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## DIMENSIONAL SMAs

The Next Dimension in Customized Investing





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## 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 tailor 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 target higher expected returns in a flexible, diversified, low-cost manner.

### ▶ **Personalized for investors**

Customize an SMA for environmental, social, and governance (ESG) preferences, tax management strategy, individual stock and sector holdings, and more. Investors can draw upon Dimensional's expertise in seeking to balance higher expected returns, diversification, tax impact, and other priorities.

### ▶ **Streamlined for advisors**

Advisors use Dimensional's SMA Center to design, onboard, manage, and monitor each investor's SMA. The intuitive online platform streamlines the investment process so advisors can spend more time serving their clients.

*Dimensional SMAs bring customized investing to individuals with strategy minimums at \$500,000 for the direct security sleeve of the account. These lower minimums broaden access to flexible, scalable, personalized solutions.*

# Building SMAs to Meet Investor Needs

Using Dimensional's SMA Center, financial professionals can manage all aspects of strategy design, personalization, and account administration for their SMA clients. The process involves three steps:



## Dimensional SMA Starting Strategies

First, choose one of Dimensional's US or Global SMA direct security starting strategies. These strategies are built around Dimensional's systematic investment approach, which embodies more than 40 years of experience adding value over indexing.

We follow a consistent investment process that integrates rigorous research with advanced portfolio design and management. The core starting 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, while pursuing broad diversification across names and sectors.

## Integrated Direct Security and ETF Management

Next, consider adding Dimensional ETF positions to the account to complement the direct security strategy. The integration of ETFs alongside direct security holdings in a Dimensional SMA allows for holistic tax management across an investor's overall portfolio, greater flexibility for asset class exposure, and enhanced operational efficiency and allocation management for the advisor.

### AVAILABLE STRATEGIES

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- ▶ US All Cap Equity Market
- ▶ US All Cap Core Equity 1
- ▶ US All Cap Core Equity 2
- ▶ US Large Cap Core Equity
- ▶ Global ex US Large Cap Core Equity
- ▶ Global Large Cap Core Equity

# Personalization

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

## ESG Considerations

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

Through select custodians, financial professionals can select proxy voting guidelines that implement Dimensional’s thoughtful, systematic corporate governance approach.

## Additional Restrictions

Investors can 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 SMA CUSTOMIZATIONS<sup>1</sup>

Environmental	Social	Governance	Restrictions
<p><b>Climate Change</b></p> <ul style="list-style-type: none"> <li>• GHG<sup>2</sup> emissions (level or intensity)</li> <li>• Potential emissions from reserves</li> <li>• Fossil fuel reserves (coal, oil, or natural gas)</li> </ul> <p><b>Sustainability Impacts</b></p> <ul style="list-style-type: none"> <li>• Biodiversity and land use</li> <li>• Factory farming</li> <li>• Nuclear power</li> <li>• Palm oil</li> <li>• Toxic spills and waste-related</li> <li>• Water stress</li> </ul>	<p><b>Human Rights and Diversity</b></p> <ul style="list-style-type: none"> <li>• Child labor</li> <li>• Private prisons</li> <li>• Sanctions-related</li> <li>• Weapons-related</li> <li>• Diversity-related</li> </ul> <p><b>Personal and Faith-Based Values</b></p> <ul style="list-style-type: none"> <li>• Substances (alcohol, cannabis, tobacco)</li> <li>• Abortion-related</li> <li>• Contraceptives</li> <li>• Entertainment-related</li> <li>• Stem cell research</li> <li>• Pork</li> </ul>	<p><b>Governance Screens</b></p> <ul style="list-style-type: none"> <li>• Poison pills</li> <li>• Staggered boards</li> </ul> <p><b>Proxy Voting Approach<sup>3</sup></b></p> <ul style="list-style-type: none"> <li>• Standard</li> <li>• Socially focused</li> <li>• Sustainability focused</li> </ul>	<p><b>Sector or Industry</b></p> <ul style="list-style-type: none"> <li>• Exclude holdings by security, industry,<sup>4</sup> sector, or country, and evaluate how restrictions may impact portfolio characteristics.</li> </ul> <p><b>Company-Specific</b></p> <ul style="list-style-type: none"> <li>• Choose do-not-buy, do-not-trade, do-not-hold, or do-not-sell restrictions on individual securities.</li> </ul>

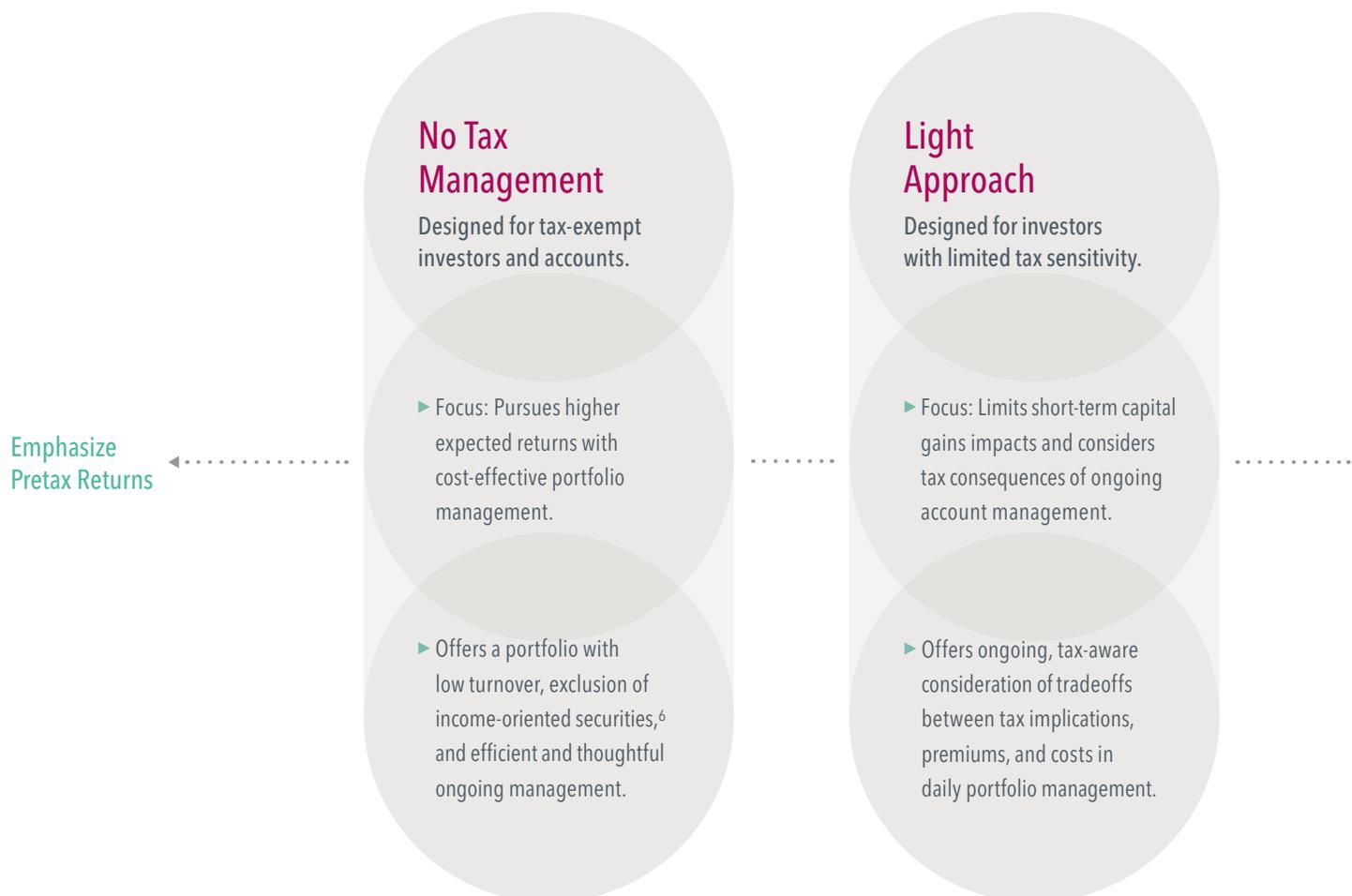
1. This is a partial list of preferences available in Dimensional’s SMA Center. The availability of investment customization options may change at any time without notice.  
 2. Greenhouse gas (GHG).  
 3. Where available through participating custodians.  
 4. Exclusions based on Global Industry Classification Standard (GICS®) Level 3.

# Multifaceted Tax Management

Dimensional has extensive experience designing and managing investment solutions that thoughtfully balance investors' tax sensitivities with their other financial goals. Dimensional SMAs offer flexible tax management options that can be tailored to address an investor's unique and evolving tax circumstances.<sup>5</sup>

Dimensional's multifaceted approach to tax management applies across the entire portfolio, including both ETF positions and direct securities held in a Dimensional SMA, providing for a holistic assessment of opportunities to improve the after-tax performance in a client's overall portfolio. Our SMA solutions also provide tax-efficient strategy design, robust tax transition analysis for tax-aware onboarding, and ongoing tax analysis.

## TAX MANAGEMENT OPTIONS



5. See limitations of tax management in disclosures appended.

6. Real estate investment trusts (REITs) and passive foreign investment companies (PFICs) are excluded in Dimensional SMA direct security starting strategies.

Investors can opt for no tax management or select from three active tax management approaches (light, standard, or aggressive), which seek to reduce capital gains exposure during client redemptions by selling high cost basis securities and suggest highly appreciated securities for charitable gifting.

*Dimensional has applied tax management considerations in large separate accounts and tax-advantaged mutual funds for more than 20 years.*

## Standard Approach

Designed for investors with moderate tax sensitivity.

- ▶ Focus: Limits short- and long-term realized capital gains and harvests meaningful tax losses.
- ▶ Offers more emphasis than light approach on reducing tax impacts while considering investment tradeoffs in daily management.

## Aggressive Approach

Designed for investors with a higher degree of tax sensitivity.

- ▶ Focus: Applies a stronger emphasis on tax loss harvesting and tax considerations in the daily evaluation of tradeoffs between premiums, taxes, costs, and diversification.
- ▶ Offers the most tax-sensitive approach to prioritizing tax deferral and minimizing taxable gains.

Emphasize After-Tax Returns

# Streamlined Account Management

Our online SMA Center offers a single access point for financial professionals to design, analyze, onboard, and manage SMAs for their clients.

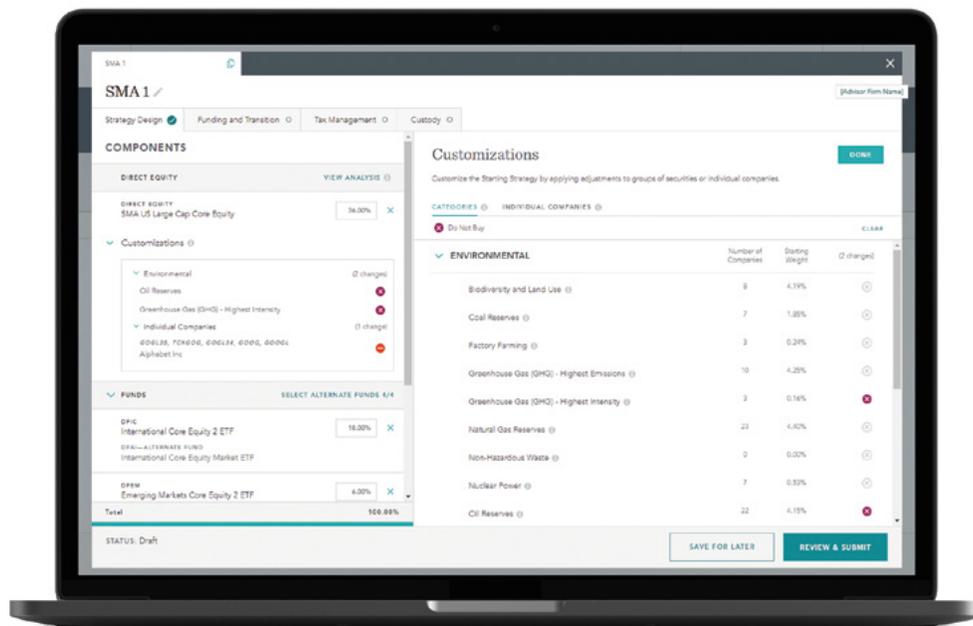
The portal's dynamic data visualizations enable advisors to evaluate different scenarios for account transition and tax management, as well as the impact of customization decisions on a portfolio.

Transparent data lenses and analytics encourage informed decision-making based

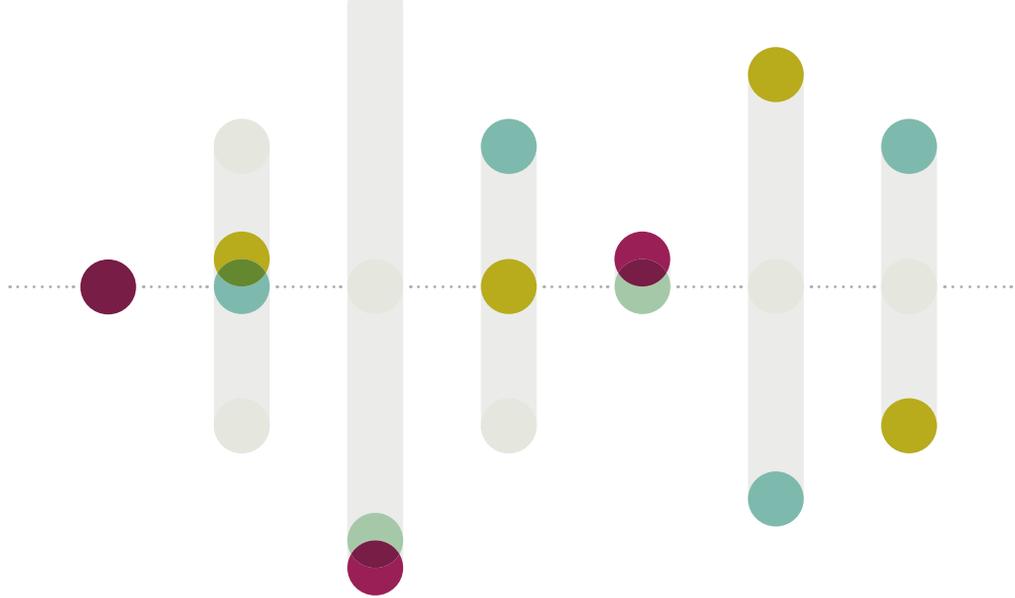
on robust analysis. The easy-to-use portal streamlines and consolidates SMA management for advisors, resulting in enhanced scalability of their business and more time for building client relationships.

Advisors can also use the portal to request account service from Dimensional's knowledgeable SMA Solutions Team, a dedicated group of SMA experts who directly and promptly respond to inquiries and offer access to specialists across the firm.

## DIMENSIONAL'S ONLINE SMA PORTAL



Dimensional's SMA Solutions Team is ready to support financial professionals in account management and can offer guidance on using the portal for documentation and recordkeeping.



## A Personalized Investment Experience

Dimensional has designed its SMA offering with a lower account minimum to help financial professionals deliver tailored solutions to a broader set of individual investors. The SMAs reflect decades of expertise in applying financial science to custom-managed portfolios. Key benefits include:

- ▶ Systematic pursuit of higher expected returns
- ▶ Multifaceted tax management
- ▶ Extensive customization options
- ▶ Integrated direct security and ETF management
- ▶ Robust metrics for informed decision-making
- ▶ Seamless account management and reporting

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*Dimensional SMAs can help financial advisors deliver a higher level of personalized investing while scaling their business for growth and success.*

To learn more, financial professionals can contact a Dimensional representative or visit the SMA Collection on [MyDimensional.com](https://www.dimensional.com/MyDimensional.com).



## DIMENSIONAL AT A GLANCE<sup>7</sup>

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42

YEARS SINCE  
FOUNDING

\$677B

FIRMWIDE ASSETS  
UNDER MANAGEMENT

1,600+

EMPLOYEES IN 15  
GLOBAL OFFICES

One

INVESTMENT  
PHILOSOPHY

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**Dimensional<sup>8</sup> is a global investment manager dedicated to implementing the great ideas in finance.**

We have a long history of applying academic research to practical investing. Today, we offer a full suite of equity and fixed income strategies designed to target higher expected returns.

Dimensional's investment approach is grounded in economic theory and backed by decades of research. By integrating our investment process with a flexible trading strategy, we work to manage the tradeoffs that arise when implementing portfolios. We consistently apply this process in all of our global and regional equity and fixed income strategies, with an aim to add value beyond what traditional managers and benchmarks can achieve.

We regard the assets we manage as more than just shares in a portfolio. The money represents the savings, sacrifice, and dreams that investors have entrusted to us. We take this responsibility seriously.

Dimensional is headquartered in Austin, Texas, and has trading offices across North America, Europe, and Asia, which enables us to cover global markets and manage strategies continuously.

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

8. "Dimensional" refers to the Dimensional separate but affiliated entities generally, rather than to one particular entity. These entities are Dimensional Fund Advisors LP, Dimensional Fund Advisors Ltd., DFA Australia Limited, Dimensional Fund Advisors Canada ULC, Dimensional Fund Advisors Pte. Ltd., Dimensional Ireland Limited, Dimensional Japan Ltd., and Dimensional Hong Kong Limited. Dimensional Hong Kong Limited is licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) regulated activities only and does not provide asset management services.



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## Glossary

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

**Passive foreign investment company (PFIC):** In general, any foreign corporation is considered a PFIC if 75% or more of its gross income for its taxable year is passive income, or 50% or more of its average assets (by value) are held for the production of passive income.

**Premium:** A return difference between two assets or portfolios.

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

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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](http://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. 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. "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. 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 solely 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 adviser 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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