company is capped at 10%. Exclusions: REITs and investment companies.

UK ONE-MONTH TREASURY BILLS: July 2017–present: UK One-Month Treasury Bills provided by FTSE Tradeweb. August 2004–June 2017: UK One-Month Treasury Bills provided by the UK Debt Management Office. January 1975–July 2004: UK One-Month Treasury Bills provided by the Financial Times Limited. Prior to January 1975: UK Three-Month Treasury Bills provided by the London Share Price Database.

UK RETAIL PRICE INDEX: Provided by the Office for National Statistics. Crown copyright material is reproduced with the permission of the Controller of HMSO.

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RISKS

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Robert Merton provides consulting services to Dimensional Fund Advisors LP.