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Dimensional  
US Small Cap Value  
Systematic Index

# An Index Strategy from a Pioneer in Small Cap Value Investing

Dimensional's investment strategies have been rooted in continuous, industry-leading research on the drivers of market returns for more than four decades. Based on this research, Dimensional launched one of the first systematic US small cap value strategies in 1992, preceding even the launch of the Russell 2000 Value Index.

Thirty years later, the firm has introduced the Dimensional US Small Cap Value Systematic Index, offering a new way to access the expertise of one of the most experienced US small cap value managers in the industry.

## Dimensional US Small Cap Value Systematic Index



### Dimensional at a Glance<sup>1</sup>

1981

YEAR  
FOUNDED

\$677B

FIRMWIDE ASSETS  
UNDER MANAGEMENT

15

GLOBAL  
OFFICES

One

INVESTMENT  
PHILOSOPHY

## Capturing Value in Small Caps

Decades of theoretical and empirical research provide insight into what drives differences in stock returns over time, including:

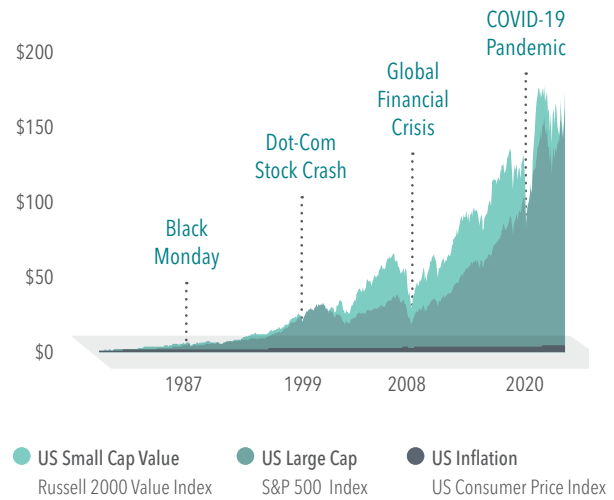
- Company size:** Small caps tend to outperform large caps.
- Relative price:** Value stocks tend to outperform growth stocks.

The Dimensional US Small Cap Value Systematic Index provides exposure to the US small cap value segment of the market. Within this segment, the Index systematically excludes stocks that have the lowest expected returns, including:

- ▶ Stocks of low profitability companies
- ▶ Stocks of companies with high asset growth, such as:
  - Firms engaged in mergers-and-acquisitions activity
  - Recent issuers of significant debt or equity

## Strong Performance for Small Cap Value<sup>2</sup>

Growth of a Dollar, USD  
January 1, 1979–December 31, 2023



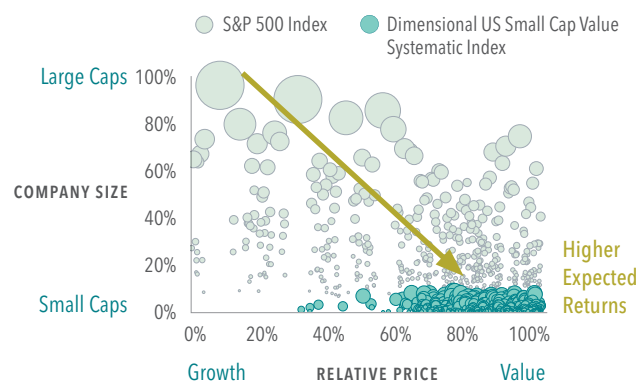
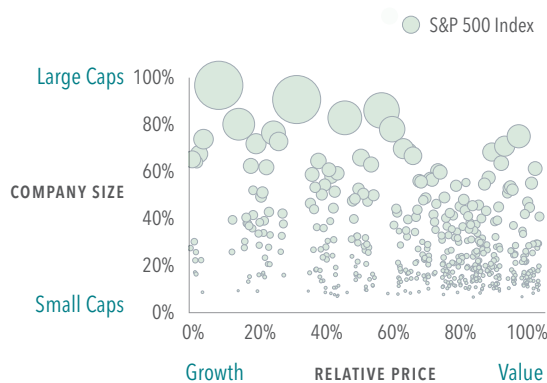
## Complementary Coverage

The Dimensional US Small Cap Value Systematic Index can be a compelling complement to S&P 500 exposure, providing focused coverage of a segment of the market with higher expected returns.

Additionally, combining these two index exposures may provide diversification<sup>3</sup> benefits, including reduced risk, more consistent returns, and improved long-term performance.

## Providing Focused Coverage in a Segment of the Market with Higher Expected Returns

Holdings as of December 31, 2023<sup>4</sup>



1. Firmwide assets under management in USD (billions) and number of offices as of December 31, 2023.

2. Past performance is no guarantee of future results. Growth of wealth shows the growth of a hypothetical investment of \$1. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. US CPI data sourced from Morningstar. S&P data © 2024 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

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

4. The Dimensional US Small Cap Value Systematic Index has a live date of February 9, 2023. Holdings shown prior to the live date are hypothetical and do not represent actual holdings of the Index. Hypothetical holdings are calculated with the benefit of hindsight and did not exist at the time shown. Other time periods selected may have different results. Hypothetical characteristics are provided for informational purposes only to indicate historical results had the Index been calculated at the time.

## Glossary

**Diversification:** Holding many securities or types of investments in a portfolio, often for the purpose of mitigating risk associated with owning a single security or type of investment.

**Expected return:** A forward-looking estimate of average returns informed by historical data.

**Growth stock:** A stock trading at a high price relative to a measure of fundamental value, such as book value or earnings.

**Large cap:** Refers to a company with a relatively large market capitalization.

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

**Relative price:** Refers to a company's price, or the market value of its equity, in relation to another measure of economic value, such as book value.

**Small cap:** Refers to stocks with a relatively small market capitalization.

**Value stock:** A stock trading at a low price relative to measures of economic value, such as book value or earnings.

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Indices are not available for direct investment. There is no guarantee of index success. The Russell 2000 Value Index measures the performance of Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. The S&P 500 index is a market-capitalization-weighted index that measures the performance of large cap equity securities in the US market. The index comprises 500 leading large cap companies. © 2024 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

Changes in the US Consumer Price Index are used to measure US inflation. Represented by the Consumer Price Index for All Urban Consumers (CPI-U), not seasonally adjusted. US Consumer Price Index data is provided by the US Department of Labor, Bureau of Labor Statistics.

**Risks:** Risks include loss of principal and fluctuating value. Small cap securities are subject to greater volatility than those in other asset categories. Value indices are subject to risk, which may cause underperformance compared to other equity indices.

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