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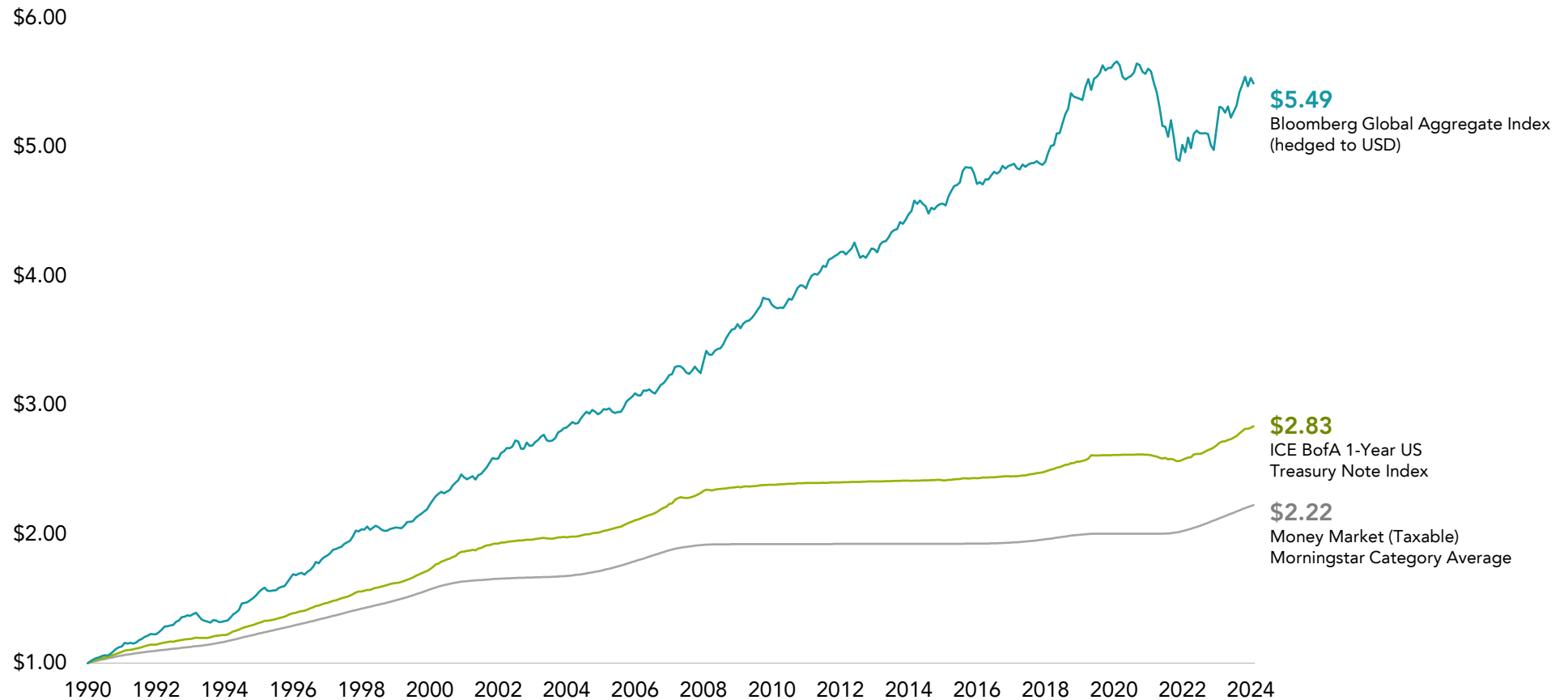
# Opportunity Cost of Holding Cash: Fixed Income

Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission.  
**Investments involve risks including potential loss of principal and fluctuating value.**

Investment products: • Not FDIC Insured • Not Bank Guaranteed • May Lose Value  
Dimensional Fund Advisors does not have any bank affiliates.

# Relative Performance vs. Money Markets

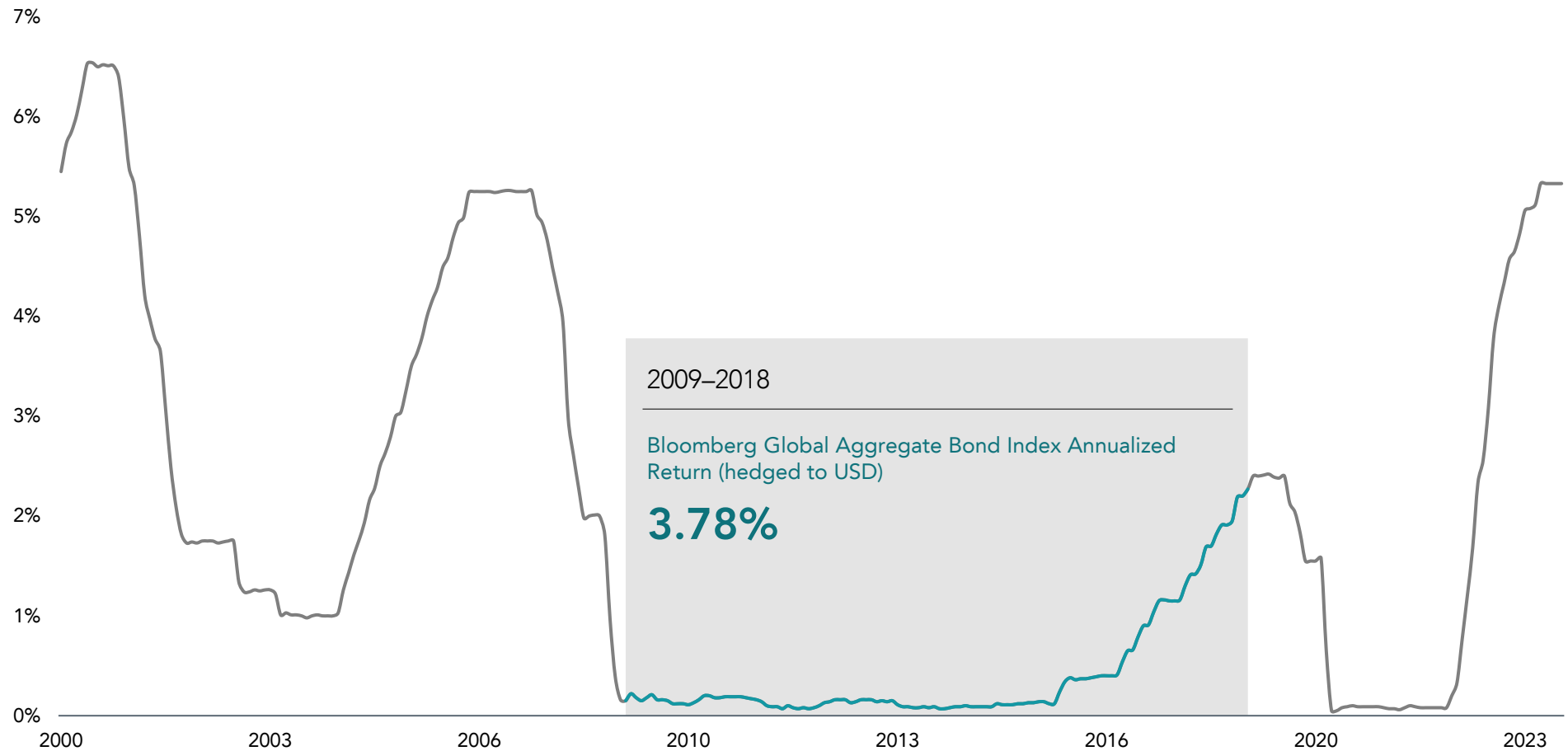
Growth of wealth, December 1, 1990–December 31, 2024



**Past performance is not a guarantee of future results.** In USD. Growth of wealth shows the growth of a hypothetical investment of \$1. The chart is for illustrative purposes only and is not indicative of any investment. Index returns are not representative of actual portfolios and do not reflect costs and fees associated with an actual investment. Data presented in the growth of wealth chart is hypothetical and assumes reinvestment of income and no transaction costs or taxes. ICE BofA index data © 2025 ICE Data Indices, LLC. Money Market (Taxable) Morningstar Category Average data sourced from Morningstar. Money Market (Taxable) Morningstar Category portfolios invest in short-term money market securities in order to provide a level of current income that is consistent with the preservation of capital.

# Effective Federal Funds Rate Over Time

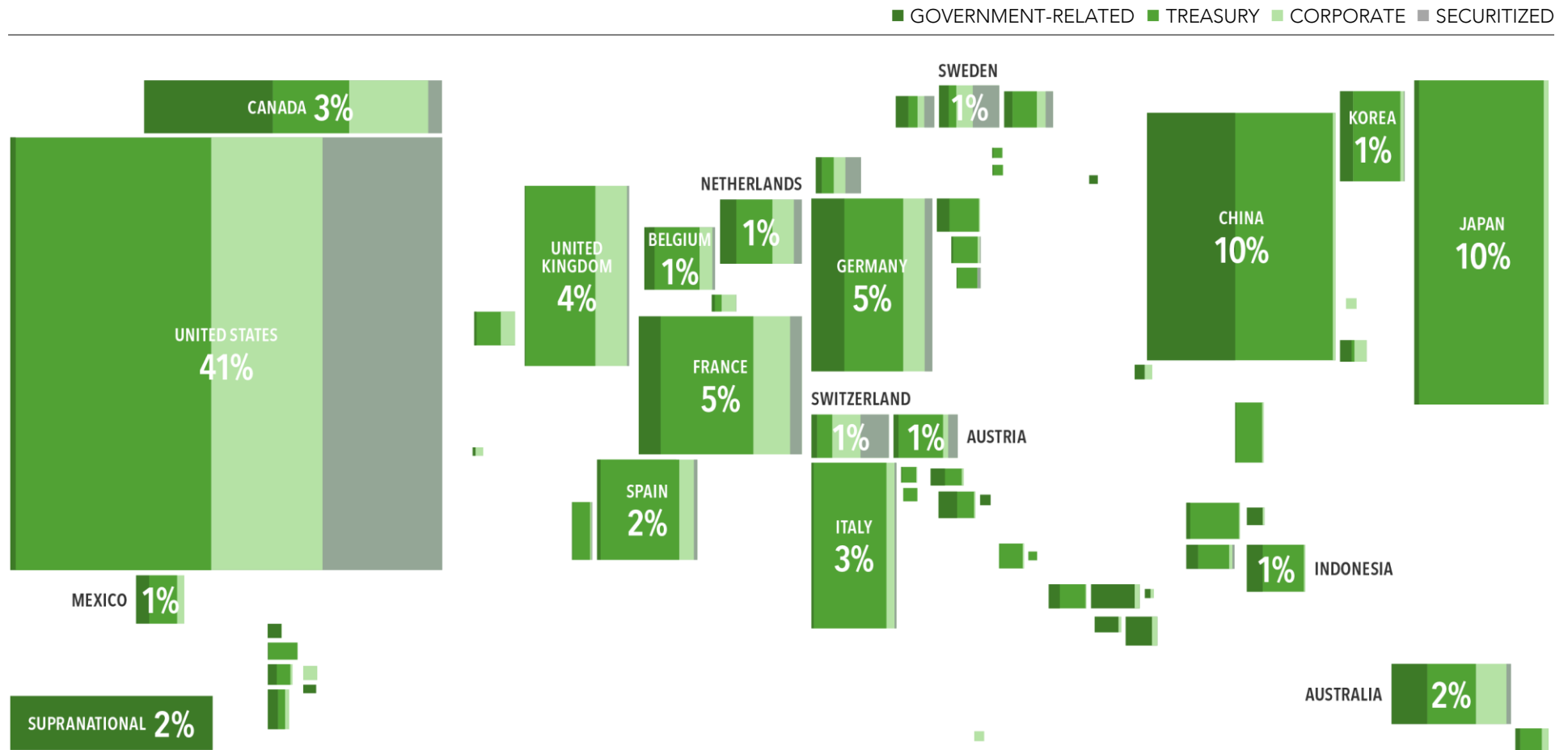
January 2000–December 2023



**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.** Source: US Treasury data provided by FRED, Federal Reserve Bank of St. Louis. Bloomberg data provided by Bloomberg. All rights reserved.

# There's a World of Opportunity in Fixed Income

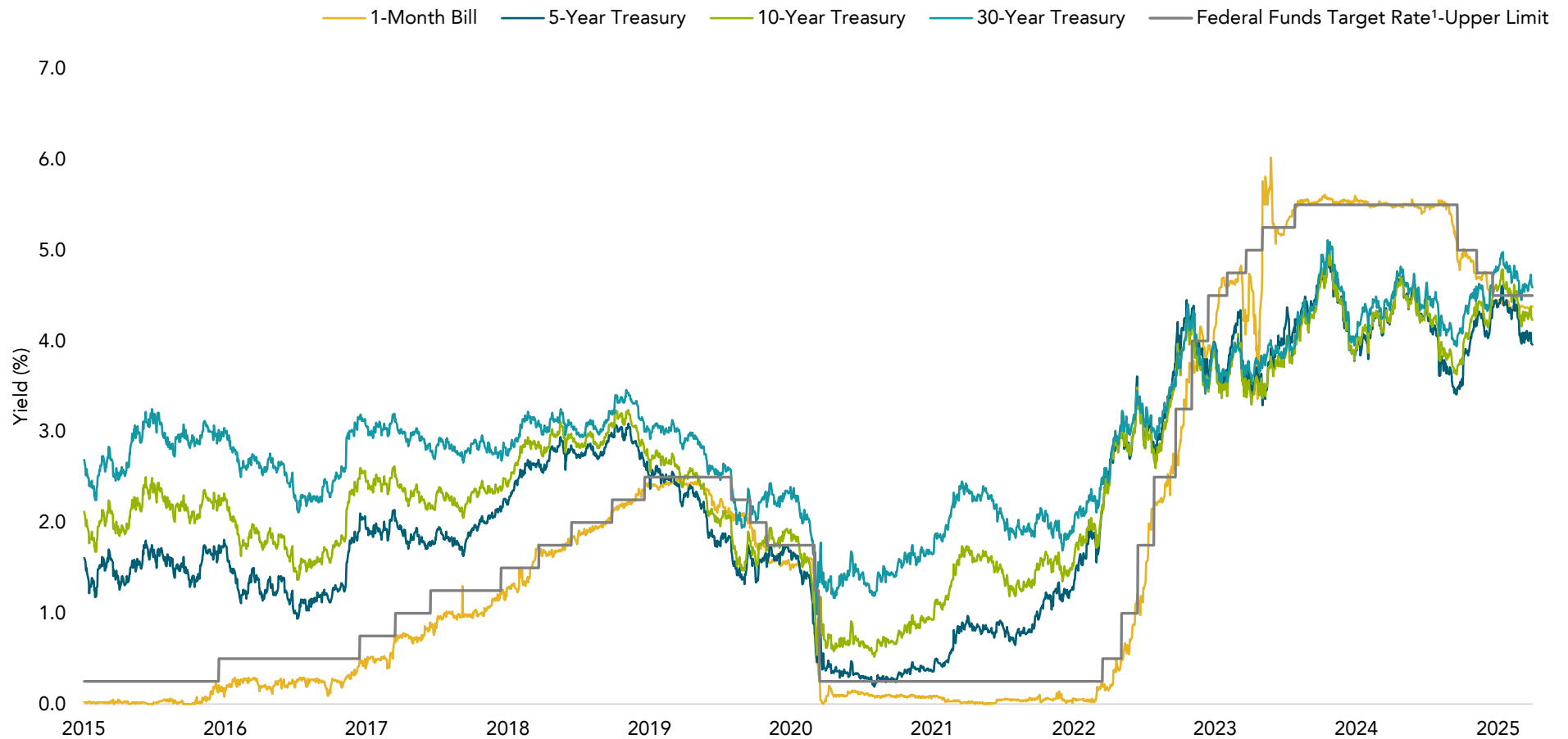
Percent of global investment grade bond market as of December 31, 2024



**Diversification neither assures a profit nor guarantees against loss in a declining market.** Data is from Bloomberg Global Aggregate Bond Index. Index excludes noninvestment-grade securities, bonds with less than one year to maturity, tax-exempt municipal securities, linked bonds and floating rate issues. Treasury sector includes both nominal and inflation-linked native currency debt issued by central governments, which are backed by full faith and credit of a central government. Government-related sector groups are issuers with government affiliations, including agencies, sovereigns, supranationals and local authorities. Corporate sector categorizes issuers based on primary lines of business, revenue streams and operations used to service debt, including industrials, financial institutions and utilities. Securitized sector is designed to capture fixed income instruments whose payments are backed or directly derived from a pool of assets protected or ring-fenced from the credit of a particular issuer (either by a bankruptcy remote special purpose vehicle or bond covenant). Underlying collateral for securitized bonds can include residential mortgages, commercial mortgages, public-sector loans, auto loans or credit card payments. Many nations are not displayed. Totals may not equal 100% due to rounding. For educational purposes; should not be used as investment advice. Bloomberg data provided by Bloomberg.

# Interest Rates Do Not Move in Lockstep

US interest rates, January 2015–March 2025



**Past performance is not a guarantee of future results. Indices are not available for direct investing. The performance does not reflect the expense associated with the management of an actual portfolio.**

1. The Federal Funds Rate refers to the rate that depository institutions charge each other for an uncollateralized overnight loan of funds. The Federal Reserve sets the target for this interest rate, though market forces can cause variation from the target rate at times.

Source: US Treasury data provided by FRED, Federal Reserve Bank of St. Louis. Data is subject to change.

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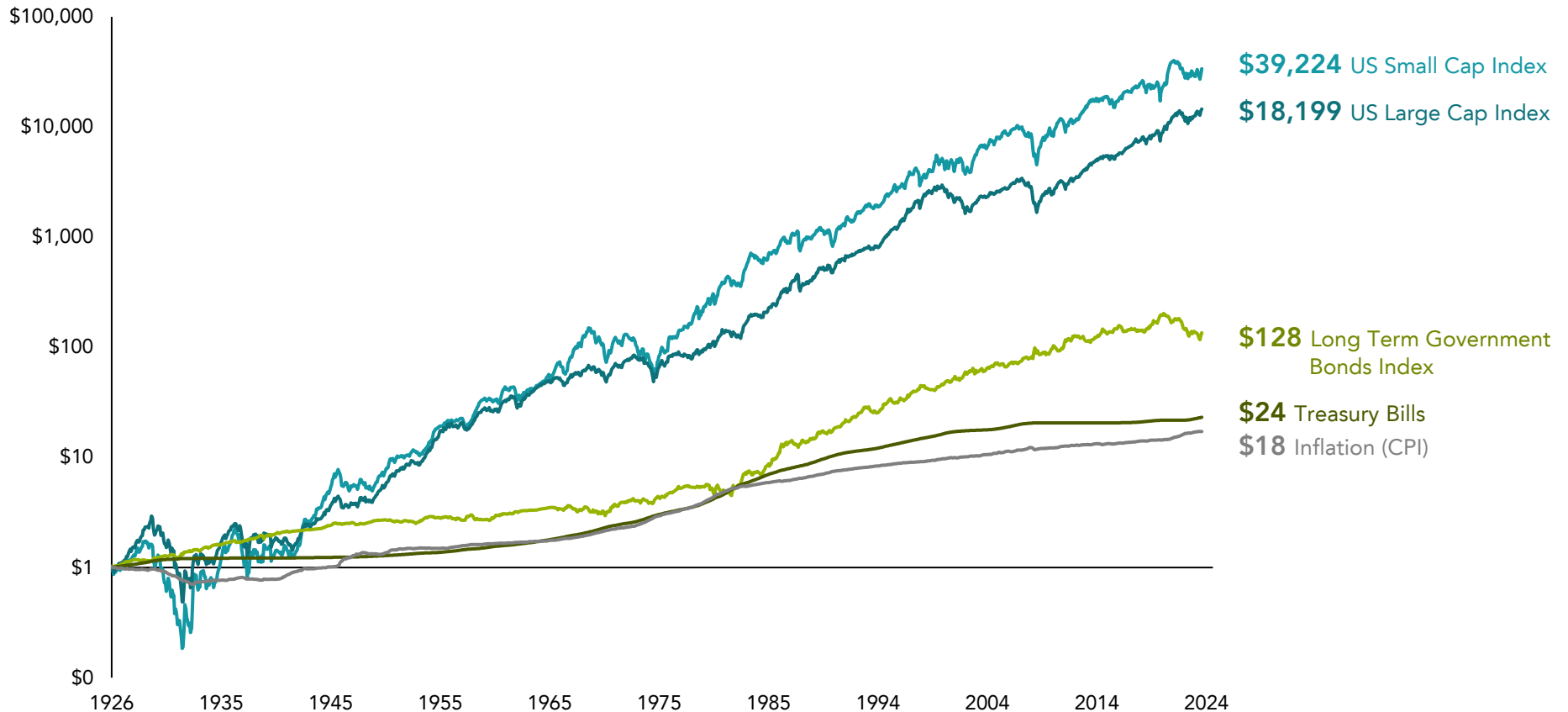
# Opportunity Cost of Holding Cash: Equity

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# Capital Markets Have Rewarded Long-Term Investors

Monthly growth of wealth (\$1), 1926–2024

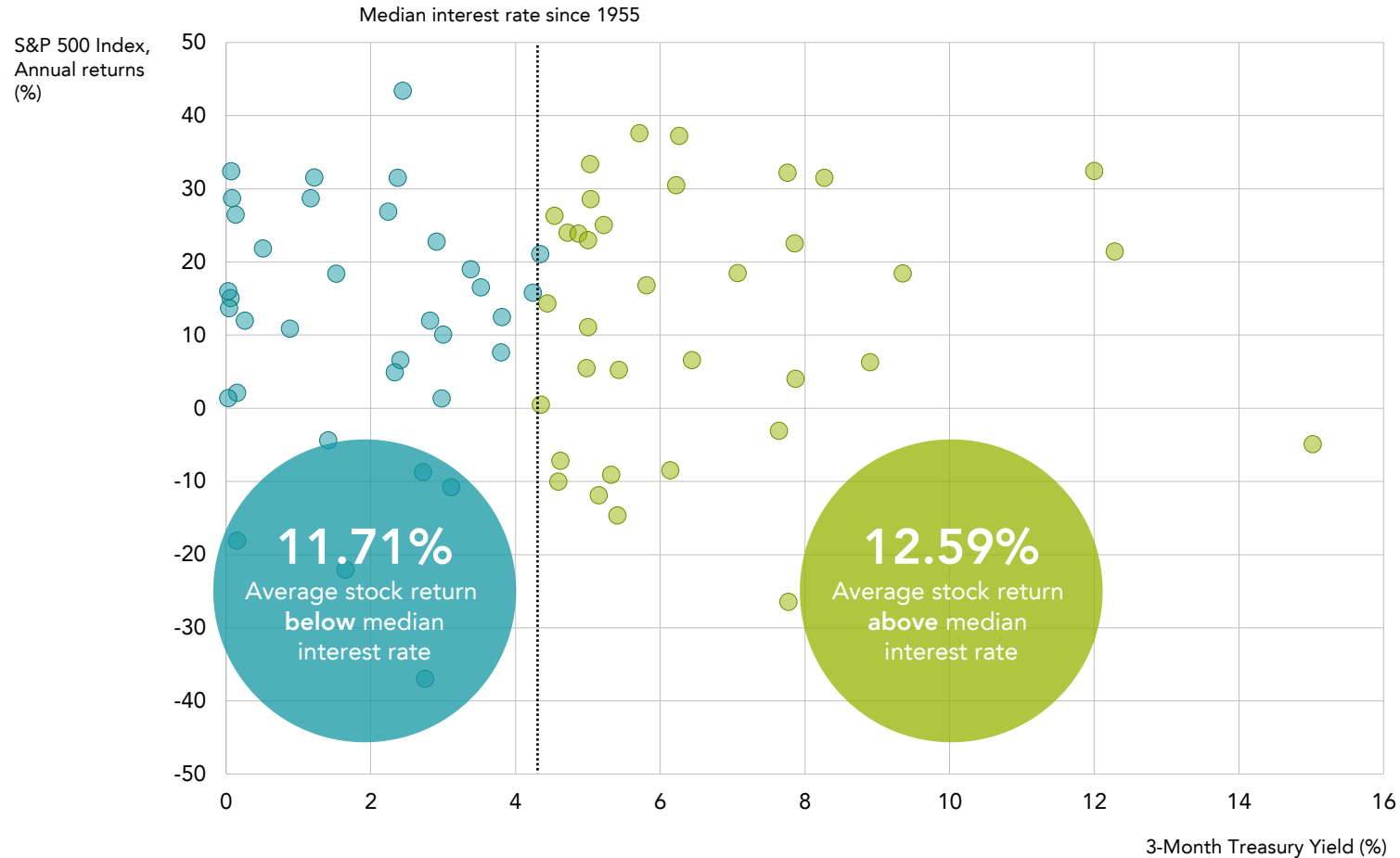


**Past performance is no guarantee of future results. In US dollars. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.**

In USD. US Small Cap is the CRSP 6–10 Index. US Large Cap is the S&P 500 Index. US Long-Term Government Bonds is the Dimensional US 20 Year Treasury Index (Historical). Treasury Bills is: January 1926–December 2024, the IA SBBI US 30 Day TBill TR USD, provided by Morningstar; January 2025–present, ICE BofA US 1-Month Treasury Bill index. US Inflation is measured as changes in the US Consumer Price Index. CRSP data is provided by the Center for Research in Security Prices, University of Chicago. S&P data © 2025 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. The Dimensional Indices represent academic concepts that may be used in portfolio construction and are not available for direct investment or for use as a benchmark. See “Index Descriptions” in the appendix for descriptions of Dimensional index data. ICE BofA Index data © 2025 ICE Data Indices, LLC. US Consumer Price Index data is provided by the US Department of Labor Bureau of Labor Statistics.

# Opportunity in Equity Markets in High-Rate Environments

US Stock Market Return vs. 3-Month US Treasury Yield, 1955–2024



**Past performance is no guarantee of future results. Actual results will vary.**

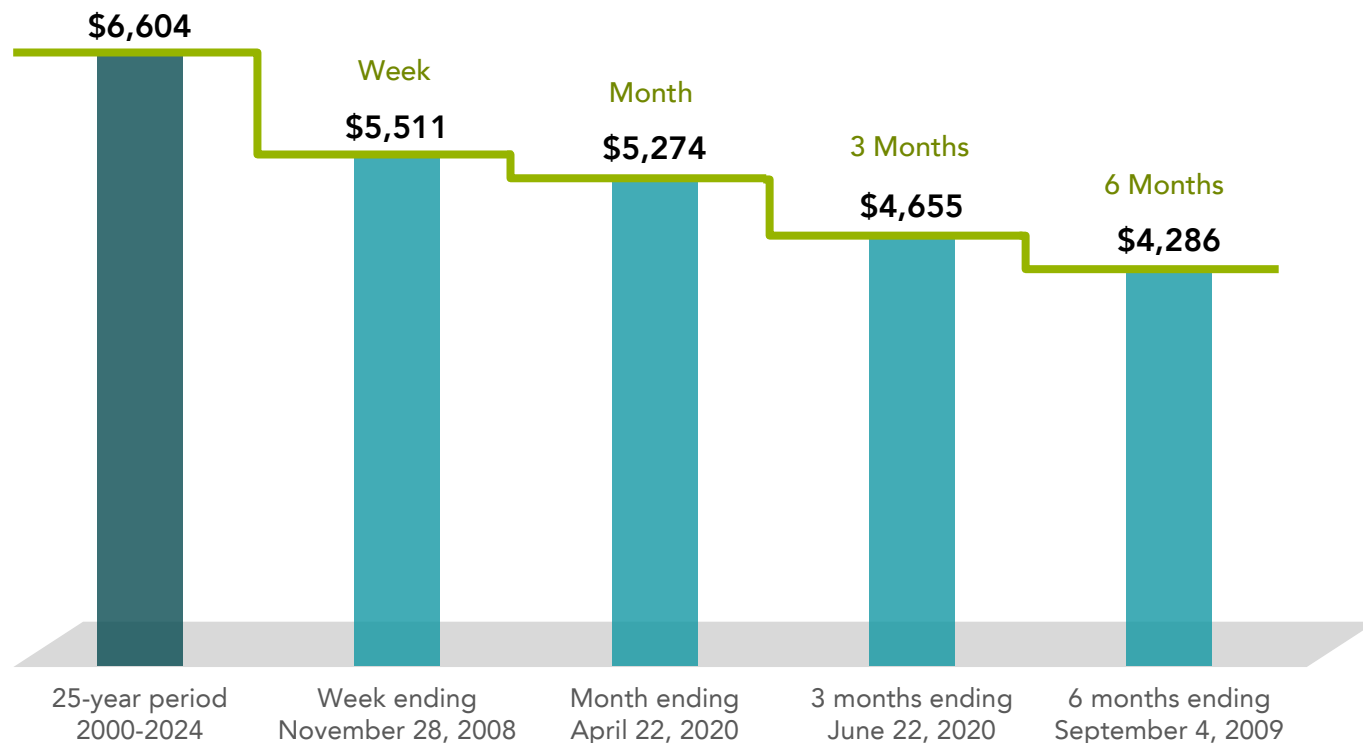
In USD. US stocks represented by the S&P 500 Index. Treasury yields obtained from FRED. Treasury yields are the 3-month treasury yields as of the beginning of the year. S&P500 returns are as of the end of year. Indices are not available for direct investment. Index returns are not representative of actual portfolios and do not reflect costs and fees associated with an actual investment. S&P data © 2025 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

# Avoid Market Timing

Russell 3000 Index total return, 2000–2024

Growth of \$1,000  
invested from  
Jan. 1, 2000

But if you missed the single best...



Research has shown there's no reliable way to time the market—targeting the best days to be invested or moving to the sidelines to avoid the worst days. It has also shown the impact of being out of the market even for a short time. Staying invested helps ensure you're in position to capture long-term gains.

**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.** In USD. Data presented in the Growth of \$1,000 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. Best performance dates represent end of period (November 28, 2008, for best week; April 22, 2020, for best month; June 22, 2020, for best three months; and September 4, 2009, for best six months). The missed best consecutive days examples assume that the hypothetical portfolio fully divested its holdings at the end of the day before the missed best consecutive days, held cash for the missed best consecutive days, and reinvested the entire portfolio in the Russell 3000 Index at the end of the missed best consecutive days. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

# Index Description

**Dimensional US 20 Year Treasury Index (Historical):** February 1999–present: Dimensional 20 Year Treasury Index. January 1926–January 1999: Morningstar Long Term Government Bonds. Source: Morningstar.

**Dimensional US 20 Year Treasury Index:** Compiled by Dimensional beginning in February 2025. Based on securities in the universe of Bloomberg US Treasury Index, the index selects the bond with the beginning-of-month maturity closest to 20 Year. If there are two bonds with the same time to maturity, the most recently issued bond is selected. Rebalanced monthly.

**The Dimensional Indices have been retrospectively calculated by Dimensional Fund Advisors LP and did not exist prior to their index inception dates. Accordingly, 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.