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# DFA International Core Equity Fund

## Management Report of Fund Performance

*For the Year ended December 31, 2010*

The annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling Dimensional Fund Advisors Canada ULC ("Dimensional") collect at 604-685-1633, by writing to Dimensional at 1500 West Georgia Street, Suite 1520, Vancouver, BC, Canada, V6G 2Z6 or by visiting Dimensional's website at [www.dfacanada.com](http://www.dfacanada.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Unitholders may also contact Dimensional using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

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# DFA International Core Equity Fund

## Management Report of Fund Performance

### Investment Objective and Strategies

The DFA International Core Equity Fund (“Fund”) pursues long-term capital growth by investing primarily in equity securities of non-Canadian and non-U.S. companies.

The Fund will generally purchase a broad and diverse group of readily marketable equity securities of non-Canadian and non-U.S. companies in countries with developed and emerging markets with increased exposure to securities of small companies and securities that Dimensional Fund Advisors LP (“Dimensional U.S.”), the Fund’s sub-advisor, considers to be “value” stocks. Generally, size is determined based upon market capitalization and value is assessed based upon the stock’s market price relative to one or more fundamental characteristics. For example, Dimensional U.S. may consider a stock to be a value stock if the company has a high book value, earnings or cash flow relative to the market price of the company’s stock.

### Risk

There were no material changes to the Fund over the course of the year affecting the overall risk exposure. The Fund will continue to be fully exposed to foreign market risk, including emerging and developed markets risk as well as the risks associated with investments in small company stocks and value stocks, which may behave differently from conventional benchmarks such as the MSCI EAFE® plus Emerging Markets Index (net dividends) (“Index”). Currency movements had a mostly negative effect on Class A, Class F and Class I units (the “unhedged classes”) of the Fund’s returns over the past year and currency risk will remain in the future on the unhedged classes of units. The Class A(H), Class F(H), and Class I(H) units (the “hedged classes”) of the Fund are suitable for investors who wish to minimize exposure to fluctuations in international currencies relative to the Canadian Dollar. The unhedged classes of the Fund are suitable for investors who wish to be exposed to fluctuations in international currencies relative to the Canadian Dollar. For a complete description of the hedged and unhedged classes, please refer to the simplified prospectus. The Fund engaged in securities lending transactions and, as a result, is exposed to securities lending risk. Securities lending risk includes the risk that the value of collateral held by the Fund may be insufficient to fully replace loaned securities and the risk of defaults on the obligations to return the securities to the Fund. These risks may make an investment in the Fund riskier than if the Fund did not lend securities. Investors are encouraged to read the description of securities lending risk contained in the simplified prospectus. The Fund will also continue to be exposed to the other risks described in the Fund’s simplified prospectus.

### Results of Operations

As of December 31, 2010, the Fund held approximately 3,000 securities in 22 developed markets and approximately 1,100 securities in 20 emerging markets. The Fund was essentially fully invested in equities throughout the reporting period.

Average cash levels were in general less than 1% of the Fund’s Net Asset Value. As a result of the Fund’s investment strategy, performance was determined principally by broad structural trends in the non-U.S. and non-Canadian international equity markets rather than the behavior of a limited number of stocks.

For the 12 months ended December 31, 2010, on a global basis, small company stocks generally outperformed large company stocks, and value stocks generally underperformed growth stocks. The value of the Canadian dollar rose relative to the euro and British pound, decreasing net returns of securities denominated in these currencies when expressed in Canadian terms. On the other hand, the Canadian dollar fell against the Japanese yen, Australian dollar, and Swiss franc, increasing net returns of securities denominated in these currencies.

For the 12 months ended December 31, 2010, total returns for the Fund’s classes were 7.37% for the Class F units, 6.10% for the Class A units, 7.91% for the Class I units, 11.24% for the Class F(H) units and 10.01% for the Class A(H) units. The total returns for the Index were 4.76% and total returns for the MSCI EAFE Index (net dividends) were 2.22%. All returns for the Index are unhedged and are not diminished by management and administrative expenses associated with managing a portfolio of securities.

Relative to the Index, the outperformance of each class of units of the Fund was almost entirely due to the Fund’s greater exposure to smaller companies than the Index, as smaller companies significantly outperformed larger names during the 2010 calendar year.

Net returns of the Class A units (both hedged and unhedged) were diminished by a trailer fee payable to securities dealers. Dealers generally pay a portion of these fees to investment professionals for services they provide to their clients.

### Recent Developments

Dimensional Fund Advisors Canada ULC (“Dimensional”) will continue to pursue a disciplined quantitative approach to identify securities for purchase or sale. In contrast to many investment firms, Dimensional does not seek to predict the future course of business conditions, stock market trends, interest rates, or currency exchange rates. Dimensional believes that securities markets are highly competitive and prices reflect available information quickly enough that efforts to outperform the market ordinarily promise little or no payoff after taking account of research and transaction costs. Instead, Dimensional seeks to capture a market rate of return associated with various broad risk factors while reducing individual company, country and industry risk through diversification.

Effective June 1, 2010, the operating expenses of the Fund are no longer subject to a maximum annual fee and expense rate. For periods prior to June 1, 2010, if we have waived our fees or paid any expenses for a class of units of a fund, and the expenses of that class of units are less than the previous rate for that class of units on an annualized basis, then we will have the right to seek reimbursement for any fees previously waived by us or any expenses previously paid by us within 36 months of

## **DFA International Core Equity Fund**

### **Management Report of Fund Performance**

the date such fees were waived, or expenses paid, to the extent that such reimbursement will not cause the annualized expenses of that class to exceed the previous rate for that class.

In January 2010, the Fund changed its benchmark to the MSCI EAFE plus Emerging Markets Index (net dividends) to reflect an expected increase in exposure to emerging markets stocks in the fund.

Effective on July 1, 2010, the Fund became subject to Harmonized Sales Tax, rather than Goods and Services Tax, on management fees and certain other expenses. This will result in a higher overall management expense ratio.

#### **Related-Party Transactions**

Dimensional is the manager, trustee, and principal portfolio advisor of the Fund. As manager, Dimensional is responsible for the overall management and administration of the Fund. As trustee, Dimensional holds legal title to the Fund's investments in trust for the Fund's unitholders. For its services, Dimensional receives management fees that are calculated as a percentage of the average Net Asset Value of the Fund. These fees are calculated daily and payable monthly.

As principal portfolio advisor, Dimensional is responsible for managing the investment portfolio of the Fund directly or through sub-advisors. Dimensional has retained its ultimate parent company, Dimensional U.S., to act as the Fund's sub-advisor. Dimensional U.S. is responsible for investment analysis and decision making, implementing securities transactions, selecting broker-dealers, acquiring research information, voting proxies, and monitoring the Fund's investment guidelines. Dimensional has also engaged its other affiliates, Dimensional Fund Advisors Ltd. and DFA Australia Limited as sub-advisors to the Fund. The fees of the sub-advisors are paid by Dimensional.

Dimensional has adopted written policies and procedures with respect to the supervision and monitoring of the services provided by Dimensional, Dimensional U.S. and the other sub-advisors to the Fund, and with respect to the Fund's investments in other Funds managed by Dimensional, and received standing instructions from the Fund's Independent Review Committee ("IRC") to act in accordance with these policies and procedures. These standing instructions require Dimensional to report to the IRC any material exceptions to compliance with these policies and procedures.

# DFA International Core Equity Fund

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### Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years, as applicable. Per unit data is derived from the Fund's financial statements. The Net Assets per unit presented in the financial statement differs from the Net Asset Value used in calculating purchase and redemption prices for the Fund, due to differences in valuation techniques of certain investments.

Ratios and supplemental data are derived from the Fund's Net Asset Value.

During the year, no Class I(H) units were issued and therefore, no information has been presented for this class of units.

### The Fund's Net Assets per Unit (\$) <sup>(1)</sup>

	CLASS A					CLASS A(H)	
	2010	2009	2008	2007	2006	2010	2009 <sup>(6)</sup>
<b>Net Assets, beginning of year</b>	\$ 9.54	\$ 8.02	\$ 12.20	\$ 13.35	\$ 10.66	\$ 13.96	\$ 10.00
<b>Increase (decrease) from operations:</b>							
Total revenue	0.26	0.26	0.41	0.37	0.29	0.39	0.29
Total expenses	(0.16)	(0.15)	(0.18)	(0.24)	(0.21)	(0.27)	(0.22)
Realized gains (losses) for the year	0.05	(0.02)	(0.21)	0.15	0.12	0.46	0.58
Unrealized gains (losses) for the year	0.46	1.59	(3.97)	(1.37)	2.78	1.10	2.96
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ 0.61</b>	<b>\$ 1.68</b>	<b>\$ (3.95)</b>	<b>\$ (1.09)</b>	<b>\$ 2.98</b>	<b>\$ 1.68</b>	<b>\$ 3.61</b>
<b>Distributions:</b>							
From income (excluding dividends)	-	-	-	-	-	-	-
From dividends	(0.10)	(0.12)	(0.21)	(0.21)	(0.09)	(0.16)	(0.21)
From capital gains	-	-	-	-	-	(0.36)	-
Return of capital	-	-	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.10)</b>	<b>(0.12)</b>	<b>(0.21)</b>	<b>(0.21)</b>	<b>(0.09)</b>	<b>(0.52)</b>	<b>(0.21)</b>
<b>Net Assets, end of year</b>	<b>\$ 10.00</b>	<b>\$ 9.54</b>	<b>\$ 8.02</b>	<b>\$ 12.20</b>	<b>\$ 13.39</b>	<b>\$ 14.79</b>	<b>\$ 13.96</b>
	CLASS F					CLASS F(H)	
	2010	2009	2008	2007	2006	2010	2009 <sup>(6)</sup>
<b>Net Assets, beginning of year</b>	\$ 9.63	\$ 8.07	\$ 12.29	\$ 13.42	\$ 10.68	\$ 14.31	\$ 10.00
<b>Increase (decrease) from operations:</b>							
Total revenue	0.26	0.26	0.40	0.37	0.28	0.41	0.32
Total expenses	(0.06)	(0.06)	(0.07)	(0.10)	(0.09)	(0.11)	(0.08)
Realized gains (losses) for the year	0.05	(0.01)	(0.23)	0.14	0.15	0.73	0.66
Unrealized gains (losses) for the year	0.48	1.55	(3.88)	(1.47)	3.16	0.56	3.45
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ 0.73</b>	<b>\$ 1.74</b>	<b>\$ (3.78)</b>	<b>\$ (1.06)</b>	<b>\$ 3.50</b>	<b>\$ 1.59</b>	<b>\$ 4.35</b>
<b>Distributions:</b>							
From income (excluding dividends)	-	-	-	-	-	-	-
From dividends	(0.19)	(0.19)	(0.32)	(0.32)	(0.17)	(0.30)	(0.27)
From capital gains	-	-	-	-	-	(0.72)	-
Return of capital	-	-	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.19)</b>	<b>(0.19)</b>	<b>(0.32)</b>	<b>(0.32)</b>	<b>(0.17)</b>	<b>(1.02)</b>	<b>(0.27)</b>
<b>Net Assets, end of year</b>	<b>\$ 10.11</b>	<b>\$ 9.63</b>	<b>\$ 8.07</b>	<b>\$ 12.29</b>	<b>\$ 13.46</b>	<b>\$ 14.85</b>	<b>\$ 14.31</b>
	CLASS I						
	2010	2009	2008	2007 <sup>(5)</sup>			
<b>Net Assets, beginning of year</b>	\$ 7.98	\$ 6.68	\$ 10.17	\$ 10.00			
<b>Increase (decrease) from operations:</b>							
Total revenue	0.22	0.20	0.30	-			
Total expenses	(0.02)	(0.01)	(0.02)	-			
Realized gains (losses) for the year	0.04	-	(0.29)	-			
Unrealized gains (losses) for the year	0.39	1.05	(3.80)	0.13			
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ 0.63</b>	<b>\$ 1.24</b>	<b>\$ (3.81)</b>	<b>\$ 0.13</b>			
<b>Distributions:</b>							
From income (excluding dividends)	-	-	-	-			
From dividends	(0.19)	(0.18)	(0.31)	-			
From capital gains	-	-	-	-			
Return of capital	-	-	-	-			
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.19)</b>	<b>(0.18)</b>	<b>(0.31)</b>	<b>-</b>			
<b>Net Assets, end of year</b>	<b>\$ 8.37</b>	<b>\$ 7.98</b>	<b>\$ 6.68</b>	<b>\$ 10.17</b>			

(1) This information is derived from the Fund's audited annual financial statements. The Net Assets per unit presented in the financial statements differs from the Net Asset Value calculated for fund pricing purposes. The difference between the Net Asset Value per unit and the Net Assets per unit as shown on the Statement of Net Assets (if any) is due to different pricing methodology discussed in note 2 to the financial statements.

(2) Net Assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial year.

(3) Distributions were paid in cash/reinvested in additional units of the Fund, or both.

(4) This Fund was started in June 2005.

(5) The Class I units were first issued on December 21, 2007.

(6) The Class A(H) and F(H) units of this Fund were first issued on the following dates: Class A(H) - January 26, 2009; Class F(H) - January 23, 2009.

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**Ratios and Supplemental Data**

	CLASS A					CLASS A(H)	
	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007	Dec 31, 2006 <sup>(6)</sup>	Dec 31, 2010	Dec 31, 2009 <sup>(7)</sup>
	Total Net Asset Value (\$) (000's) <sup>(1)</sup>	93,408	80,306	66,263	99,742	79,190	14,659
Number of units outstanding (000's) <sup>(1)</sup>	9,330	8,421	8,235	8,157	5,914	989	440
Management expense ratio <sup>(2)</sup>	1.76%	1.72%	1.70%	1.78%	1.87% <sup>(5)</sup>	1.87%	1.86% <sup>(5)</sup>
Management expense ratio before waivers or absorption <sup>(2)</sup>	1.76%	1.72%	1.70%	1.78%	1.83% <sup>(5)</sup>	1.87%	1.86% <sup>(5)</sup>
Trading expense ratio <sup>(3)</sup>	0.03%	0.05%	0.07%	0.08%	0.11% <sup>(5)</sup>	0.03%	0.05% <sup>(5)</sup>
Portfolio turnover rate <sup>(4)</sup>	3.26%	2.78%	8.61%	11.15%	4.92%	3.26%	2.78%
Net Asset Value per unit (\$)	10.01	9.54	8.05	12.23	13.39	14.82	13.96

	CLASS F					CLASS F(H)	
	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007	Dec 31, 2006 <sup>(6)</sup>	Dec 31, 2010	Dec 31, 2009 <sup>(7)</sup>
	Total Net Asset Value (\$) (000's) <sup>(1)</sup>	214,893	183,292	125,905	108,839	56,453	76,935
Number of units outstanding (000's) <sup>(1)</sup>	21,220	19,036	15,537	8,833	4,196	5,173	3,967
Management expense ratio <sup>(2)</sup>	0.63%	0.62%	0.60%	0.69%	0.80% <sup>(5)</sup>	0.67%	0.70% <sup>(5)</sup>
Management expense ratio before waivers or absorption <sup>(2)</sup>	0.63%	0.62%	0.60%	0.69%	0.76% <sup>(5)</sup>	0.67%	0.70% <sup>(5)</sup>
Trading expense ratio <sup>(3)</sup>	0.03%	0.05%	0.07%	0.08%	0.11% <sup>(5)</sup>	0.03%	0.05% <sup>(5)</sup>
Portfolio turnover rate <sup>(4)</sup>	3.26%	2.78%	8.61%	11.15%	4.92%	3.26%	2.78%
Net Asset Value per unit (\$)	10.13	9.63	8.10	12.32	13.46	14.87	14.31

	CLASS I			
	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007 <sup>(7)</sup>
	Total Net Asset Value (\$) (000's) <sup>(1)</sup>	18,626	10,171	3,576
Number of units outstanding (000's) <sup>(1)</sup>	2,221	1,275	533	287
Management expense ratio <sup>(2)</sup>	0.19%	0.16%	0.15%	0.30% <sup>(5)</sup>
Management expense ratio before waivers or absorption <sup>(2)</sup>	0.19%	0.16%	0.15%	0.30% <sup>(5)</sup>
Trading expense ratio <sup>(3)</sup>	0.03%	0.05%	0.07%	0.08% <sup>(5)</sup>
Portfolio turnover rate <sup>(4)</sup>	3.26%	2.78%	8.61%	11.15%
Net Asset Value per unit (\$)	8.39	7.97	6.70	10.19

<sup>(1)</sup> The information is provided as at December 31 of the year shown.

<sup>(2)</sup> Management expense ratio is based on total expenses (excluding broker commission and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average Net Asset Value during the period.

<sup>(3)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value during the period.

<sup>(4)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>(5)</sup> Percentages are annualized.

<sup>(6)</sup> This Fund was started in June 2005.

<sup>(7)</sup> The Class I units were first issued on December 21, 2007.

<sup>(8)</sup> The Class A(H) and F(H) units of this Fund were first issued on the following dates: Class A(H) - January 26, 2009; Class F(H) - January 23, 2009.

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### Management Fees

Dimensional receives management fees for its service as Manager of the Fund. These fees are calculated as a percentage of the Net Asset Value of the Fund and are calculated daily and payable monthly. The table below shows the annual management fee rates for each class of units of the Fund.

Annual Rate	Class A	Class F	Class I
Management fees	1.35%	0.35%	0%

Annual Rate	Class A(H)	Class F(H)	Class I(H)
Management fees	1.35%	0.35%	0%

Dimensional pays a trailer fee to dealers out of the management fee received for Class A and Class A(H) units of the Fund. This trailer fee is generally calculated as a percentage of the average daily Net Asset Value of Class A and Class A(H) units of the Fund held by the dealer's clients or by the dealer on behalf of the clients. The maximum annual trailer fee for the Class A and Class A(H) units of the Fund is 1.00%. The balance of the management fees are for the general management and administrative services provided to the Fund. The table below shows a breakdown of the services received by the Fund as a percentage of management fees.

	Class A	Class F	Class I
Management and administrative services	26%	100%	0%
Trailer fees	74%	0%	0%
	100%	100%	0%

	Class A(H)	Class F(H)	Class I(H)
Management and administrative services	26%	100%	0%
Trailer fees	74%	0%	0%
	100%	100%	0%

No management fees are charged to the Fund with respect to Class I and Class I(H) units. Instead, each Class I and Class I(H) investor pays a separate fee directly to the manager of the Fund. During the period, no Class I(H) units of the fund were outstanding.

### Past Performance

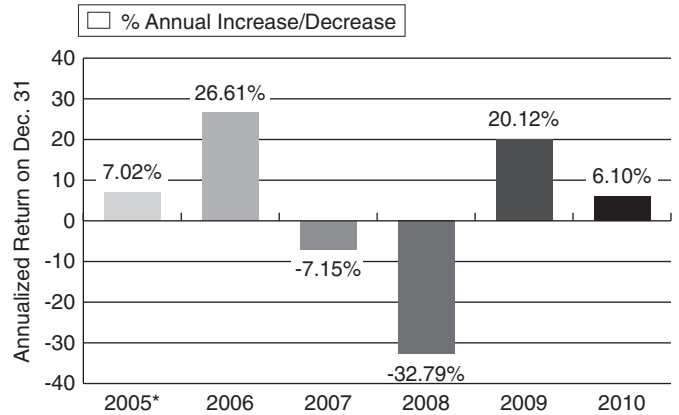
The performance information shown assumes that all distributions made by the Fund during the periods shown were reinvested in additional units of the Fund. The performance information does not take into account any sales, redemption, distribution, or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future. During the period, no Class I(H) units of the Fund were outstanding and therefore, no performance information is presented for these classes of units.

### Year-by-Year Returns

The bar charts show the Fund's annual performance for each of the financial years shown, and how the Fund's performance has

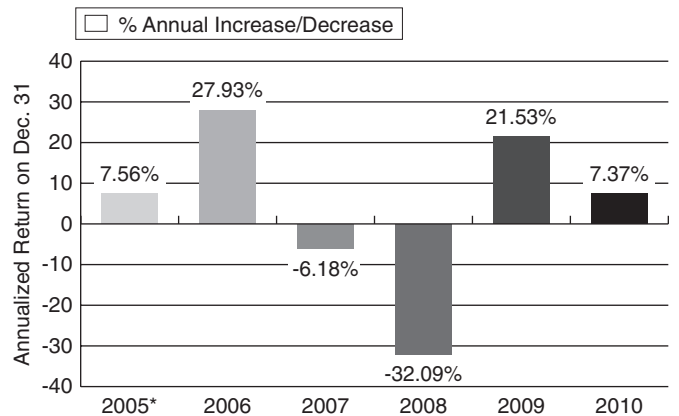
changed from year to year. The charts show, in percentage terms, how much an investment made on the first day of each financial year would have increased or decreased by the last day of that financial year.

### DFA International Core Equity Fund, Class A



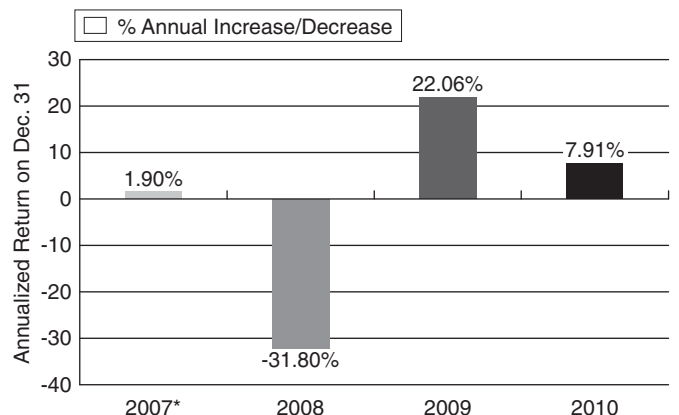
\* The information for 2005 is for the period from June 6, 2005 to December 31, 2005.

### DFA International Core Equity Fund, Class F



\* The information for 2005 is for the period from June 6, 2005 to December 31, 2005.

### DFA International Core Equity Fund, Class I

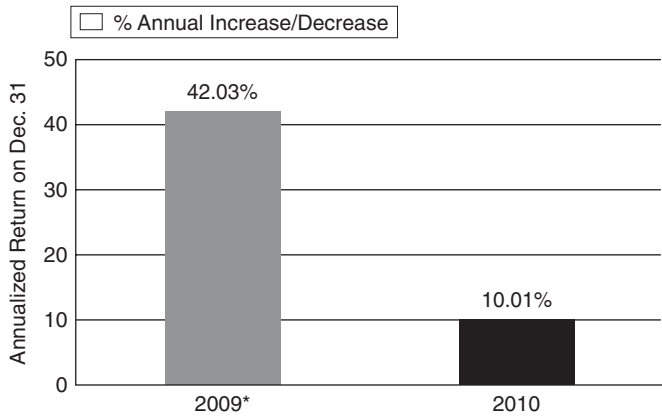


\* The information for 2007 is for the period from December 21, 2007 to December 31, 2007.

# DFA International Core Equity Fund

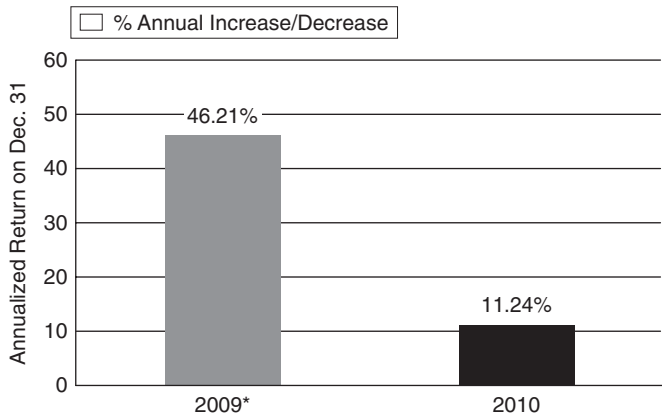
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### DFA International Core Equity Fund, Class A(H)



\* The information for 2009 is for the period from January 27, 2009 to December 31, 2009.

### DFA International Core Equity Fund, Class F(H)



\* The information for 2009 is for the period from January 26, 2009 to December 31, 2009.

### Annual Compound Returns

The following table compares the Fund's historical annual compound total returns for the periods shown ending on December 31, 2010. The historical annual compound total returns are also compared to the Index.

Index returns are calculated in Canadian Dollars on a total return basis; that is, all distributions are reinvested. The Index is comprised of a sample of international companies in Europe, Australasia, and the Far East. Results for the Index are not diminished by management fees, administrative expenses, or taxes associated with managing a portfolio of securities.

#### Percentage Return:

	1-Year	3-Year	5-Year	10-Year	Since Inception
Class A	6.10%	-5.03%	0.14%	n/a	1.35%
MSCI EAFE + EM Index, net dividends	4.76%	-5.35%	1.23%	n/a	2.88%
MSCI EAFE, net dividends	2.22%	-6.90%	-0.73%	n/a	0.82%

#### Percentage Return:

	1-Year	3-Year	5-Year	10-Year	Since Inception
Class A(H)	10.01%	n/a	n/a	n/a	26.04%
MSCI EAFE + EM Index, net dividends	4.76%	n/a	n/a	n/a	19.31%
MSCI EAFE, net dividends	2.22%	n/a	n/a	n/a	14.16%

#### Percentage Return:

	1-Year	3-Year	5-Year	10-Year	Since Inception
Class F	7.37%	-3.95%	1.24%	n/a	2.44%
MSCI EAFE + EM Index, net dividends	4.76%	-5.35%	1.23%	n/a	2.88%
MSCI EAFE, net dividends	2.22%	-6.90%	-0.73%	n/a	0.82%

#### Percentage Return:

	1-Year	3-Year	5-Year	10-Year	Since Inception
Class F(H)	11.24%	n/a	n/a	n/a	28.55%
MSCI EAFE + EM Index, net dividends	4.76%	n/a	n/a	n/a	20.85%
MSCI EAFE, net dividends	2.22%	n/a	n/a	n/a	15.86%

#### Percentage Return:

	1-Year	3-Year	5-Year	10-Year	Since Inception
Class I	7.91%	-3.51%	n/a	n/a	-2.88%
MSCI EAFE + EM Index, net dividends	4.76%	-5.35%	n/a	n/a	-4.61%
MSCI EAFE, net dividends	2.22%	-6.90%	n/a	n/a	-6.19%

### Summary of Investment Portfolio

as at December 31, 2010

Country Mix	% of Fund's Net Asset Value
Australia	5.47
Austria	0.39
Belgium	0.82
Brazil	4.43
Chile	0.60
China	4.43
Colombia	0.03
Czech Republic	0.07
Denmark	0.79
Egypt	0.03
Finland	1.02
France	6.62
Germany	5.36
Great Britain	17.17
Greece	0.30
Hong Kong	2.02

