

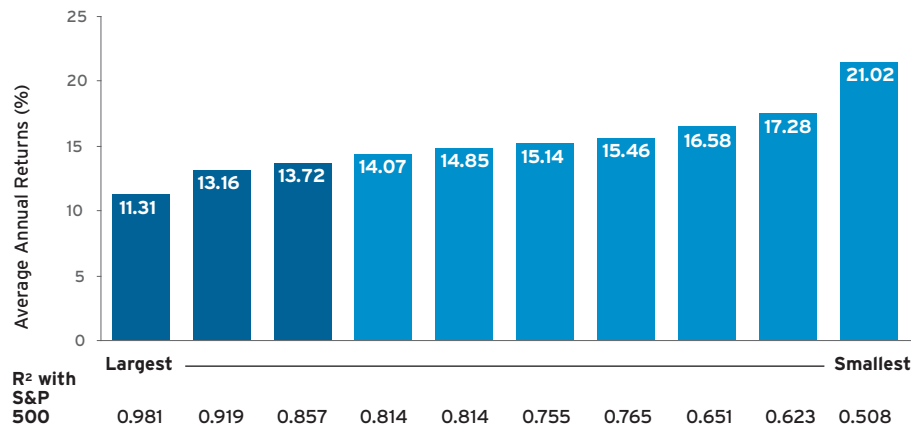
DFA US SMALL CAP FUND

DEFINING SMALL CAP

Dimensional Fund Advisors (“Dimensional”), the sub-advisor of the DFA US Small Cap Fund, determines a company’s size by measuring its market capitalization. Market cap is calculated by multiplying a stock’s price by the number of shares outstanding. Extensive research has found that small cap stocks have higher expected returns than large cap stocks over long periods. Small cap stocks generally have a higher level of risk than large cap stocks. Because risk and return are directly related, this higher risk provides small cap stocks with higher expected returns.

HISTORICAL SIZE EFFECT

Market Cap Decile Returns
Average Annual Returns (%): 1926-2007
In US Dollars



CRSP data courtesy of the Center for Research in Security Prices, University of Chicago. CRSP creates the market cap deciles by ranking the NYSE by market capitalization, then forming ten groups with an equal number of companies. AMEX and NASDAQ companies are then added to the resulting groups according to their market capitalization. The S&P Data are provided by Standard & Poor’s Index Services Group. Russell data courtesy of Russell Analytic Services.

CONSTRUCTING THE FUND

To construct the DFA US Small Cap Fund all stocks are ranked by market cap. Stocks with a market cap smaller than the 1,000 largest comprise the eligible universe of small cap stocks.

PORTFOLIO CONSTRUCTION
Stocks Ranked by Market Cap

US Stock Market



FUND FACTS (Class F)

NUMBER OF HOLDINGS
1,952

WEIGHTED AVERAGE MARKET CAP (MILLIONS)
\$899

WEIGHTED AVERAGE BOOK-TO-MARKET RATIO
0.68

PRICE/EARNINGS (EXCLUDING NEGATIVES)
15.5

WEIGHTED AVERAGE DIVIDEND-TO-PRICE
1.06%

MANAGEMENT EXPENSE RATIO
(as of June 30, 2008)
0.75%

The fund’s prospectus contains more complete information on risks, advisory fees, distribution charges and other expenses.

FOCUSING ON THE ASSET CLASS

To further refine the eligible universe of stocks and achieve focused exposure to the small cap asset class, exclusion screens are applied. The DFA US Small Cap Fund's first screen eliminates from consideration stocks that are not part of the small cap asset class (such as real estate investment trusts). As of September 30, 2008, this process removed 936 of the 3,885 stocks in the initial universe. Additional screens for pricing concerns (such as recent IPOs) and trading concerns (such as companies with less than four market makers) removed another 426 stocks from consideration. The outcome was an eligible buy list of 2,523 that Dimensional believes keeps the strategy precisely focused on the US small cap asset class.

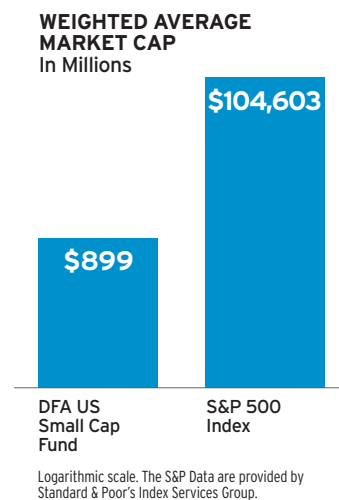


THE RESULT: STRONGER ASSET CLASS DELIVERY

Dimensional's strategies are engineered to capture the factors that drive returns. Intelligent engineering and trading expertise result in the DFA US Small Cap Fund's stronger exposure to the higher expected returns of its asset class.

EFFECTIVE TRADING PRACTICES

Trading costs matter. Dimensional's dominant presence in US small cap trading puts in demand our services as a provider of liquidity in that arena, which increases our negotiating power. We practice patient trading focusing on price rather than time of execution. We can design our strategies to mitigate the effects of momentum. As a whole, this disciplined trading approach means lower trading costs that can directly benefit our clients.



Read more about Dimensional and our trading advantage in the publication *What Makes Dimensional Different*.

DIMENSIONAL WORLDWIDE:

VANCOUVER

SANTA MONICA

AUSTIN

CHICAGO

LONDON

SYDNEY

www.dfacanada.com



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