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Go Beyond Indexing  
with Dimensional ETFs

## Dimensional at a Glance

Dimensional was established in 1981 and helped pioneer a new approach to investing—one that targeted higher expected returns based on historical drivers of outperformance.

Today, we continue to apply leading financial science to investment solutions.

42

YEARS SINCE  
FOUNDING

\$994B

FIRMWIDE ASSETS  
UNDER MANAGEMENT

1,600+

EMPLOYEES IN  
15 GLOBAL OFFICES

One

INVESTMENT  
PHILOSOPHY

Dimensional exchange-traded funds (ETFs) are designed to outperform the market. They use daily flexibility and a research-backed approach to pursue higher expected returns for investors.

## Why Dimensional ETFs

### Higher Expected Returns

Market prices contain reliable information that can be used to position portfolios toward outperformance.

### Flexible Daily Process

Every day, we actively manage our strategies through a flexible process that allows us to focus on reducing costs and minimising risks.

### Competitively Priced

All Dimensional ETFs are priced within the lowest quartile among Morningstar category peers.<sup>1</sup>



Percent of Dimensional Trusts that outperformed their Morningstar category peer group average over the last 20 years.<sup>2</sup>

Data as of 31 December 2023.  
Firmwide assets under management are in AUD (billions).

Performance data shown represents past performance and is no guarantee of future results. Trusts may have experienced negative performance over the time period. Visit [dimensional.com](https://dimensional.com) for standardised performance information for Dimensional's Trusts.

## The Dimensional Difference

Traditional investment approaches like indexing and stock picking may leave returns on the table. Dimensional takes a different investment approach.

### Indexers

#### TRACK THE MARKET

Indexers focus on matching the returns of an index rather than pursuing outperformance.

Low cost

Broad diversification

Low turnover

### Stock Pickers

#### OUTGUESS THE MARKET

Stock pickers seek to outperform an index by relying on predictions to find "mispriced" securities.

Targeting outperformance

### Dimensional

#### TRUST THE MARKET

You don't have to settle for tracking the market. And you don't have to outguess the market to outperform it. Instead, Dimensional uses information in market prices to systematically target research-backed drivers of higher expected returns.

Driven by financial science

Flexible process

Low cost

Broad diversification

Low turnover

Targeting outperformance

*"You don't have to outguess the market to beat the market."*

DAVID BOOTH

Founder and Executive Chairman

## Guiding Principles for Investors in Dimensional ETFs

### PUT THE MARKETS TO WORK FOR YOU

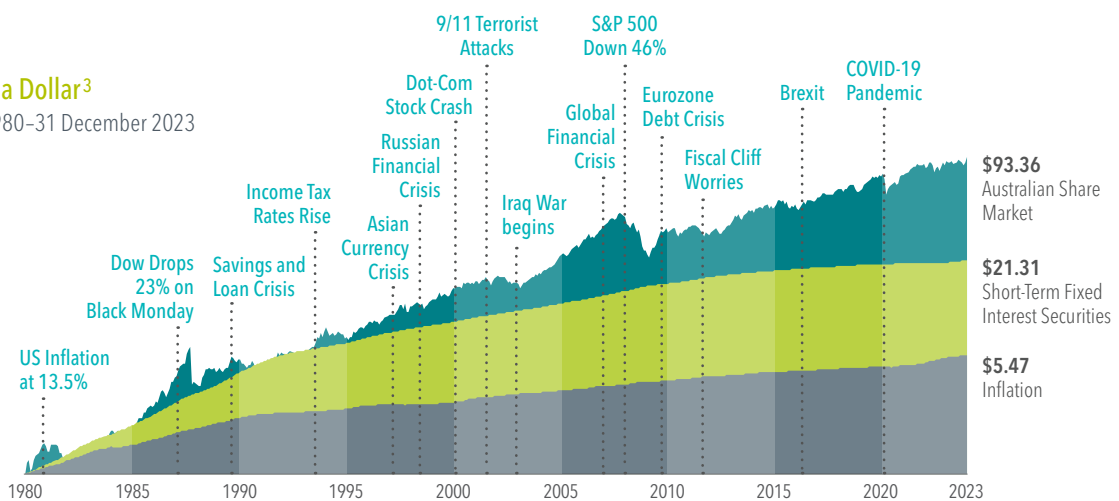
The financial markets have rewarded long-term investors.

While daily market news and commentary may challenge an investor's discipline, equity and bond markets have a long history of delivering growth—despite the headlines.

Dimensional ETFs can help investors increase their wealth over time with broadly diversified exposure to equity and bond markets.

#### Growth of a Dollar<sup>3</sup>

1 January 1980–31 December 2023



Past performance is no guarantee of future results.

Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio.

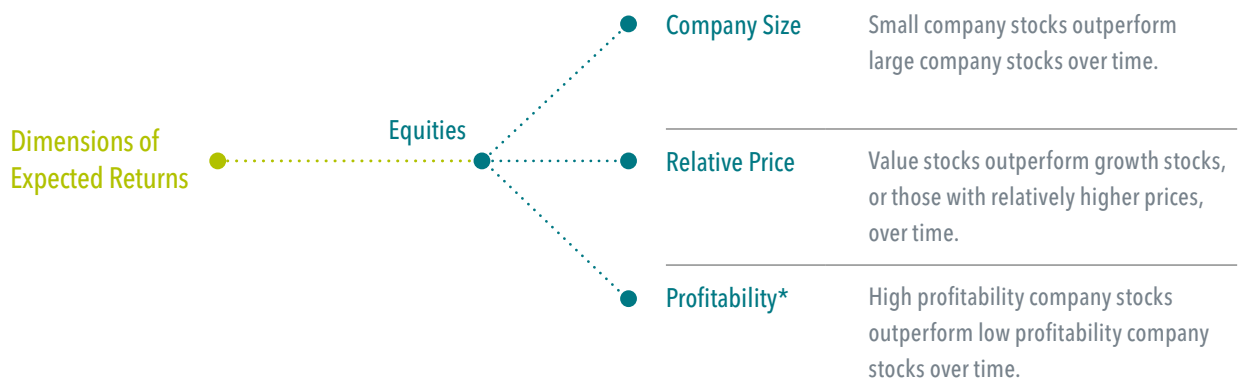
Data presented in the Growth of a Dollar chart is hypothetical and assumes reinvestment of income and no transaction costs or taxes. The chart is for illustrative purposes only and is not indicative of any investment.

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## LOOK TO FINANCIAL SCIENCE

Decades of academic and empirical research provide insight into what drives differences in expected returns.

Dimensional ETFs are designed with an emphasis on higher expected returns across equities.



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*“At Dimensional, we don’t jump on every new idea that comes along. We’re looking for what will stand up over a long period of time..”*

### EUGENE FAMA

Nobel laureate, 2013  
Professor, University of Chicago  
Dimensional Director and Consultant

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

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## INVEST WITH FLEXIBILITY

The benefits of remaining flexible are evident in many aspects of life, including in investing. Dimensional ETFs use daily flexibility in our pursuit of higher expected returns.

### Stay Current

*While driving, using a GPS that adapts to traffic patterns in real time is better than relying on a static map.*



Like traffic, stock prices and market conditions are always changing. Dimensional's flexible daily process uses real-time information in market prices to position our portfolios toward higher expected returns and to manage risks.

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### Shop Sensibly

*When you go to the grocery store, you use a list of what you need to buy that week because you might not need one of everything in the store.*



Each day, Dimensional can buy or sell stocks based on what can improve expected returns. That's daily flexibility many index funds don't have.

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### Reduce Costs

*On Valentine's Day, the high demand for roses drives up prices. Smart gifters may opt for tulips instead.*



Dimensional can avoid price pressures around events like index rebalancing, when funds that track an index may have to trade. This flexibility allows us to reduce trading costs.

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*"It's 10% having a good idea and 90% implementing that idea and making it work. Dimensional has been making it work for decades."*

#### ROBERT MERTON

Nobel laureate, 1997  
Professor, MIT  
Dimensional Resident Scientist

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*Interested in learning more?*

Contact your financial advisor to learn more about Dimensional Investing and using Dimensional ETFs to pursue your long-term investment goals.

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1. Comparison against active competitor funds in Morningstar peer categories, as of 30 April 2024. The comparison includes both ETFs and unlisted managed funds.
  2. The sample includes Australian-domiciled open-end funds and exchange traded funds at the beginning of the 20-year period ending 31 December 2023. Each fund is evaluated relative to its respective Morningstar category average as of the start of the 20-year period. Outperformers are funds whose cumulative net return over the period exceeded that of their Morningstar category average. See "Category Average Data" Appendix for more information. Australian-domiciled equity and fixed income open-end and exchange traded fund data is provided by Morningstar. Fund-of-funds excluded.
  3. In AUD. Australian Share Market: S&P/ASX 300 Index (Total Return), Short-term Fixed Interest Securities: Bloomberg AusBond Bank Bill Index and Inflation CPI: Australian Consumer Price Index. S&P/ASX data © 2024 S&P Dow Jones Indices LLC a division of S&P Global. All rights reserved. Bloomberg Barclays data provided by Bloomberg. Australian Consumer Price Index provided by Australian Bureau of Statistics.
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## DISCLOSURES

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### Past performance is not a guarantee of future results.

**Risks** include loss of principal and fluctuating value. Investment value will fluctuate, and units, when sold, may be worth more or less than original cost. There is no guarantee strategies will be successful. Diversification neither assures a profit nor guarantees against loss in a declining market.

ETFs trade like stocks, fluctuate in market value, and may trade either at a premium or discount to their net asset value. ETF units trade on-market at market price. ETFs are subject to risks similar to those of stocks. Brokerage commissions and expenses will reduce returns.

Eugene Fama is a member of the Board of Directors of the general partner of, and provides consulting services to, Dimensional Fund Advisors LP.

Robert Merton provides consulting services to Dimensional Fund Advisors LP.

## CATEGORY AVERAGE DATA APPENDIX

**Data sample:** Data provided by Morningstar. The Dimensional sample includes Australian-domiciled, open-end trusts in the following Morningstar categories. Fund-of-funds excluded. Morningstar category average monthly returns provided by Morningstar.

**Methodology:** The beginning samples include funds as of the start of the 1-, 3-, 5-, 15-, and 20-year periods. Each fund is evaluated relative to its respective Morningstar category average as of the start of each period. Outperformers are funds whose cumulative net return over the period exceeded that of their Morningstar category average. Oldest share class, as defined by Morningstar, used.

**Morningstar categories (equity):** Equity fund sample includes the following Morningstar historical categories: Australia Large Blend, Australia Large Value, Australia Mid/Small Blend, Emerging Markets, Global Real Estate, World – Currency Hedged, World Large Blend, World Large Value, World Mid/Small.

**Morningstar categories (fixed income):** Fixed income fund sample includes the following Morningstar historical categories: Australian Short Term Fixed Interest, Bonds – Global.

[dimensional.com](https://dimensional.com)

