

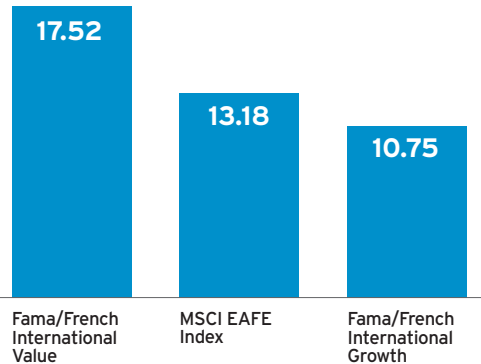
# DFA INTERNATIONAL VALUE FUND

## DEFINING VALUE

Dimensional Fund Advisors (“Dimensional”), the sub-advisor of the DFA International Value Fund, uses the ratio of a company’s book value to its market value (BtM) in order to determine its placement on the value/growth spectrum. Stocks with high BtM ratios are defined as value stocks. Research conducted by Professors Eugene Fama and Kenneth French found that value stocks have higher expected returns over the long term than growth stocks. Value stocks, sometimes called distressed stocks, generally have a high level of risk. Because risk and return are directly related, this higher risk provides value stocks with higher expected returns.

## HISTORICAL VALUE EFFECT

Index Returns  
Annualized Compound Returns (%): 1975-2007



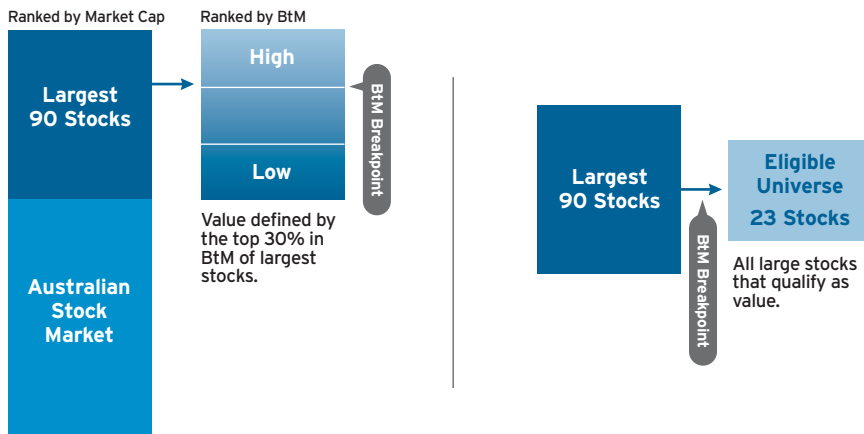
Fama/French data courtesy of Fama/French. MSCI data courtesy of Morgan Stanley Capital International. Indexes are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.

## CONSTRUCTING THE FUND

Size and value definitions are specific to each country, but each sets a BtM ratio to define value stocks. That ratio is determined by taking a snapshot of the market: ranking only the largest stocks by their BtM ratio. Once ranked, stocks in the top 30% with the highest BtM qualify as value.

### PORTFOLIO CONSTRUCTION

An Example of Country-Level Screening: Australia



The DFA International Value Fund’s eligible countries are Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. The list of eligible countries may change at any time.

## FUND FACTS (Class F)

NUMBER OF HOLDINGS  
**523**

WEIGHTED AVERAGE MARKET CAP (MILLIONS)  
**\$58,041**

WEIGHTED AVERAGE BOOK-TO-MARKET RATIO  
**0.91**

PRICE/EARNINGS (EXCLUDING NEGATIVES)  
**7.4**

WEIGHTED AVERAGE DIVIDEND-TO-PRICE  
**5.06%**

MANAGEMENT EXPENSE RATIO  
(as of June 30, 2008)  
**0.61%**

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 international value asset class, exclusion screens are applied. The DFA International Value Fund's first screen eliminates from consideration stocks that are not part of the asset class (such as holding companies). As of September 30, 2008, this eliminated 109 of the 1,307 stocks in the initial universe. Additional screens for pricing concerns (such as delisted stocks), trading concerns (such as insufficient float), and non-value stocks excluded another 911 stocks from consideration. The outcome was an eligible buy list of 287 stocks that Dimensional believes keeps the strategy precisely focused on the international value asset class.



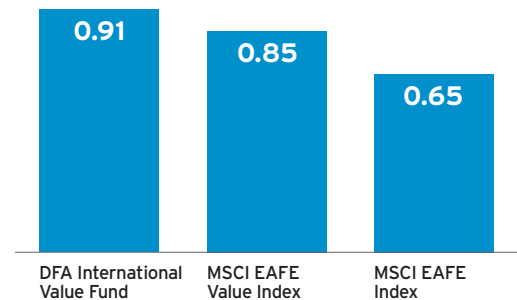
## THE RESULT: STRONGER ASSET CLASS DELIVERY

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

## EFFECTIVE TRADING PRACTICES

Trading costs matter. Dimensional uses its capacity, reputation, and expertise to manage trading costs. When investing internationally, Dimensional also strives to minimize high agency costs by keeping turnover low. Because Dimensional does not index, 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.

### WEIGHTED AVERAGE BOOK-TO-MARKET RATIO



MSCI data courtesy of Morgan Stanley Capital International.

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](http://www.dfacanada.com)



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