
CENTREPOINT ALLIANCE ANNUAL SUMMIT, BALI

Fads & Finance

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Dimensional Fund Advisors

March 19, 2024

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1. **Goal-Centric Investing:** Participants will recognize the importance of aligning investment strategies with individual financial goals.
2. **Evaluate Investment Trends:** Attendees will learn how to critically assess various investment trends, including cryptocurrency, AI, and liquid alternatives approaches.
3. **Risk Management:** Learn effective risk management framework to discern fads from long-term investment solutions.

What do the
following four things
have in common?

- a) Frosted Tips
- b) Tamagotchi's
- c) Beanie Babies
- d) Platform Shoes

Fashion Fads

1960s



1970s



1980s



1990s



2000s



Fashion Fads

1960s



1970s



1980s

1990s



2000s



Toy Fads



Diet Fads

To keep a slender figure
No one can deny...




Reach
for a
LUCKY
instead of a
sweet



LUCKY STRIKE
CIGARETTES

"It's toasted"
No Throat Irritation - No Cough.



Enjoy
TAB

Not 30...not 20...
just one calorie* in Tab.

*One calorie in a six fluid ounce serving of Tab...
a sugar-free diet drink.

Tab is a registered trade mark of Coca-Cola Ltd.

57

"Losing weight
is delicious
with Slim-Fast..."



Slim-Fast is so delicious, nutritious and natural, it's everything you need to lose weight. And now you can vary your Slim-Fast menu with luscious Chocolate Shake, tempting Vanilla Shake, rich Chocolate Pudding and creamy Hot Cocoa. Every delicious Slim-Fast meal contains essential nutrients: vitamins, minerals, protein, fiber and bran. And the Slim-Fast Diet Plan is so easy, it practically counts the calories for you. Try all four varieties of Slim-Fast. It's everything you need, to lose all the weight you want!

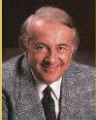


It's everything you need
to lose weight!"



KEEP IT
KET 

From the #1 *New York Times*
bestselling author of
Dr. Atkins' New Diet Revolution

DR. ATKINS'
DIET 
REVOLUTION

Robert C. Atkins, M.D.

bestselling author of *Dr. Atkins' Health Revolution*
Recipes and Meal Plans by Fran Gare and Helen Monica

What investment fads
come to mind?

Signal vs. Noise

SPACS

NFTs

MLPs

Risk Parity

Direct Lending

Fundamental Indexing

FAANG

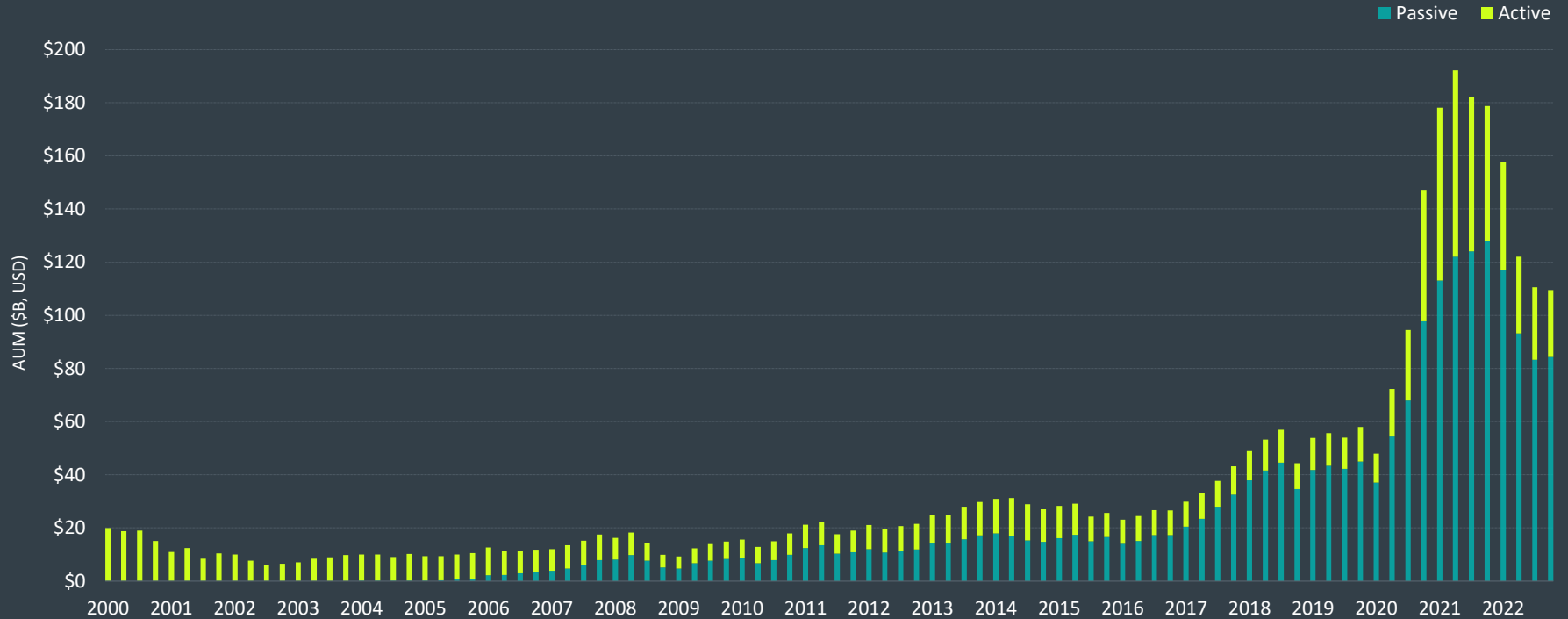
Catastrophe Bonds

What draws investors to investment fads?

- a) Obsession with Shiny Objects
- b) Recency Bias and Extrapolation
- c) FOMO
- d) Marketing and Product Proliferation

Asset Growth in Thematic Funds

Total AUM in active/passive thematic funds by quarter from 2000–2022



Thematic Fund AUM by Theme

Assets under management (\$B), as of August 31, 2023

Multiple Tech Themes
Resource Management
Digital
Energy

TAN
Solar

HERO/NERD
Gaming/eSports

MILN
Millennials

Artificial Intelligence
Cannabis
Next Gen Comm + Digital
Virtual Reality and Gaming
Next Gen Communications
Space
Wellness
Multiple Physical World Themes
Other
Post-Corona
Demographics
Nano Technology + New Materials



MOO
Agribusiness



PAWZ
Petcare

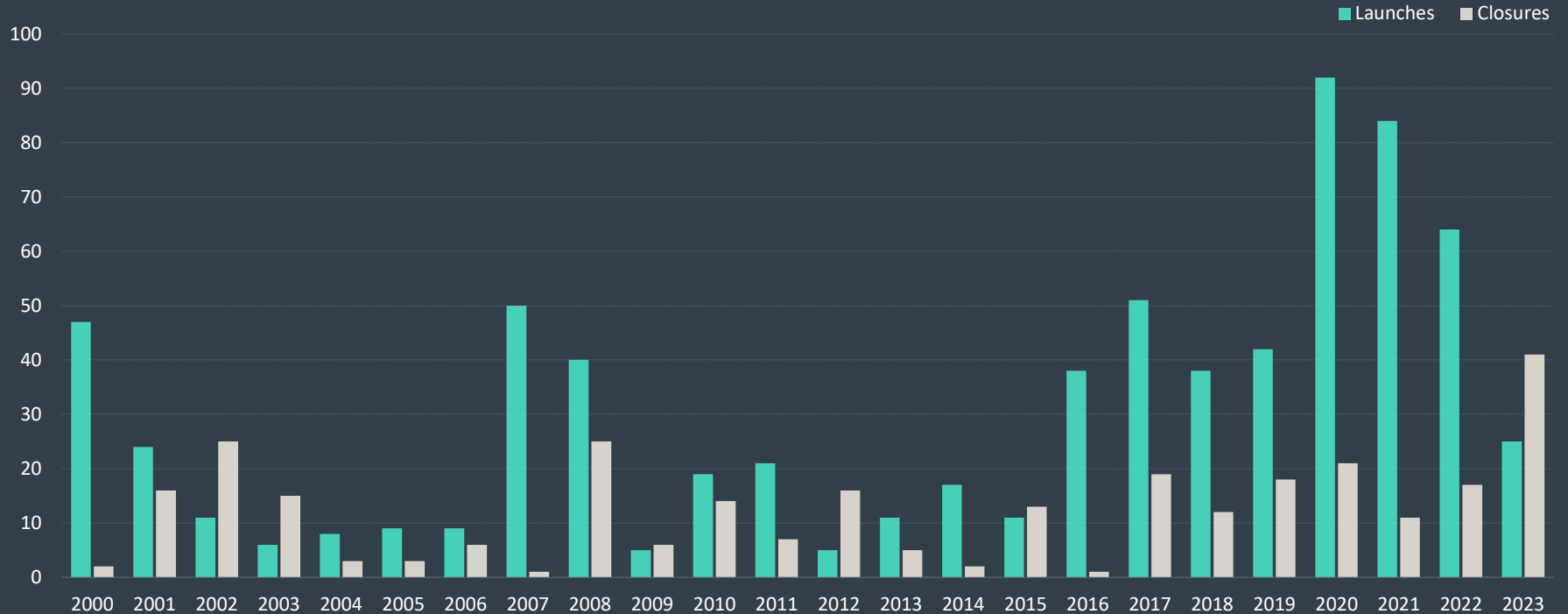


POTX
Cannabis



Survivorship in Thematic Funds

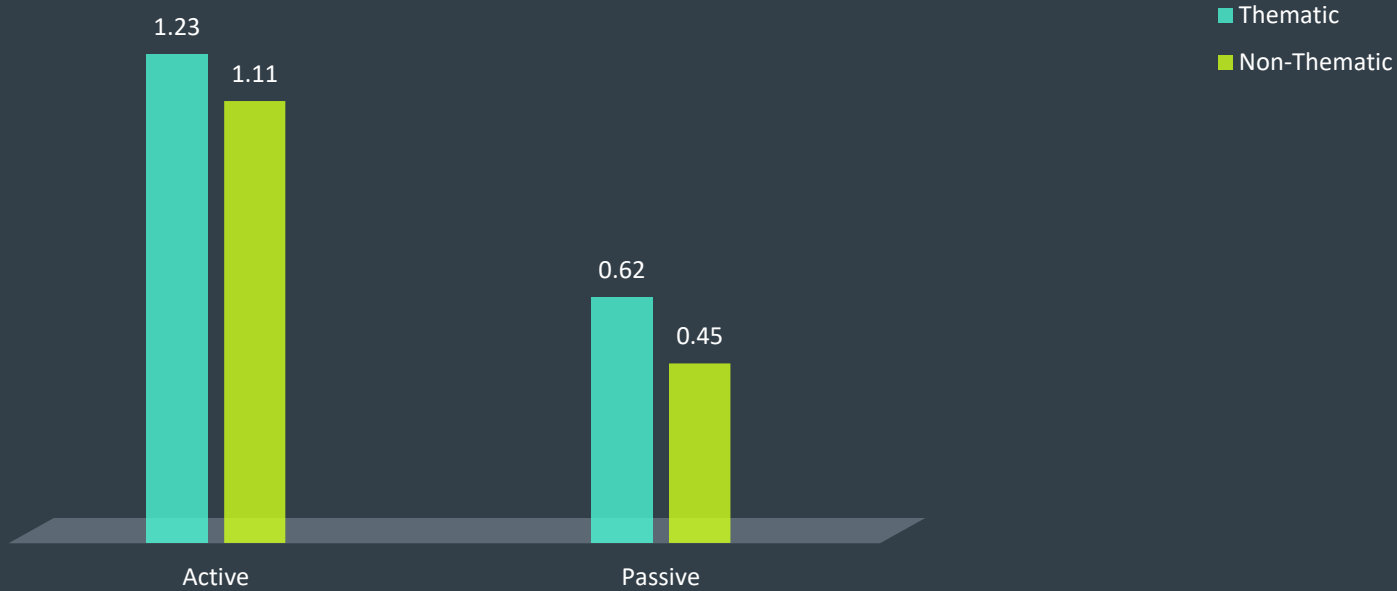
Launches and closures across thematic funds by year from 2000–2023



Data provided by Morningstar. The sample includes US-domiciled, USD-denominated Equity Open-End and Exchange-Traded funds identified by Morningstar as Thematic Funds as of 8/31/2023. Launches and closures are determined by Morningstar inception dates and obsolete dates, respectively.

Average Expense Ratios in Thematic/Non-Thematic Funds

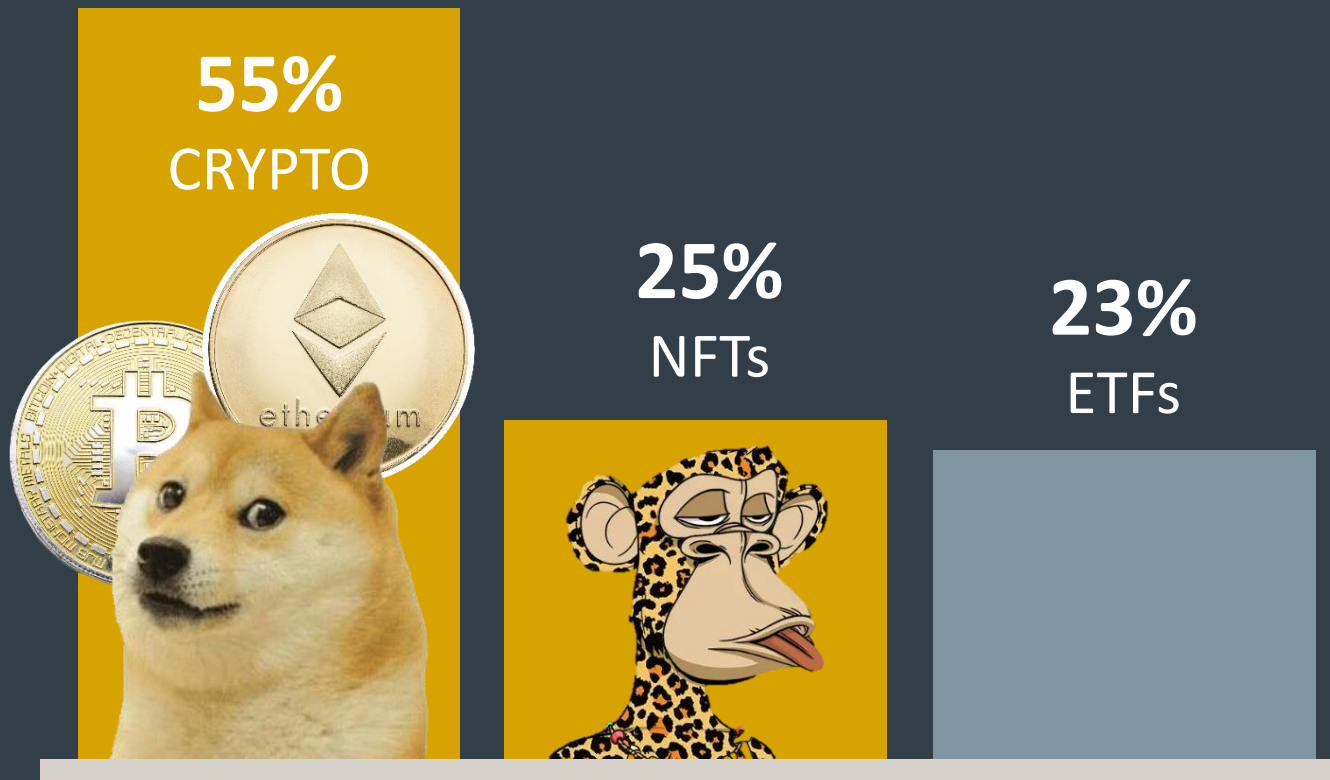
Active and passive average expense ratio (bps)



Data provided by Morningstar, based on the latest available expense ratio data as of 09/25/2023. The sample includes US-domiciled, USD-denominated Equity Open-End and Exchange-Traded funds excluding funds that did not report expense ratios. Thematic funds are identified by Morningstar as of 8/31/2023. Expense ratio averages are simple averages of most recently reported prospectus net expense ratio of all Equity share classes. Classification of active and passive funds provided by Morningstar.

Why should you expect a
positive return?

Gen Z Investing



Are you trying to outguess
markets?



2001
Goldman Sachs
coins BRICs



Deconstruction

Goldman Sachs is ending its BRIC fund for investments in Brazil, Russia, India and China, marking the closing of an emerging-markets era.

Assets under management, Goldman Sachs BRIC fund

\$1.0 billion



Source: Morningstar

THE WALL STREET JOURNAL.

2001
Goldman Sachs
coins BRICs

2015
Goldman Sachs
closes
BRIC fund



Deconstruction

Goldman Sachs is ending its BRIC fund for investments in Brazil, Russia, India and China, marking the closing of an emerging-markets era.

Assets under management, Goldman Sachs BRIC fund

\$1.0 billion



Source: Morningstar

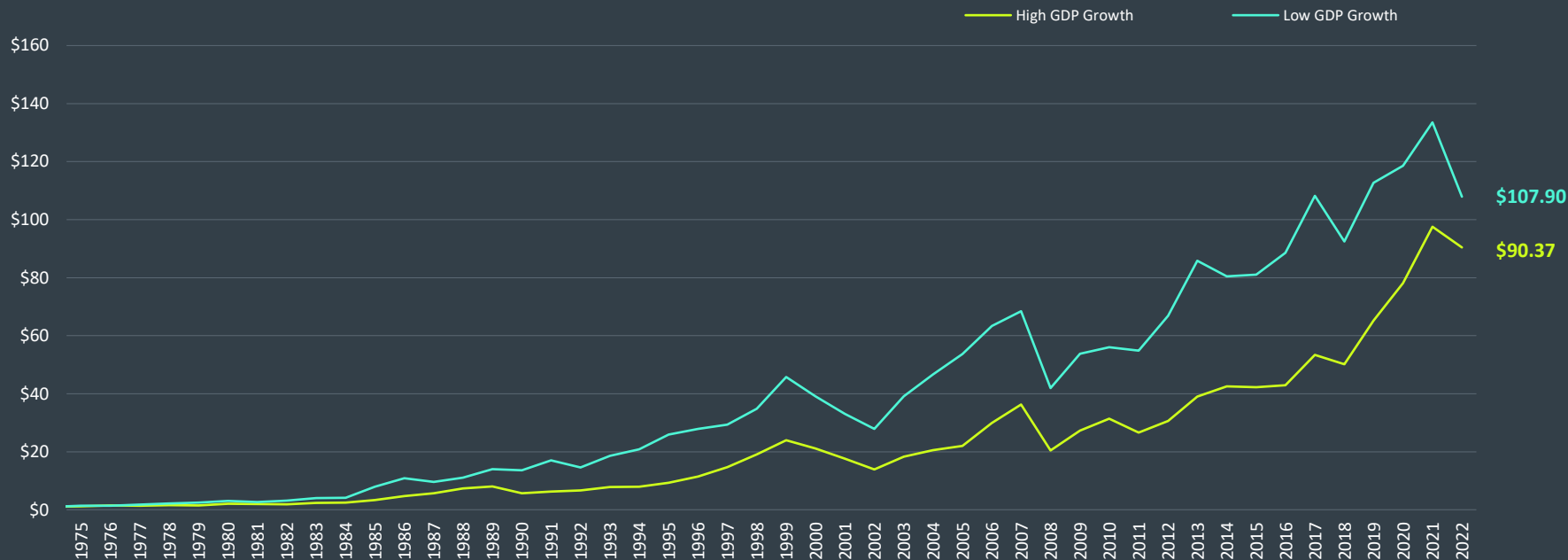
THE WALL STREET JOURNAL.

If you had perfect foresight of future economic growth, would you invest in:

- a) Countries with higher GDP growth
- b) Countries with lower GDP growth
- c) All countries

Growth of Wealth

Growth of \$1 across Developed Markets in High/Low GDP Growth Countries, 1975–2022



Performance data shown represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance shown.

Growth of wealth shows the growth of a hypothetical investment of \$1 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. Each year, countries are classified as either high or low growth depending on whether their GDP growth was above or below that year's median GDP growth for developed markets. The contemporaneous annual return for each group of countries is the average stock market return of all countries in the group weighted by countries' market capitalization weights. Annual percentage growth rate of GDP at market prices based on constant local currency. Shorter time periods shown for some countries due to data availability. If a country does not have data extending for the full sample period, we use the longest data series available. Filters were applied to data retroactively and with the benefit of hindsight. Groups of stocks and their returns are hypothetical and are not representative of indices or actual strategies and do not reflect costs and fees associated with an actual investment. Actual returns may be lower. Please see "Data Appendix—Economic Growth and Equity Returns" for more information.

Stock Prices Are Forward Looking

Scatter plots of annual GDP growth against lagged and contemporaneous stock returns, 1930–2022

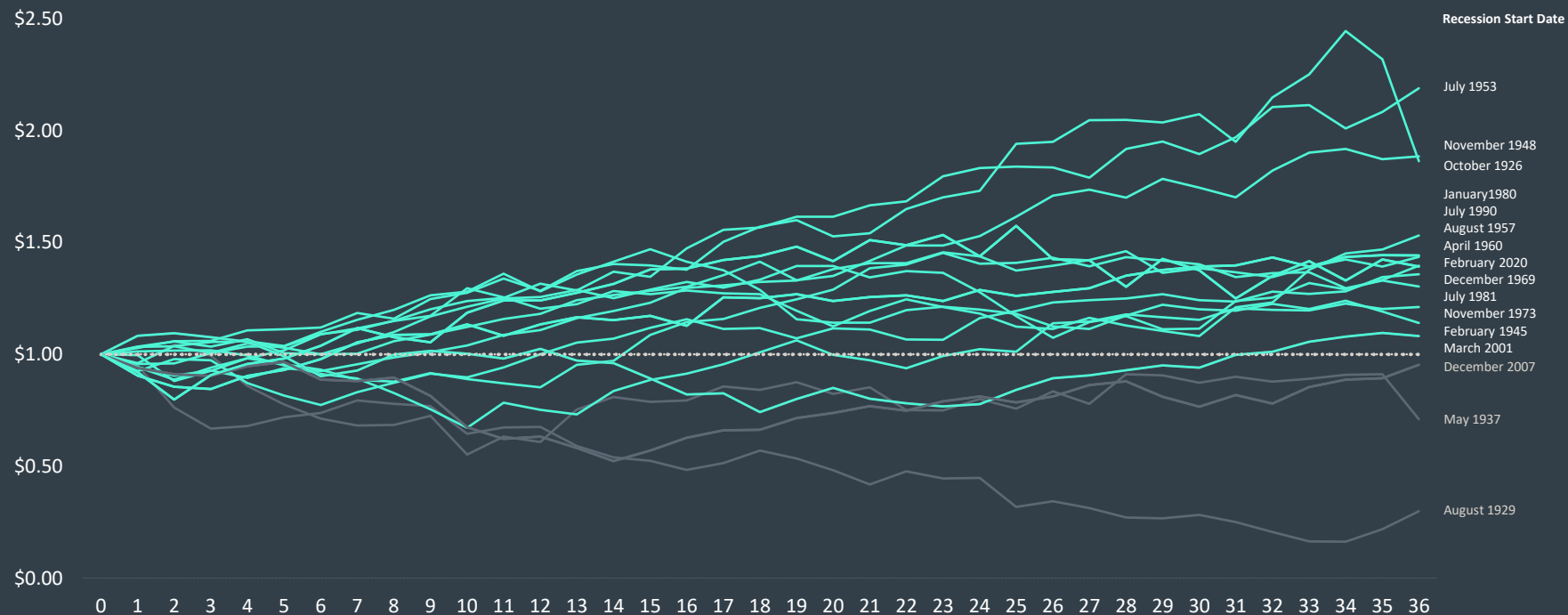


Past performance is no guarantee of future results. In USD.

Annual GDP growth rates obtained from the US Bureau of Economic Analysis. GDP growth numbers are adjusted to 2012 USD terms to remove the effects of inflation. US Equity Premium represented by the Fama/French Mkt-Rf factor. Data provided by Fama/French. Eugene Fama and Ken French are members of the Board of Directors of the general partner of, and provide consulting services to, Dimensional Fund Advisors LP. Please see "Data Appendix—Fama/French Factors" for a description of the Fama/French Factors.

Past Recessions and Growth of Wealth

Growth of a dollar for US stocks over 3-year period beginning from first month of recession



In USD.

Past performance is no guarantee of future results. Actual returns may be lower.

Growth of wealth shows the growth of a hypothetical investment of \$1 in the securities in the Fama/French Total US Market Research Index over the 36 months starting the month after the relevant Recession Start Date. The chart is for illustrative purposes only and is not indicative of any investment. The Fama/French Indices represent academic concepts that may be used in portfolio construction and are not available for direct investment or for use as a benchmark. Index returns are not representative of actual portfolios and do not reflect costs and fees associated with an actual investment. See "Index Descriptions" in the appendix for descriptions of Fama/French index data. For additional information on the methodology, see "Markets Have Often Been Up in Recessions: Appendix" for more details.

Are you extrapolating recent
returns?

Growth of Wealth

Growth of \$1 across regions, October 2013–September 2023



Growth of wealth shows the growth of a hypothetical investment of \$1 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. Performance data shown represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance shown. MSCI data © MSCI 2024, all rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio.

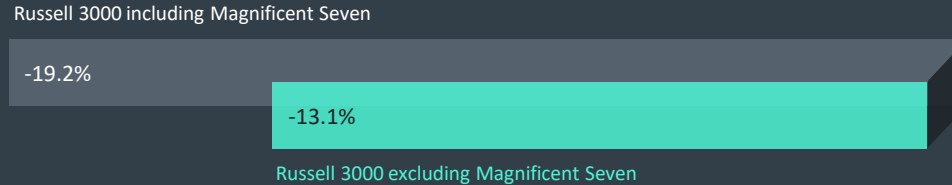
Single Stock Volatility

Effect on absolute returns from excluding the Magnificent Seven, 2022 vs. 2023

2022

Percent change in absolute returns from excluding the Magnificent Seven:

+31.6%



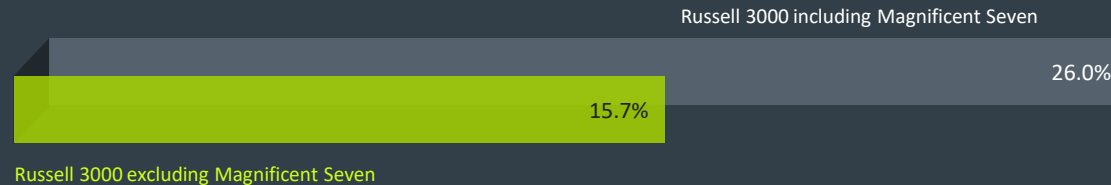
Despite being the largest contributors in 2023, the Magnificent Seven were the largest detractors in 2022.

Concentration in a handful of names can cause volatility amongst returns.

2023

Percent change in absolute returns from excluding the Magnificent Seven:

-39.6%



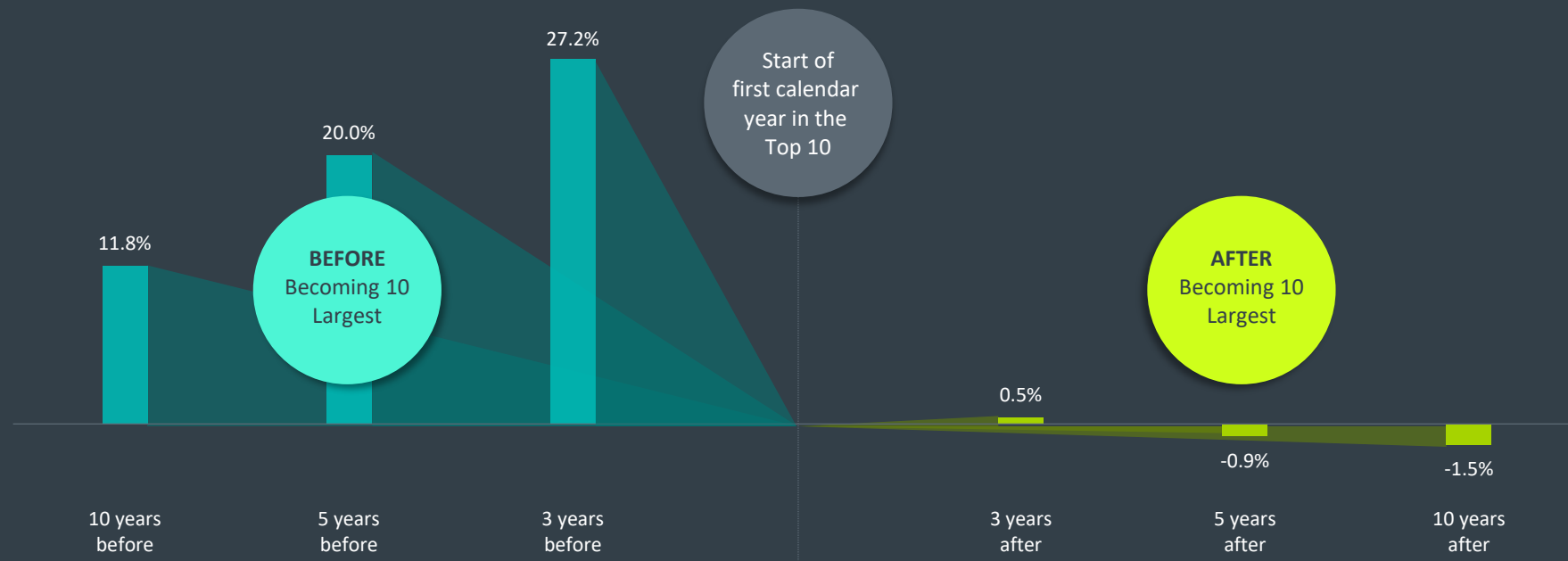
In USD.

Past performance is no guarantee of future results. Diversification neither assures a profit nor guarantees against loss in a declining market.

Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Index returns are not representative of actual portfolios. YTD through 12/31/2023. Magnificent Seven include Apple, Microsoft, Alphabet, Amazon, Nvidia, Tesla, Meta. Russell 3000 ex Magnificent Seven weights are rescaled using beginning of month weights. Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes.

Strong Performance Unlikely to Continue

Annualized return in excess of market for stocks after joining list of 10 largest US stocks, 1927–2023

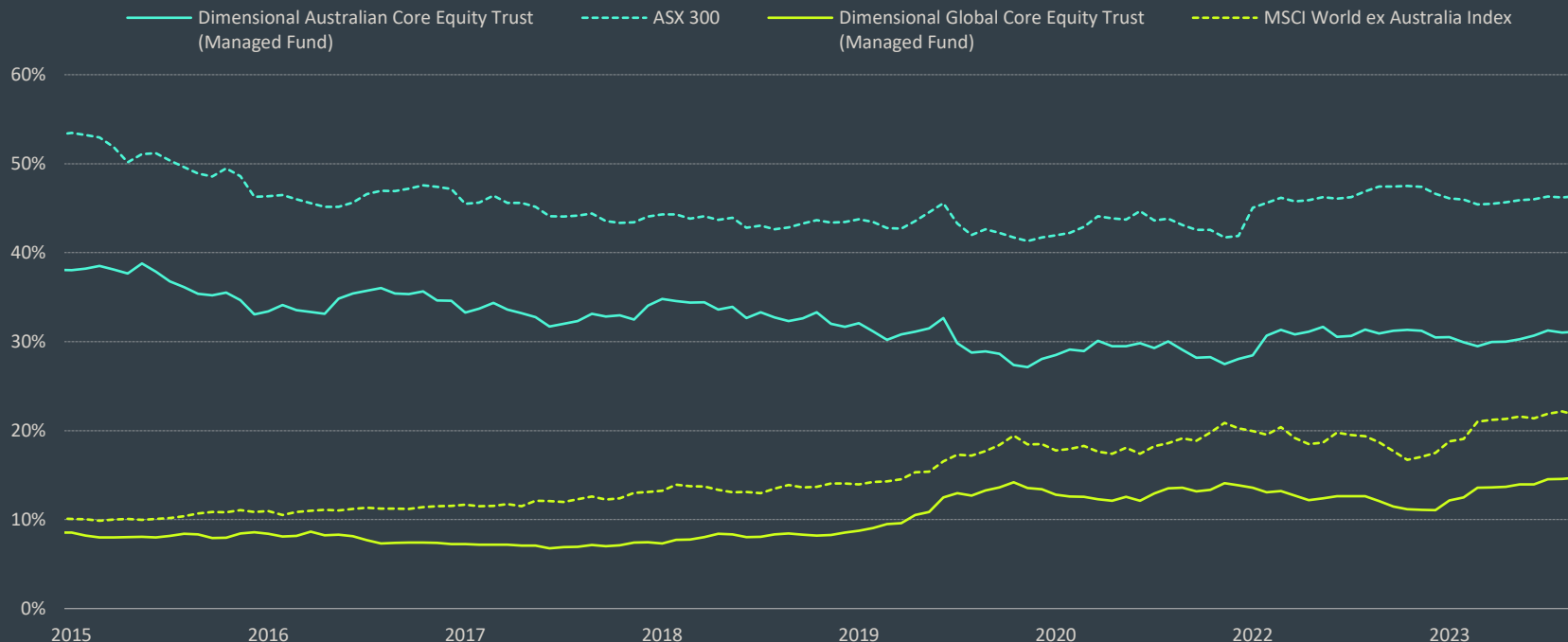


Past performance is not a guarantee of future results.

In USD. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. Data from CRSP and Compustat. Companies are sorted every January by beginning of month market capitalization to identify first time entrants into the 10 largest stocks. Market defined as Fama/French US Total Market Research Index. The Fama/French indices represent academic concepts that may be used in portfolio construction and are not available for direct investment or for use as a benchmark. See "Index Descriptions" for descriptions of the Fama/French index data.

Core Portfolios Offer Diversification

Weight in top 10 holdings (%), January 2015 – December 2023



Past performance, including hypothetical performance, is no guarantee of future results.

Data sourced using end of month holdings. Weight determined by constituent percentage of each respective index at the issuer level. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Index returns are not representative of actual portfolios and do not reflect costs and fees associated with an actual investment. MSCI data © MSCI 2024, all rights reserved. S&P data © 2024 S&P Dow Jones Indices LLC, a division of S&P Global.

Are you relying on low
correlation to infer
diversification benefits?

Liquid Alternative Funds

Market Neutral

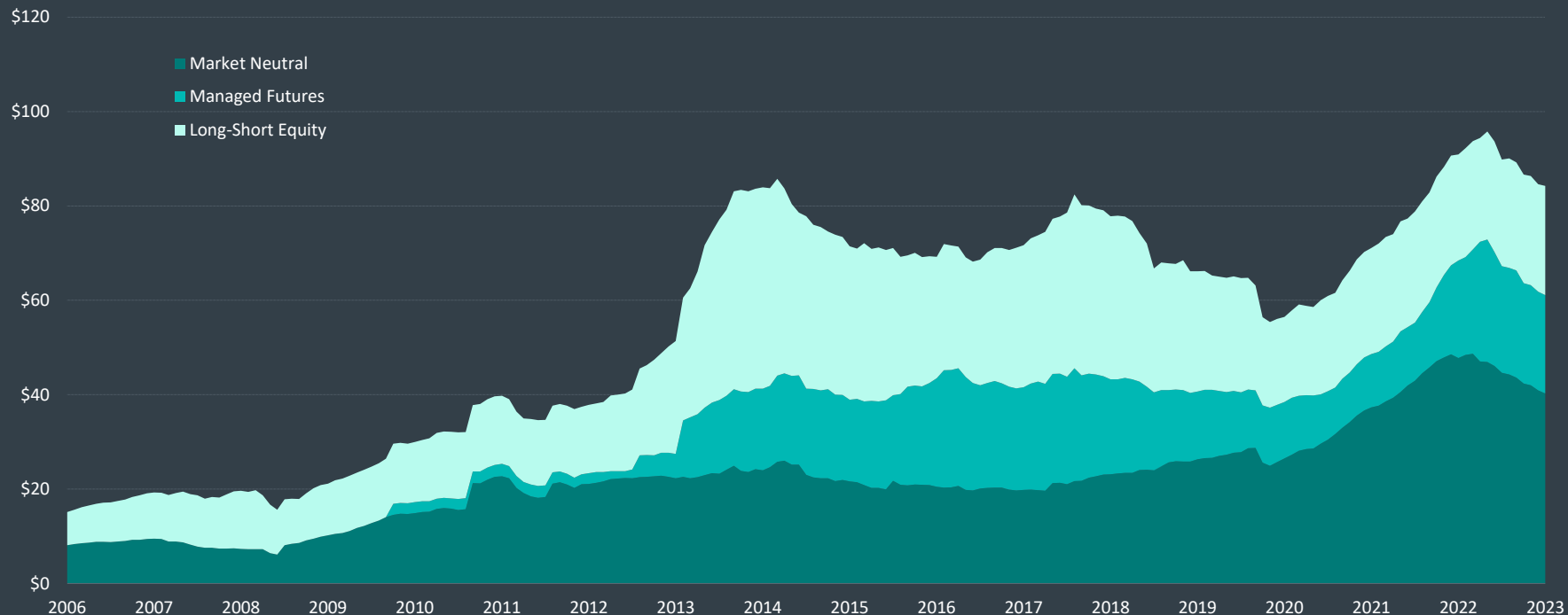
- Equity Market Neutral
- Event Driven
- Relative Value Arbitrage

Managed Futures

Long-Short Equity

Liquid Alternative Funds Assets Under Management

AUM (\$B), June 2006–June 2023

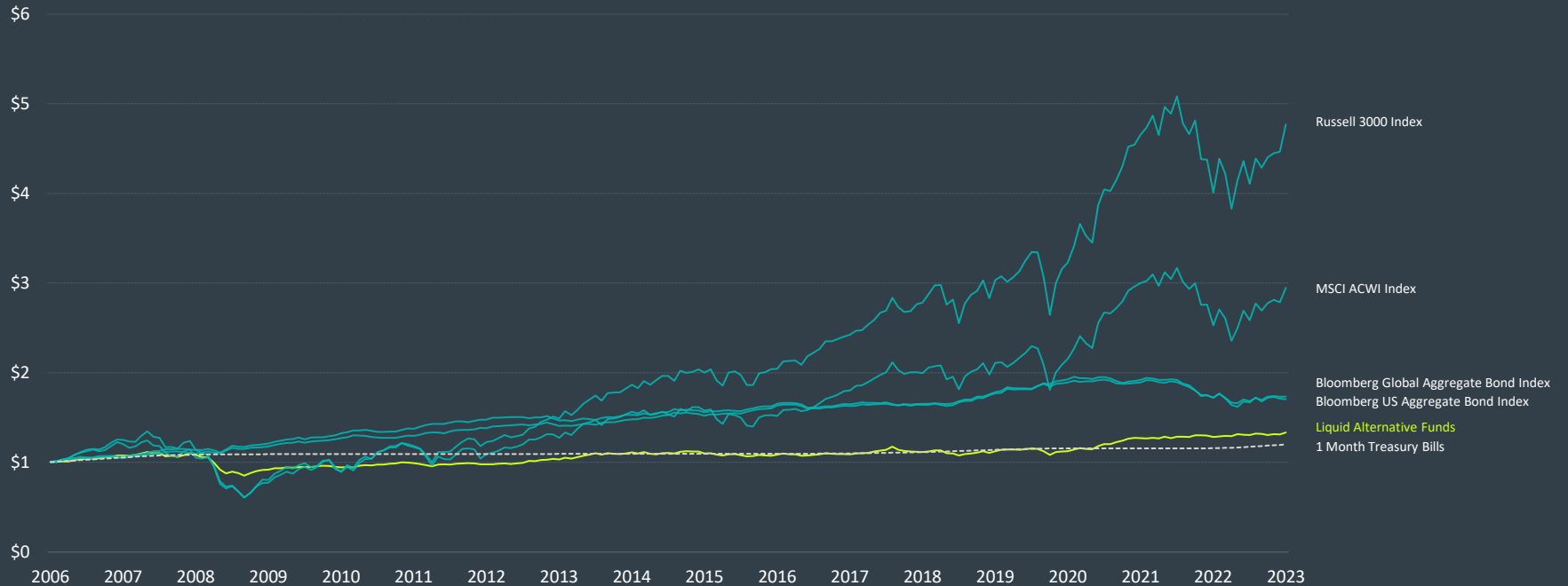


Sample includes long/short equity, managed futures, and market neutral equity funds from the Morningstar Fund Database after they have reached \$50 million in AUM and have at least 36 months of return history. Multiple share classes are aggregated to the fund level. Managed futures funds represented by the Morningstar Category "US Fund Systematic Trends". Market neutral funds represented by the Morningstar Global Category "Market Neutral". Long-Short Equity Funds represented by the Morningstar Category "US Fund Long-Short Equity". See "Morningstar Liquid Alternatives Category Definitions" for additional information.

Liquid Alternative Funds vs. Market Growth of Wealth



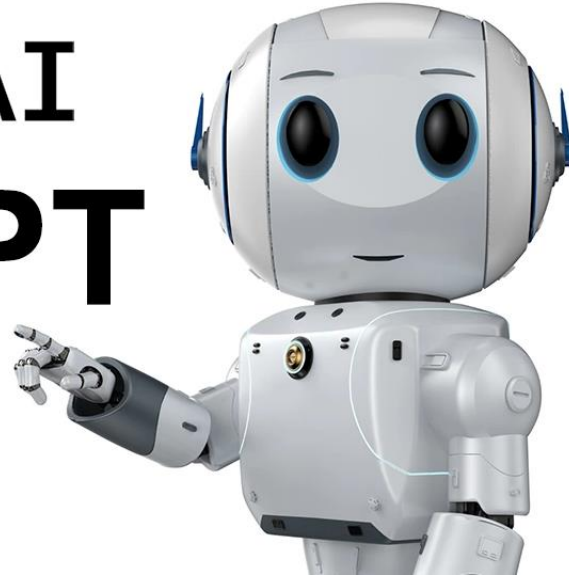
June 2006–June 2023



Liquid alternatives funds sample includes long/short equity, managed futures, and market neutral equity funds from the Morningstar Fund Database after they have reached \$50 million in AUM and have at least 36 months of return history. Multiple share classes are aggregated to the fund level. It is not possible to invest directly in an index. One-Month Treasury Bill data provided by FTSE. Other index data provided by Morningstar. Past performance is not a guarantee of future results. Managed futures funds represented by the Morningstar Category "US Fund Systematic Trends". Market neutral funds represented by the Morningstar Global Category "Market Neutral". Long-Short Equity Funds represented by the Morningstar Category "US Fund Long-Short Equity". See "Morningstar Liquid Alternatives Category Definitions" for additional information. MSCI data © MSCI 2024, all rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. Bloomberg data provided by Bloomberg Finance LP. FTSE fixed income indices © 2024 FTSE Fixed Income LLC. All rights reserved.

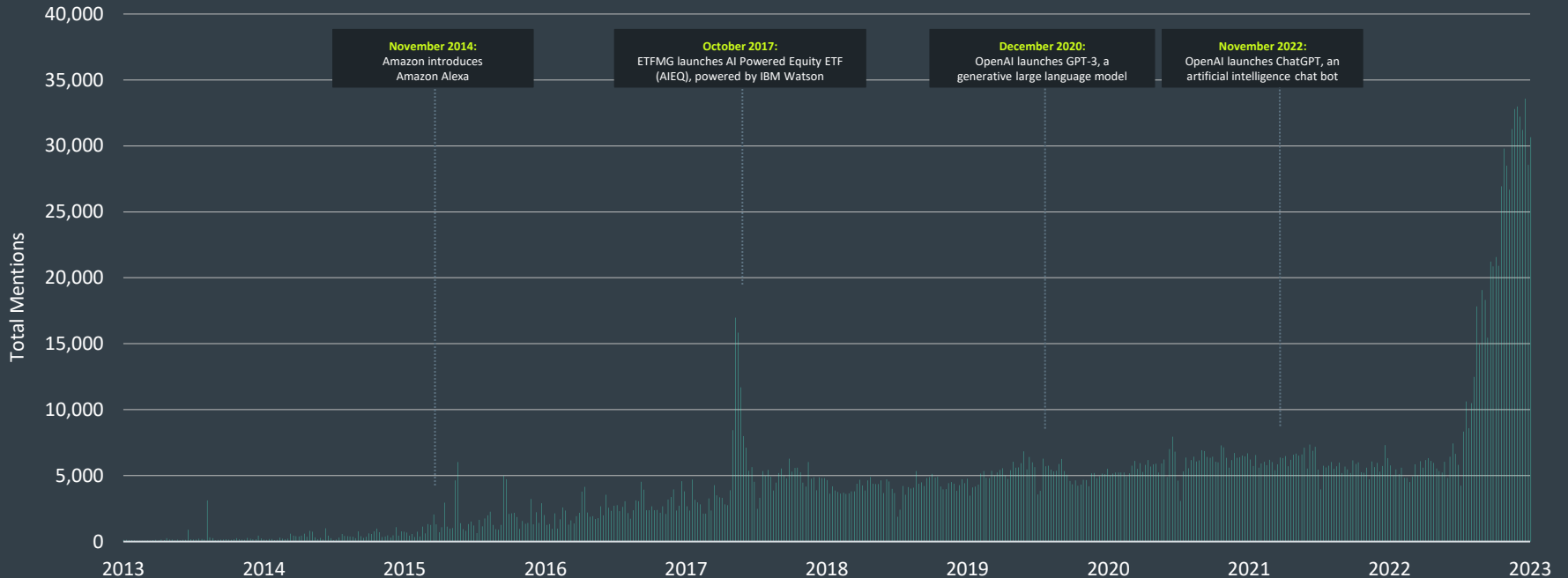
Investment fad du jour

 **OpenAI**
ChatGPT



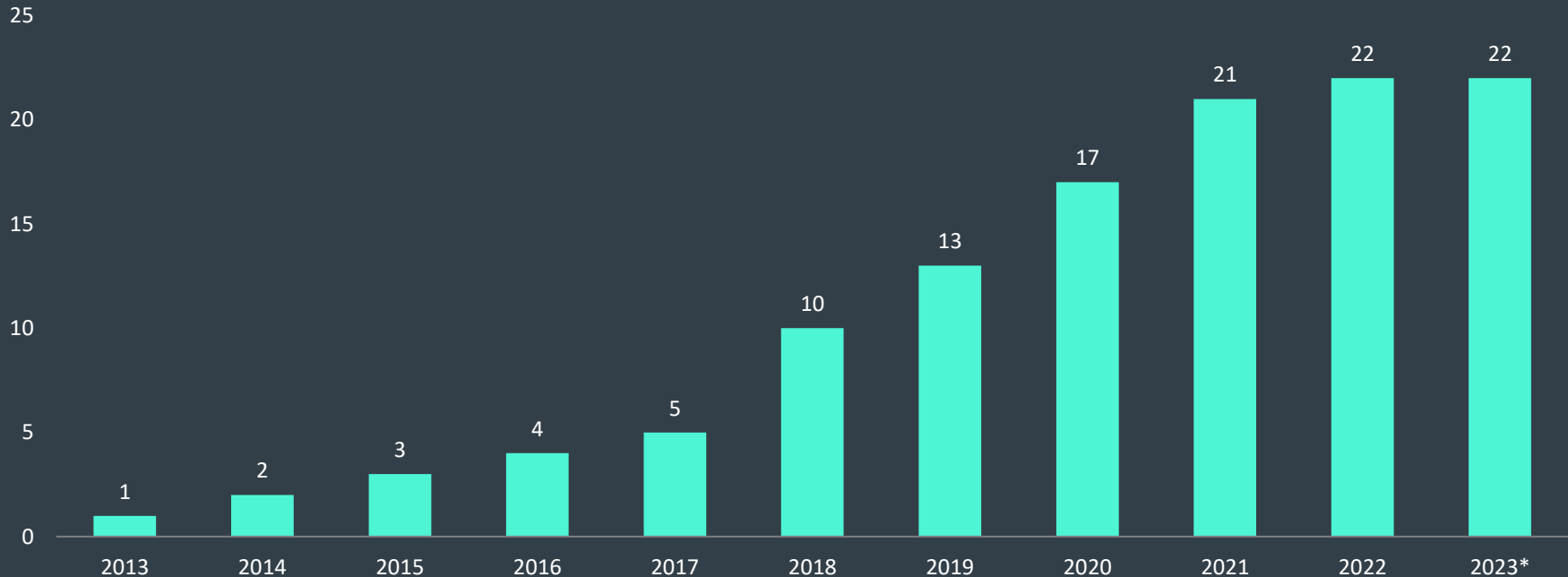
Reboot: Interest in Artificial Intelligence Reignites

Artificial Intelligence media mentions by week, June 30, 2013–June 30, 2023



Is AI the Answer?

Number of AI Driven or Thematic Funds, 2013–2023¹



Data for 2023 is as of June 2023.

1. Eligible universe includes US domiciled funds in the following Morningstar category groups that invest in US equities: Sector Equity and US Equity. Artificial Intelligence (AI) Funds include those with one or more of the following terms in the fund name: “AI”, “AI-Enhanced”, “AI Powered”, “Data”, “Quantum”, “Intelligent Machines”, “Autonomous”, “Deep Learning”, “Artificial Intelligence”, “Machine Learning”. The sample excludes leveraged funds, fund of funds, and the US Fund Real Estate and US Fund Infrastructure categories.



NSE
MACHIS

THINK

ΣΚΕΨΟΥ

DENI

पोचिए

PE



\$300,000



KEN



\$1,000,000



WATSON



\$200,000



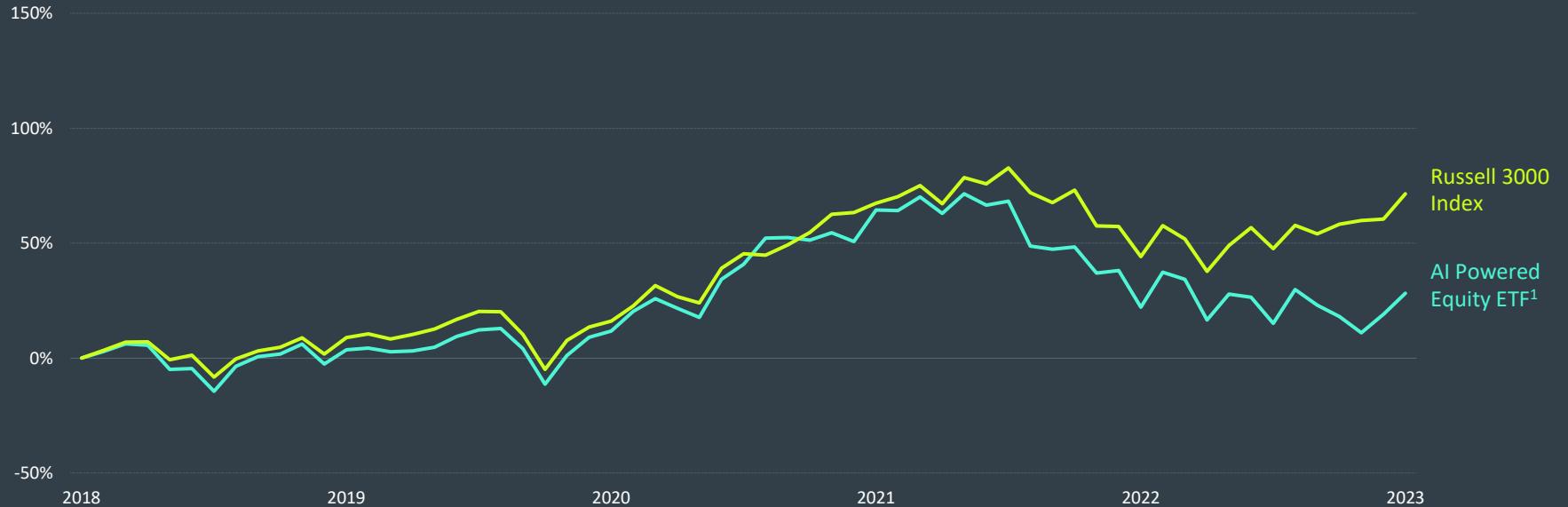
BRAD



Artificial Intelligence Driven and Thematic Funds



5-year cumulative returns, July 2018–June 2023



1. Funds where the investment decisions are driven by AI.

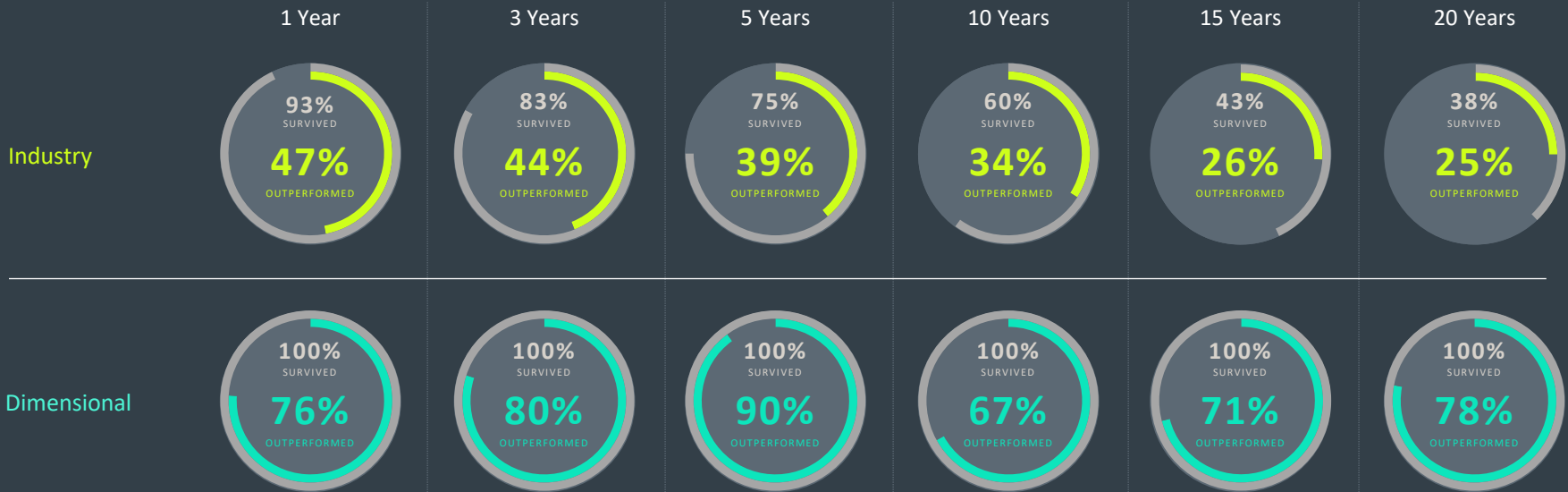
Past performance is no guarantee of future results. Returns for ETFs are based on NAV.

In USD. Eligible universe includes US domiciled funds in the Morningstar US Sector Equity and US Equity categories. Artificial Intelligence (AI) Funds include those with one or more of the following terms in the fund name: "AI", "AI-Enhanced", "AI Powered", "Data", "Quantum", "Intelligent Machines", "Autonomous", "Deep Learning", "Artificial Intelligence", "Machine Learning". AI Fund cumulative return is calculated using the AUM weighted average monthly return of AI Funds. The cumulative return for individual AI Funds with 5-year track records as of June 2023 are also highlighted in the chart. The sample excludes leveraged funds, fund of funds, and the US Fund Real Estate and US Fund Infrastructure categories. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. S&P data © 2024 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

Trust in markets.

Dimensional vs. the Industry

Percentage of Dimensional Australian-domiciled equity and fixed income trusts that outperformed their Morningstar category average as of 31 December 2023



Past performance is no guarantee of future results. Funds may have experienced negative performance over the time period. The sample includes Australian-domiciled open-end funds and exchange traded funds at the beginning of the 1-, 3-, 5-, 10-, 15-, and 20-year periods ending 31 December 2023. Each fund is evaluated relative to its respective Morningstar category average as of the start of the 1-, 3-, 5-, 10-, 15-, and 20-year periods. 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.



Appendix

Data Appendix—Economic Growth and Equity Returns

For the Equity Returns and Economic Growth in High and Low Growth Countries slide, developed markets since 1975 (unless stated differently): MSCI Australia Index (net div.), MSCI Austria Index (net div.), MSCI Belgium Index (net div.), MSCI Canada Index (net div.) (1982), MSCI Denmark Index (net div.), MSCI Finland Index (net div.) (1988), MSCI France Index (net div.), MSCI Germany Index (net div.), MSCI Hong Kong Index (net div.), MSCI Ireland Index (net div.) (1988), MSCI Israel Index (net div.) (1999), MSCI Italy Index (net div.), MSCI Japan Index (net div.), MSCI Netherlands Index (net div.), MSCI New Zealand (net div.) (1988), MSCI Norway Index (net div.), MSCI Portugal Index (net div.) (1988), MSCI Singapore Index (net div.), MSCI Spain Index (net div.), MSCI Sweden Index (net div.), MSCI Switzerland Index (net div.) (1981), MSCI United Kingdom Index (net div.), and the MSCI USA Index (net div.).

For the Equity Returns and Economic Growth in High and Low Growth Countries slide, emerging markets since 1995 (unless stated differently): MSCI Brazil Index (gross div.), MSCI Chile Index (gross div.), MSCI China Index (gross div.), MSCI Colombia Index (gross div.), MSCI Czech Republic Index (gross div.), MSCI Greece Index (gross div.), MSCI Hungary Index (gross div.), MSCI India Index (gross div.), MSCI Indonesia Index (gross div.), MSCI Korea Index (gross div.), MSCI Malaysia Index (gross div.), MSCI Mexico Index (gross div.), MSCI Peru Index (gross div.), MSCI Philippines Index (gross div.), MSCI Poland Index (gross div.), MSCI Russia Index (gross div.), MSCI South Africa (gross div.), MSCI Thailand Index (gross div.), MSCI Turkey Index (gross div.). Annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2010 U.S. dollars, as provided by the World Bank.

Data Appendix—Fama/French Factors

Fama/French Mkt-Rf: The excess return on the market, value-weight return of all CRSP firms incorporated in the US and listed on the NYSE, AMEX, or NASDAQ that have a CRSP share code of 10 or 11 at the beginning of month t , good shares and price data at the beginning of t , and good return data for t minus the one-month Treasury bill rate (from Ibbotson Associates).

Fama/French US SMB Research Factor: Constructed from six size/book-to-market research portfolios, six size/profitability research portfolios, and six size/investment research portfolios. SMB (Small minus Big) for July of year t to June $t + 1$ includes all NYSE, AMEX, and NASDAQ stocks for which we have market equity for December $t - 1$ and June of t , (positive) book-to-market equity data for fiscal year ending in $t - 1$, non-missing revenues and at least one of the following: cost of goods sold, selling, general and administrative expenses, or interest expense for $t - 1$, and total assets data for $t - 2$ and $t - 1$. Exclusions: ADRs, investment companies, tracking stocks, non-US incorporated companies, closed end funds, certificates, shares of beneficial interests, and negative book values.

Fama/French US HML Research Factor: Constructed from four size/book-to-market research portfolios. HML for July of year t to June $t + 1$ includes all NYSE, AMEX, and NASDAQ stocks for which we have market equity for December $t - 1$ and June of t , and (positive) book-to-market equity data for fiscal year ending in $t - 1$. HML (High minus Low) is the average return on two value research portfolios minus the average return on two growth research portfolios: $1/2$ (Small Value + Big Value) $- 1/2$ (Small Growth + Big Growth). Exclusions: ADRs, investment companies, tracking stocks, non-US incorporated companies, closed-end funds, certificates, shares of beneficial interests, and negative book values.

Fama/French US RMW Research Factor: Constructed from four size/profitability research portfolios. RMW for July of year t to June $t + 1$ includes all NYSE, AMEX, and NASDAQ stocks for which we have market equity data for June of t , (positive) book equity data for $t - 1$, non-missing

revenues data for $t - 1$, and non-missing data for at least one of the following: cost of goods sold, selling, general and administrative expenses, or interest expense for $t - 1$. RMW (Robust minus Weak) is the average return on the two robust operating profitability portfolios minus the average return on the two weak operating profitability portfolios: $1/2$ (Small Robust + Big Robust) $- 1/2$ (Small Weak + Big Weak). Exclusions: ADRs, investment companies, tracking stocks, non-US incorporated companies, closed-end funds, certificates, and shares of beneficial interests.

Fama/French US CMA Research Factor: Constructed from six size/investment research portfolios that do not include hold ranges. CMA for July of year t to June $t + 1$ includes all NYSE, AMEX, and NASDAQ stocks for which we have market equity data for June of t , total assets data for $t - 2$ and $t - 1$. CMA (Conservative Minus Aggressive) is the average return on the two conservative investment portfolios minus the average return on the two aggressive investment portfolios: $1/2$ (Small Conservative + Big Conservative) $- 1/2$ (Small Aggressive + Big Aggressive). Exclusions: ADRs, investment companies, tracking stocks, non-US incorporated companies, closed-end funds, certificates, and shares of beneficial interests.

Morningstar Liquid Alternatives Category Definitions



Long-Short Equity

Long-short equity portfolios hold sizeable stakes in both long and short positions in equities, exchange traded funds, and related derivatives. Some funds that fall into this category will shift their exposure to long and short positions depending on their macro outlook or the opportunities they uncover through bottom-up research. At least 75% of the assets are in equity securities or derivatives, and funds in the category will typically have beta values to relevant benchmarks of between 0.3 and 0.8.

Systematic Trend

Systematic trend strategies primarily implement trend-following, price-momentum strategies by trading long and short liquid global futures, options, swaps, and foreign exchange contracts. The remaining exposure may be invested in a mix of other complementary nontraditional risk premia. These portfolios typically obtain exposure referencing a mix of diversified global markets, including commodities, currencies, government bonds, interest rates and equity indexes.

Market Neutral

Market neutral portfolios seek income while maintaining low correlation to fluctuations in market conditions. Market neutral portfolios typically hold 50% of net assets in long positions and 50% of net assets in short positions in order to deliver positive returns regardless of the direction of the market.

Event Driven

Event driven strategies attempt to profit when security prices change in response to certain corporate actions, such as bankruptcies, mergers and acquisitions, emergence from bankruptcy, shifts in corporate strategy, and other atypical events. Activist shareholder and distressed investment strategies also fall into this category. These portfolios typically focus on equity securities but can invest across the capital structure. They typically have low to moderate equity market sensitivity since company-specific developments tend to drive security prices.

Relative Value Arbitrage

Relative value strategies seek out pricing discrepancies between pairs or combinations of securities regardless of asset class. They often employ one or a combination of debt, equity, and convertible arbitrage strategies, among others. They can use significant leverage and typically seek to profit from

the convergence of values between securities. Funds in this category typically have low beta exposures to major market indexes due to their offsetting long and short exposures.

Equity Market Neutral

Equity market neutral strategies attempt to profit from long and short stock selection decisions while minimizing systematic risk created by exposure to factors such as overall equity market beta, sectors, market-cap ranges, investment styles, or countries. They try to achieve this by matching long positions within each area against offsetting short positions, though they may vary their exposure to market risk factors modestly. These funds' investment strategies may be discretionary or systematic, and they keep at least 75% of their gross assets in equities or equity-related instruments such as derivatives. They typically have beta values to a relevant benchmark of less than 0.3.

Markets Have Often Been Up in Recessions: Appendix

Growth of wealth shows the growth of a hypothetical investment of \$1 in the securities in the Fama/French Total US Market Research Index over the 36 months starting the month after the relevant Recession Start Date.

Index data presented in the growth of wealth chart is hypothetical and assumes reinvestment of income and no transaction costs or taxes. Sample includes 16 US recessions as identified by the National Bureau of Economic Research (NBER) from October 1926 to December 2021. NBER defines recessions as starting at the peak of a business cycle. A business cycle is a description of the various stages of economic output.

Fama/French Total US Market Research Index: July 1926–present: Fama/French Total US Market Research Factor + One-Month US Treasury Bills. Source: Ken French Website.

Index Descriptions



Fama/French Total US Market Research Index: July 1926–present: Fama/French Total US Market Research Factor + One-Month US Treasury Bills. Source: Ken French Website.

Fama/French US Small Cap Research Index: July 1926–present: Fama/French US Small Cap Research Index. Courtesy of Fama/French from CRSP and Compustat securities data. Includes NYSE securities (plus AMEX equivalents since July 1962 and NASDAQ equivalents since 1973) in the lower 50% market equity range of NYSE firms; rebalanced annually in June.

Fama/French US Large Cap Research Index: July 1926–present: Fama/French US Large Cap Research Index. Courtesy of Fama/French from CRSP and Compustat securities data. Includes NYSE securities (plus AMEX equivalents since July 1962 and NASDAQ equivalents since 1973) in the upper 50% market equity range of NYSE firms; rebalanced annually in June.

Fama/French US Value Research Index: Provided by Fama/French from CRSP securities data. Includes the lower 30% in price-to-book of NYSE securities (plus NYSE Amex equivalents since July 1962 and Nasdaq equivalents since 1973).

Fama/French US Growth Research Index: Provided by Fama/French from CRSP securities data. Includes the higher 30% in price-to-book of NYSE securities (plus NYSE Amex equivalents since July 1962 and Nasdaq equivalents since 1973).

Fama/French US Small Value Research Index: Provided by Fama/French from CRSP securities data. Includes the lower 30% in price-to-book of NYSE securities (plus NYSE Amex equivalents since July 1962 and Nasdaq equivalents since 1973) that have smaller market capitalization than the median NYSE company.

Fama/French US Small Growth Research Index: Provided by Fama/French from CRSP securities data. Includes the higher 30% in price-to-book of NYSE securities (plus NYSE Amex equivalents since July 1962 and Nasdaq equivalents since 1973) that have smaller market capitalization than the median

NYSE company.

Fama/French US Large Value Research Index: Provided by Fama/French from CRSP securities data. Includes the lower 30% in price-to-book of NYSE securities (plus NYSE Amex equivalents since July 1962 and Nasdaq equivalents since 1973) that have larger market capitalization than the median NYSE company.

Fama/French US Large Growth Research Index: Provided by Fama/French from CRSP securities data. Includes the higher 30% in price-to-book of NYSE securities (plus NYSE Amex equivalents since July 1962 and Nasdaq equivalents since 1973) that have larger market capitalization than the median NYSE company.

Fama/French US High Profitability Index: July 1963–present: Fama/French US High Profitability Index. Courtesy of Fama/French from CRSP and Compustat securities data. Includes all stocks in the upper 30% operating profitability range of NYSE eligible firms; rebalanced annually in June. OP for June of year t is annual revenues minus cost of goods sold, interest expense, and selling, general, and administrative expenses divided by book equity for the last fiscal year end in $t-1$. Fama/French and multifactor data provided by Fama/French.

Fama/French US Low Profitability Index: July 1963–present: Fama/French US Low Profitability Index. Courtesy of Fama/French from CRSP and Compustat securities data. Includes all stocks in the lower 30% operating profitability range of NYSE eligible firms; rebalanced annually in June. OP for June of year t is annual revenues minus cost of goods sold, interest expense, and selling, general, and administrative expenses divided by book equity for the last fiscal year end in $t-1$. Fama/French and multifactor data provided by Fama/French.

Results shown during periods prior to each index's index inception date do not represent actual returns of the respective index. Other periods selected may have different results, including losses. Backtested index performance is hypothetical and is provided for informational purposes only to indicate historical performance had the index been calculated over the relevant time periods. Backtested performance results assume the reinvestment of dividends and capital gains. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. Eugene Fama and Ken French are members of the Board of Directors of the general partner of, and provide consulting services to, Dimensional Fund Advisors LP.

Index Descriptions



Fama/French International Market Index: January 1975–present: Fama/French International Market Index. Source: Ken French website. Simulated from MSCI and Bloomberg data.

Fama/French International Value Index: January 1975–present: Fama/French International Value Index. Simulated strategy of international developed countries with securities in the lower 30% price-to-book range. Source: Ken French website. Simulated from MSCI and Bloomberg data.

Fama/French International Growth Index: January 1975–present: Fama/French International Growth Index. Simulated strategy of international developed countries with securities in the higher 30% price-to-book range. Source: Ken French website. Simulated from MSCI and Bloomberg data.

Fama/French International High Profitability Index: July 1990–present: Fama/French International High Profitability Index. Courtesy of Fama/French from Bloomberg securities data. Includes stocks in the upper 30% operating profitability range in each region; companies weighted by float-adjusted market cap; rebalanced annually in June. OP for June of year t is annual revenues minus cost of goods sold, interest expense, and selling, general, and administrative expenses divided by book equity for the last fiscal year end in $t-1$. Fama/French and multifactor data provided by Fama/French.

Fama/French International Low Profitability Index: July 1990–present: Courtesy of Fama/French from Bloomberg securities data. Includes stocks in the lower 30% operating profitability range in each region; companies weighted by float-adjusted market cap; rebalanced annually in June. OP for June of year t is annual revenues minus cost of goods sold, interest expense, and selling, general, and administrative expenses divided by book equity for the last fiscal year end in $t-1$. Fama/French and multifactor data provided by Fama/French.

Fama/French Emerging Markets Index: July 1989–present: Fama/French Emerging Markets Index. Courtesy of Fama/French from Bloomberg and IFC securities data. Companies weighted by float-adjusted market cap; rebalanced annually in June. Fama/French and multifactor data provided by Fama/French.

Fama/French Emerging Markets Value Index: July 1989–present: Fama/French Emerging Markets Value Index. Courtesy of Fama/French from Bloomberg and IFC securities data. Includes stocks in the upper 30% book-to-market range in each country; companies weighted by float-adjusted market cap; rebalanced annually in June. Fama/French and multifactor data provided by Fama/French.

Fama/French Emerging Markets Growth Index: July 1989–present: Fama/French Emerging Markets Growth Index. Courtesy of Fama/French from Bloomberg and IFC securities data. Includes stocks in the bottom 30% book-to-market range in each country; companies weighted by float-adjusted market cap; rebalanced annually in June. Fama/French and multifactor data provided by Fama/French.

Fama/French Emerging Markets High Profitability Index: July 1991–present: Fama/French Emerging Markets High Profitability Index. Courtesy of Fama/French from Bloomberg and IFC securities data. Includes stocks in the upper 30% operating profitability range in each country; companies weighted by float-adjusted market cap; rebalanced annually in June. OP for June of year t is annual revenues minus cost of goods sold, interest expense, and selling, general, and administrative expenses divided by book equity for the last fiscal year end in $t-1$. Fama/French and multifactor data provided by Fama/French.

Fama/French Emerging Markets Low Profitability Index: July 1991–present: Fama/French Emerging Markets Low Profitability Index. Courtesy of Fama/French from Bloomberg and IFC securities data. Includes stocks in the lower 30% operating profitability range in each country; companies weighted by float-adjusted market cap; rebalanced annually in June. OP for June of year t is annual revenues minus cost of goods sold, interest expense, and selling, general, and administrative expenses divided by book equity for the last fiscal year end in $t-1$. Fama/French and multifactor data provided by Fama/French.

Results shown during periods prior to each index's index inception date do not represent actual returns of the respective index. Other periods selected may have different results, including losses. Backtested index performance is hypothetical and is provided for informational purposes only to indicate historical performance had the index been calculated over the relevant time periods. Backtested performance results assume the reinvestment of dividends and capital gains. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. Eugene Fama and Ken French are members of the Board of Directors of the general partner of, and provide 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.

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