

Better Together

For investors interested in the potential benefits of global diversification, S&P 500 Index and the Dimensional International Equity Focus Index may be better together

OVERVIEW

The Dimensional International Equity Focus Index is a developed markets ex US and Canada solution that provides broadly diversified exposure while emphasizing areas of the market with higher expected returns— including smaller cap, value, and higher profitability stocks.

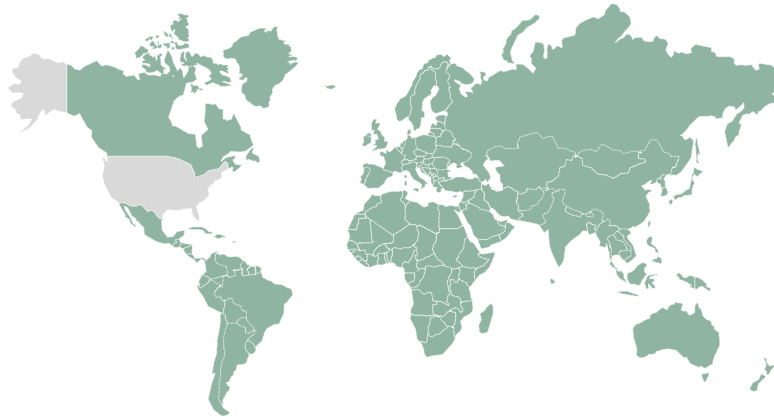
Designed by a leader in systematic, factor-based solutions

Provides globally diversified exposure

Pursues higher expected returns

A WORLD OF OPPORTUNITY

Investors who ignore global markets miss out on a significant portion of the world equity market. In fact, approximately 40% of the world equity market is outside the US¹.



GLOBAL DIVERSIFICATION CAN MAKE A WORLD OF DIFFERENCE

While returns for any individual country are unpredictable, capturing diversified returns from countries across the globe can provide potential benefits including reduced risk, more consistent returns, and improved long-term performance².



1. Source: Bloomberg.
2. Diversification neither assures a profit nor guarantees against losses in a declining market.
3. As of December 31, 2023.

HIGHER EXPECTED RETURNS

Drawing on decades of research, the Dimensional International Equity Focus Index emphasizes areas of the market with higher expected returns— including smaller cap, value, higher profitability stocks.

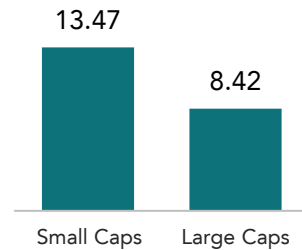
Understanding Higher Expected Returns

Annualized compound returns, Developed ex US markets

Company Size

Small caps outperform large caps¹

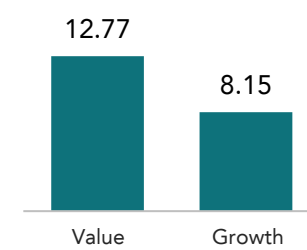
1970–2023



Value

Value outperforms growth²

1975–2023



Profitability

High profitability outperforms low profitability³

1991–2023



DIMENSIONAL AT A GLANCE⁴

42
Years since founding

\$677B
AUM across asset classes

One
Investment philosophy

1. Small caps are represented by the Dimensional International Small Cap Index and large caps are represented by the MSCI World ex USA Index (net div.).
 2. Relative price as measured by price-to-book; value stocks are those with lower price-to-book ratios. Value is represented by the Fama/French International Value Index and growth is represented by the Fama/French International Growth Index.
 3. Profitability is measured as operating income before depreciation and amortization minus interest expenses scaled by book. High profitability is represented by the Fama/French International High Profitability Index and low profitability is represented by the Fama/French International Low Profitability Index.
 4. Firmwide assets under management in USD (billions) as of December 31, 2023. Dimensional Fund Advisors LP was founded in 1981.

DISCLOSURES

This information is provided for registered investment advisors and institutional investors and is not intended for public use.

Results shown during periods prior to each index's index 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. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. Eugene Fama and Ken French are members of the Board of Directors of the general partner of, and provide consulting services to, Dimensional Fund Advisors LP.

The Fama/French Indices represent academic concepts that may be used in portfolio construction and are not available for direct investment or for use as a benchmark. Index returns are not representative of actual portfolios and do not reflect costs and fees associated with an actual investment. See "Index Descriptions" for descriptions of Fama/French index data.

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INDEX DESCRIPTIONS

Dimensional International Small Cap Index was created by Dimensional in April 2008 and is compiled by Dimensional. July 1981–December 1993: It includes non-US developed securities in the bottom 10% of market capitalization in each eligible country. All securities are market capitalization weighted. Each country is capped at 50%. Rebalanced semiannually. January 1994–present: Market-capitalization-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. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. Asset growth is defined as change in total assets from the prior fiscal year to current fiscal year. 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 a different quarter of the year. Prior to July 1981, the index is 50% UK and 50% Japan. The calculation methodology for the Dimensional International Small Cap Index was amended on January 1, 2014, to include profitability as a factor in selecting securities for inclusion in the index.

Fama/French International Value Index: January 1975–present: Fama/French International Value Index. Simulated strategy of international developed countries with securities in the lower 30% price-to-book range. Source: Ken French website. Simulated from MSCI and Bloomberg data.

Fama/French International Growth Index: January 1975–present: Fama/French International Growth Index. Simulated strategy of international developed countries with securities in the higher 30% price-to-book range. Source: Ken French website. Simulated from MSCI and Bloomberg data.

Fama/French International High Profitability Index: July 1990–present: Fama/French International High Profitability Index. Courtesy of Fama/French from Bloomberg securities data. Includes stocks in the upper 30% operating profitability range in each region; companies weighted by float-adjusted market cap; rebalanced annually in June. OP for June of year t is annual revenues minus cost of goods sold, interest expense, and selling, general, and administrative expenses divided by book equity for the last fiscal year end in $t-1$. Fama/French and multifactor data provided by Fama/French.

Fama/French International Low Profitability Index: July 1990–present: Courtesy of Fama/French from Bloomberg securities data. Includes stocks in the lower 30% operating profitability range in each region; companies weighted by float-adjusted market cap; rebalanced annually in June. OP for June of year t is annual revenues minus cost of goods sold, interest expense, and selling, general, and administrative expenses divided by book equity for the last fiscal year end in $t-1$. Fama/French and multifactor data provided by Fama/French.