
DIMENSIONAL SESSION

Emerging from the Pack: A Quarter of a Century of Strong Results in Emerging Market Equities

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Oct 2025

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Agenda

- Case for Emerging Markets: Diversification and Valuation
- A Systematic Approach to Emerging Markets
- Emerging Markets Landscape

Learning Outcomes

Deepen understanding on how Emerging Markets exposure can enhance diversification benefits.

Recognise the benefits of implementation and flexibility when investing in this asset class.

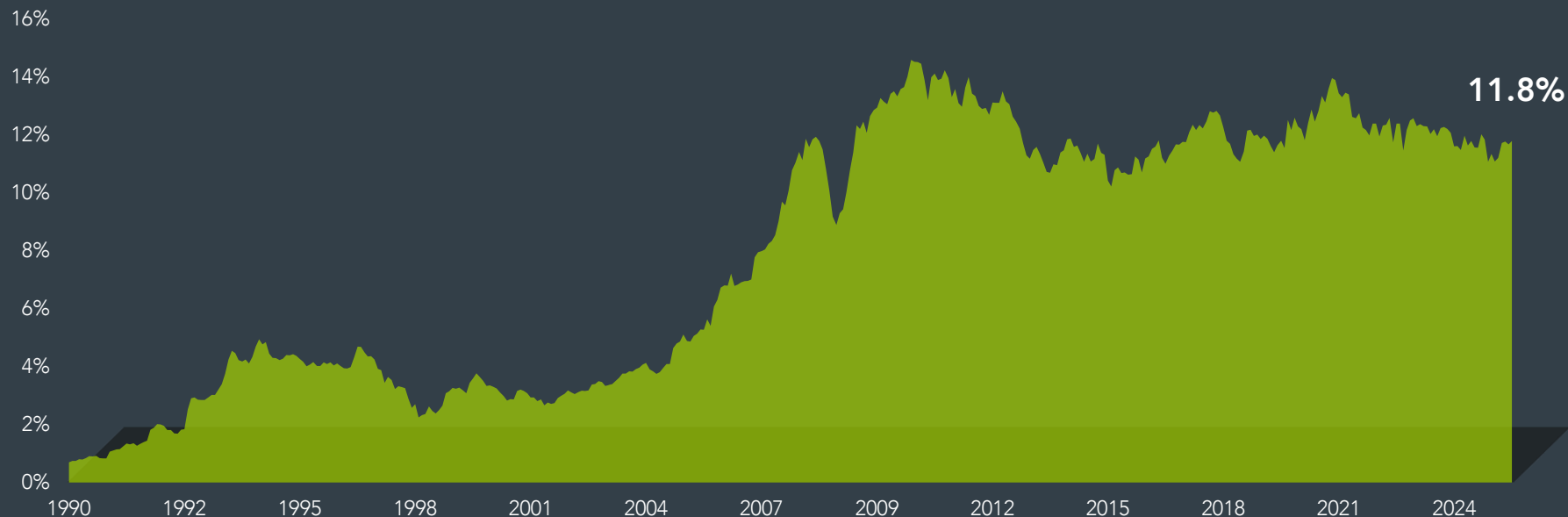
Identify the drivers of stock market performance in Emerging Markets.

Gain perspective on the variation of benchmarks used for different strategies and investment approaches.

Case for Emerging Markets: Diversification and Valuation

Emerging Markets Relative to Global Market Capitalisation

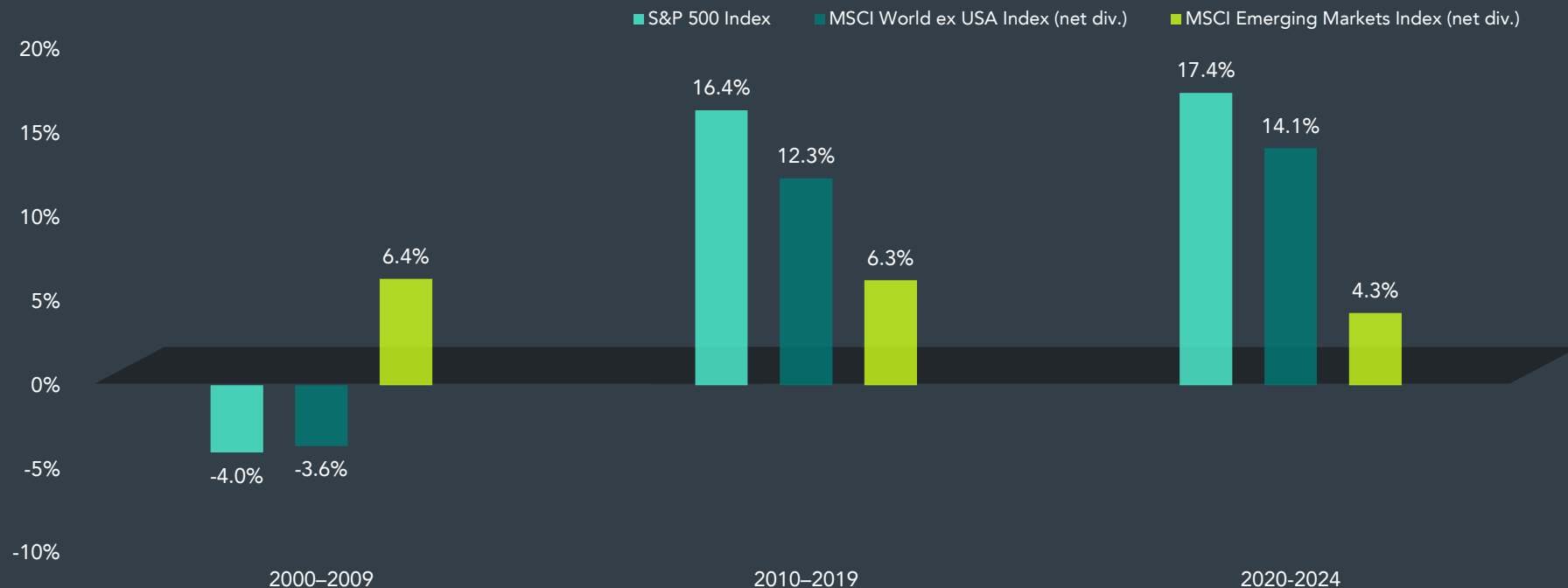
January 1990–June 2025



In US dollars.
Market cap data is free-float adjusted and meets minimum liquidity and listing requirements. Data provided by Bloomberg.

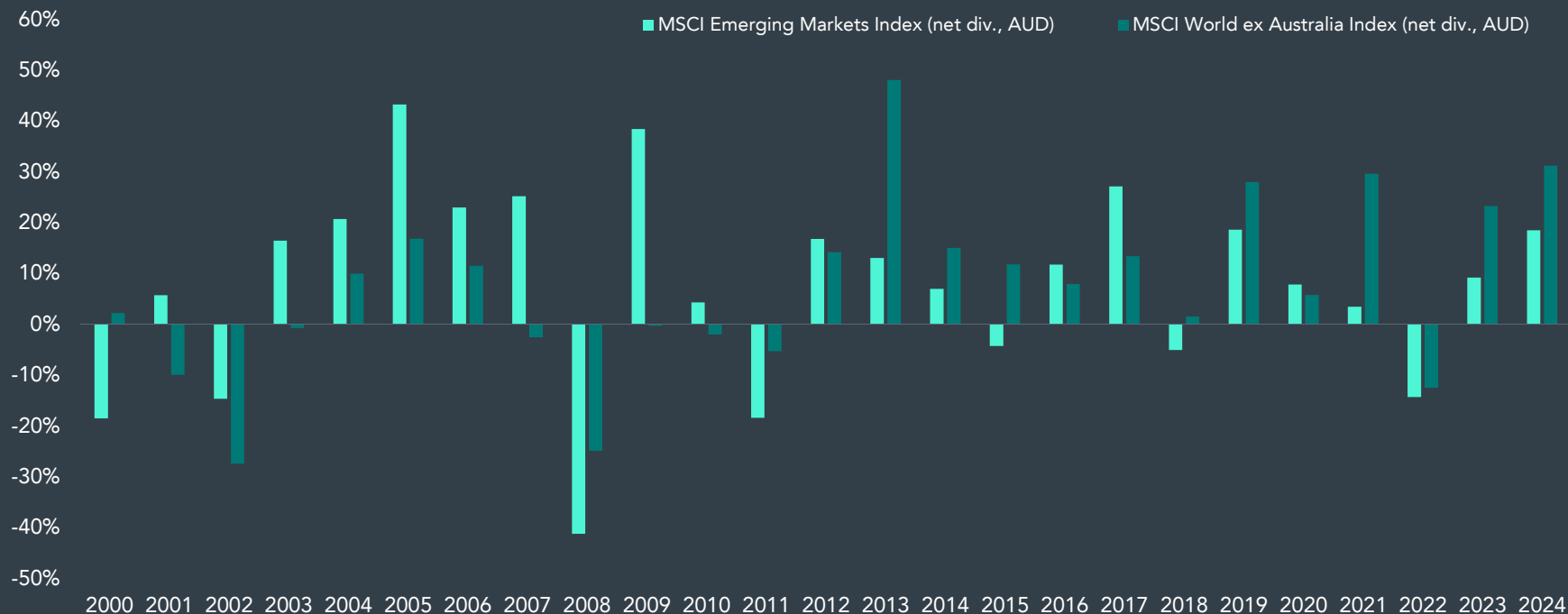
The Story of the Last 25 Years

Annualised returns



Emerging Markets vs World ex Australia

Calendar Year returns



“Approximately what share of global equity market capitalisation do emerging markets represent today?”

A

20%

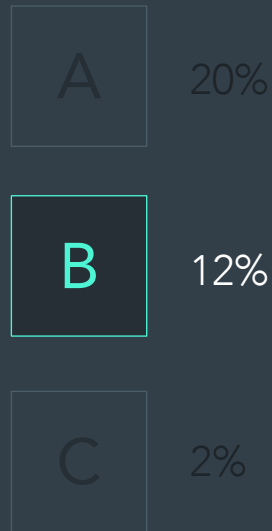
B

12%

C

2%

“Approximately what share of global equity market capitalisation do emerging markets represent today?”



“What was the key reason for the sharp rise in Emerging Markets’ market capitalisation in the 2000s?”

A

Market accessibility

B

Central banks deliberately shrinking their stock markets

C

The collapse of global trade during the decade

“What was the key reason for the sharp rise in Emerging Markets’ market capitalisation in the 2000s?”

A

Market accessibility

B

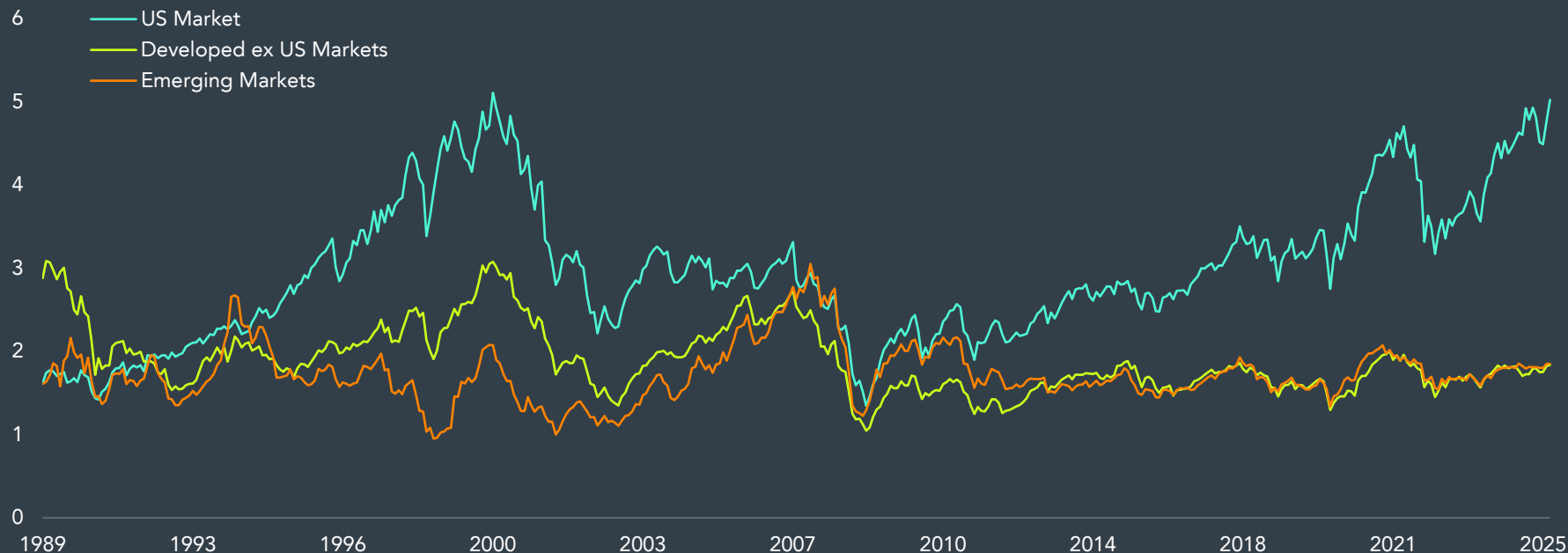
Central banks deliberately shrinking their stock markets

C

The collapse of global trade during the decade

Historical Valuations: Regions

Price-to-book ratio, June 1989–June 2025

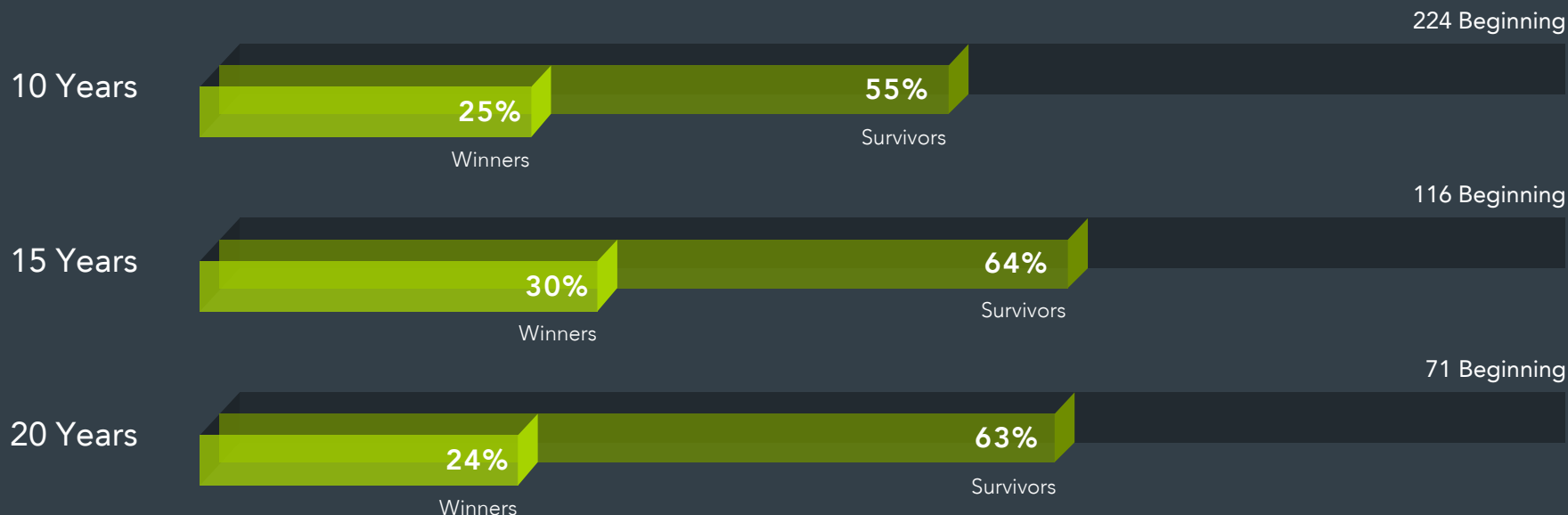


In USD. The Fama/French Indices represent academic concepts that may be used in portfolio construction and are not available for direct investment or for use as a benchmark. Source: CRSP and Compustat data calculated by Dimensional. Fama/French data provided by Fama/French. US Market represented by the Fama/French Total US Market Research Index. Developed Ex US Market represented by the Fama/French International Market Research Index. Emerging Markets represented by the Fama/French Emerging Markets Index. Monthly aggregate price-to-book ratios are computed as the inverse of the weighted average book-to-market value as of month-end. Firms with negative book value are excluded. Book-to-market ratios above 10 are winsorized as the cutoff value in non-US Markets. See "Index Descriptions" in the appendix for descriptions of Fama/French index data.

Few US-Domiciled Emerging Markets Funds Have Survived and Outperformed



Performance periods ending 31 December 2024



Past performance is no guarantee of future results.

The sample includes funds in the Morningstar Diversified Emerging Markets category at the beginning of the 10-, 15-, and 20-year periods ending December 31, 2024. Survivors are funds that had returns for every month in the sample period. Winners are funds that survived and outperformed their benchmark over the period. US-domiciled, USD-denominated, non-Dimensional open-end and exchange-traded fund data is from Morningstar. See The Fund Landscape Appendix for more information. US-domiciled mutual funds and US-domiciled ETFs are not generally available for distribution outside the US.

Dimensions of Expected Returns

Illustrative index performance: Annualised compound returns (%)



Past performance is no guarantee of future results. Actual returns may be lower. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio.

All returns are in USD, except Australian stock returns, which are in AUD. Bars are represented by the following indices, in order: Dimensional Australia Small Cap Index, MSCI Australia Index (gross div.), Dimensional US Small Cap Index, S&P 500 Index, Dimensional Intl. Small Cap Index, MSCI World ex USA Index (gross div.), Dimensional Emerging Markets Small Index, MSCI Emerging Markets Index (gross div.), Fama/French Australia Value Index, Fama/French Australia Growth Index, Fama/French US Value Research Index, Fama/French US Growth Research Index, Fama/French International Value Index, Fama/French International Growth Index, Fama/French Emerging Markets Value Index, Fama/French Emerging Markets Growth Index, Fama/French Australia High Profitability Index, Fama/French Australia Low Profitability Index, Fama/French US High Profitability Index, Fama/French US Low Profitability Index, Fama/French International High Profitability Index, Fama/French International Low Profitability Index, Fama/French Emerging Markets High Profitability Index, Fama/French Emerging Markets Low Profitability Index. MSCI data © MSCI 2025, all rights reserved. S&P data © 2025 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. The Dimensional and 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" in the appendix for descriptions of Dimensional and Fama/French index data.

Historical Performance of Premiums over Rolling Periods



Emerging Markets

Market beat T-bills



Overlapping Periods: July 1989–December 2024

Market is Fama/French Emerging Markets Index. T-Bills is One-Month US Treasury Bills. There are 247 overlapping 15-year periods, 307 overlapping 10-year periods, 367 overlapping 5-year periods, and 415 overlapping 1-year periods.

Small Cap beat Large Cap



Overlapping Periods: January 1989–December 2024

Small is Dimensional Emerging Markets Small Index. Large is MSCI Emerging Markets Index (gross div.). There are 253 overlapping 15-year periods, 313 overlapping 10-year periods, 373 overlapping 5-year periods, and 421 overlapping 1-year periods.

Value beat Growth



Overlapping Periods: July 1989–December 2024

Value is Fama/French Emerging Markets Value Index. Growth is Fama/French Emerging Markets Growth Index. There are 247 overlapping 15-year periods, 307 overlapping 10-year periods, 367 overlapping 5-year periods, and 415 overlapping 1-year periods.

High Prof. beat Low Prof.



Overlapping Periods: July 1990–December 2024

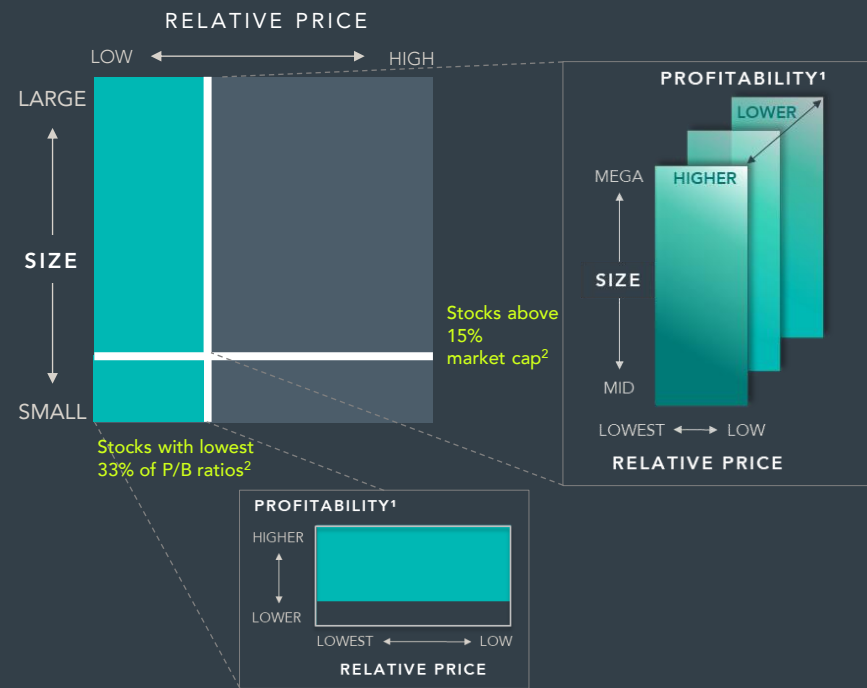
High is Fama/French Emerging Markets High Profitability Index. Low is Fama/French Emerging Markets Low Profitability Index. There are 223 overlapping 15-year periods, 283 overlapping 10-year periods, 343 overlapping 5-year periods, and 391 overlapping 1-year periods.

Past performance is no guarantee of future results. Actual returns may be lower. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. In USD. Based on monthly rolling differences in annualized returns over the periods listed. Rolling multiyear periods overlap and are not independent. "One-Month US Treasury Bills" is: July 1989–December 2024, the 1A SBBI US 30 Day TBILL TR USD, provided by Morningstar; January 2025–present, ICE BofA US 1-Month Treasury Bill Index. ICE BofA index data © 2025 ICE Data Indices, LLC. MSCI data © MSCI 2025, all rights reserved. The Dimensional and 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" in the appendix for descriptions of Dimensional and Fama/French index data.

Dimensional's Emerging Markets Portfolios

What the Portfolio Can Buy

Dimensional Emerging Markets Value Trust as of 30 June 2025



1. Profitability is measured as operating income before depreciation and amortisation minus interest expense scaled by book.

2. Actual size and relative price breaks are determined at the country or region level.

Not comprehensive. Portfolio is governed by the PDS. These are non-binding indicative guidelines that are taken into consideration by portfolio management, and may be exceeded or change from time to time depending on other portfolio management considerations. Investors should consider the current PDS in deciding whether to invest in the trusts or to continue to hold their investments in the trusts. A copy of the most current PDS is available at dimensional.com/funds. Diversification does not eliminate the risk of market loss.

ELIGIBILITY AND WEIGHTING GUIDELINES

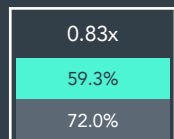
Eligible Markets	Emerging markets
Security Selection	All cap value stocks: – all market capitalisations down to \$50 million AUD – lowest 33% of stocks by price-to-book Within small value, exclude stocks with: – low profitability¹ – high asset growth
Security Weighting	Within large value, overweight stocks with: – smaller market caps – lower relative prices – higher profitability¹
Refinements	Exclude REIT and highly-regulated utility securities
Concentration Controls	Target broad coverage of eligible securities to achieve diversification across names and sectors Maximum 10% sector overweight relative to the style-neutral, size-eligible universe

Positioning Relative to Market

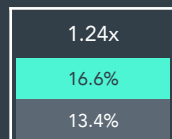


Dimensional Emerging Markets Value Trust versus Market, 30 June 2025

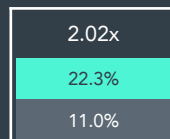
Large Cap



Mid Cap



Small Cap



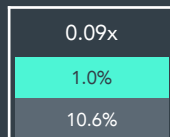
Portfolio to Market ratio

Portfolio weight

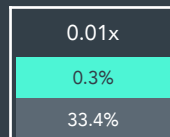
Market weight

LARGE AND MID

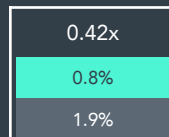
Growth Low Prof



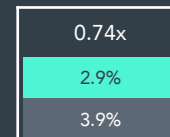
Growth High Prof



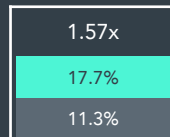
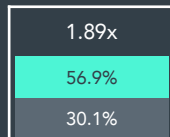
Growth Low Prof



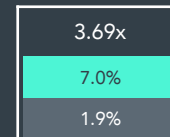
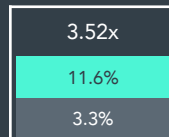
Growth High Prof



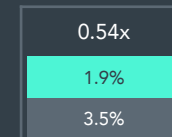
Value



Value



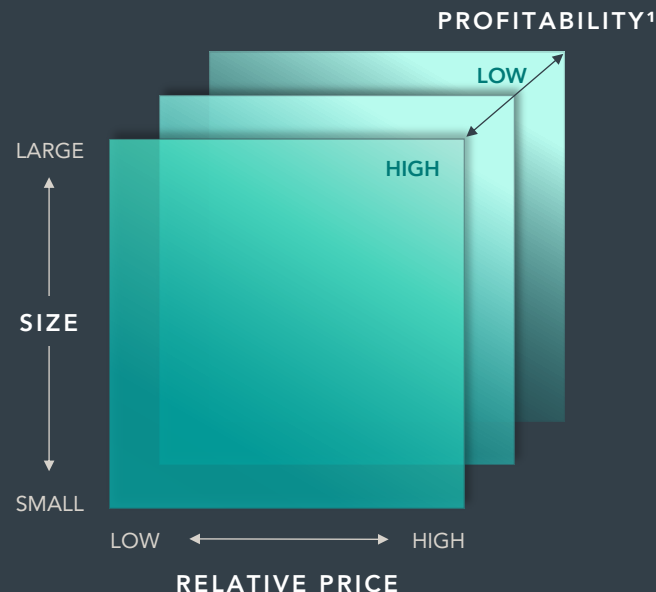
REITs, Utilities,
and Other Stocks



The Market is represented by the MSCI Emerging Markets IMI. The prospectus benchmark for the portfolio is the MSCI Emerging Markets Index (net div.). Company size designations are based on total market cap in each country or region. Relative price (e.g. Value and Growth) designations are based on price-to-book ratios. Profitability ("Prof") designations are based on operating income before depreciation and amortization minus interest expense, scaled by book. REITs, Utilities, and Other Stocks includes REITs and Utilities, identified by GICS code, and stocks without size, relative price, or profitability metrics. Rights, warrants, cash, cash equivalents, ETFs, and bonds are excluded. Relative weights may not sum to zero due to rounding. MSCI data © MSCI 2025, all rights reserved.

What the Portfolio Can Buy

Dimensional Emerging Markets Sustainability Trust as of 30 June 2025



ELIGIBILITY AND WEIGHTING GUIDELINES

Eligible Markets	Emerging markets
Security Selection	All market capitalisations down to \$50 million USD Within small caps, exclude stocks with: – low profitability¹ and high relative prices – high asset growth Exclude stocks based on defined sustainability considerations
Security Weighting	Overweight stocks with: – smaller market caps – lower relative prices – higher profitability¹ Overweight more sustainable companies based on defined sustainability considerations
Concentration Controls	Target broad coverage of eligible securities to achieve diversification across names and sectors

1. Profitability is measured as operating income before depreciation and amortisation minus interest expense scaled by book.

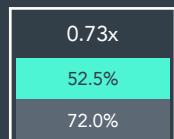
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Positioning Relative to Market

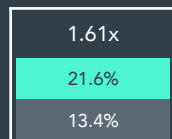


Dimensional Emerging Markets Sustainability Trust versus Market, 30 June 2025

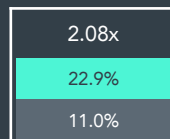
Large Cap



Mid Cap



Small Cap



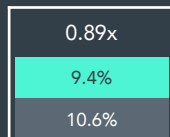
Portfolio to Market ratio

Portfolio weight

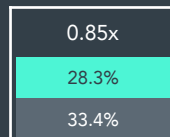
Market weight

LARGE AND MID

Growth Low Prof

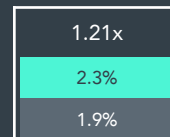


Growth High Prof

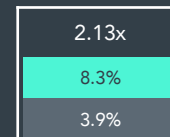


Growth

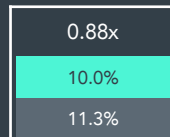
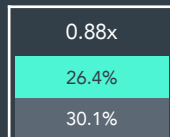
Low Prof



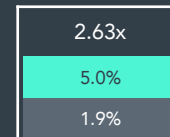
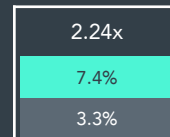
Growth High Prof



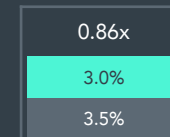
Value



Value



REITs, Utilities,
and Other Stocks



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Characteristics

As at 30 June 2025

	Number of Companies	Weighted Average Market Cap (A\$ millions)	Aggregate Price-to-Book	Weighted Average Profitability ¹	Dividend Yield (gross) ²
Emerging Markets Value Trust	2,596	86,636	1.03	0.18	3.97
Emerging Markets Sustainability Trust	3,800	150,637	1.76	0.24	2.98
MSCI Emerging Markets Index	1,147	288,073	1.95	0.27	2.92

1. Profitability is measured as operating income before depreciation and amortisation minus interest expense scaled by book.

2. Dividend Yield (gross) is the weighted average dividend to price using the trailing 12 months of gross dividends for securities held by the fund at the end of the period.

In AUD. This information is as at the date shown and are subject to change. Investors should consider the current PDS in deciding whether to invest in the trusts or to continue to hold their investments in the trusts. A copy of the most current PDS is available at dimensional.com/funds. Holdings are subject to change. MSCI data © MSCI 2025, all rights reserved. Indices are not available for direct investment.

Country Allocations

Weights (%) as at 30 June 2025

	Emerging Markets Value Trust	Emerging Markets Sustainability Trust	MSCI Emerging Markets Index
China	27.6	28.3	28.4
Taiwan	18.9	19.9	18.9
India	19.2	17.8	18.1
Korea	11.5	12.1	10.7
Brazil	3.4	4.4	4.4
Saudi Arabia	3.1	2.9	3.5
South Africa	3.1	2.6	3.2
Mexico	1.9	1.9	2.0
United Arab Emirates	1.7	1.8	1.6
Malaysia	1.3	1.1	1.3
Indonesia	1.3	0.4	1.2
Poland	1.3	1.2	1.1
Thailand	1.3	0.8	1.0
Kuwait	0.9	0.8	0.8
Qatar	0.8	0.8	0.7
Greece	0.7	0.5	0.6
Chile	0.4	0.5	0.5
Philippines	0.5	0.3	0.5
Turkey	0.8	1.0	0.5
Hungary	0.2	0.3	0.3
Czech Republic	0.1	0.1	0.2
Colombia	0.1	0.2	0.1
Russia	0.0	0.0	-

Holdings are subject to change. Numbers may not total 100% due to rounding. This information is as at the date shown and are subject to change. Investors should consider the current PDS in deciding whether to invest in the trusts or to continue to hold their investments in the trusts. A copy of the most current PDS is available at dimensional.com/funds. MSCI data © MSCI 2025, all rights reserved. Indices are not available for direct investment.

Sector Allocations

Weights (%) as at 30 June 2025

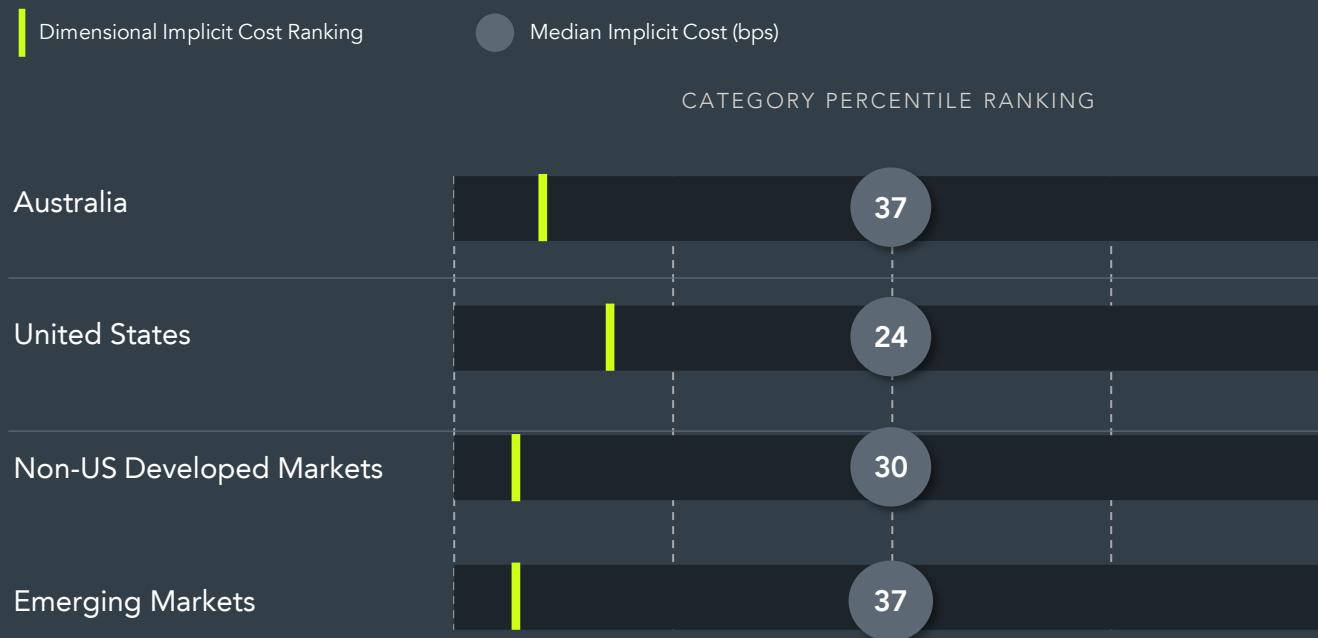
	Emerging Markets Value Trust	Emerging Markets Sustainability Trust	MSCI Emerging Markets Index
Financials	32.0	22.0	24.5
Information Technology	13.3	21.8	24.0
Consumer Discretionary	12.7	13.6	12.8
Industrials	8.8	11.8	6.9
Communication Services	3.3	8.8	9.8
Materials	11.1	5.7	5.8
Health Care	3.3	5.5	3.2
Consumer Staples	2.6	4.2	4.5
Real Estate	2.9	2.8	1.5
Utilities	1.5	2.2	2.6
Energy	8.5	1.1	4.3
REITs	0.0	0.4	0.1

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Dimensional Implicit Costs Relative to Peers



Virtu Post-Trade Analytics™—Peer Trade Cost Analysis, one year ending 31 December 2024



- Trading costs negatively impact returns
- Lower implicit costs contribute to lower total trading costs
- Dimensional uses both third party and internally developed benchmarks to evaluate the implicit costs of trading.

Past performance is not a guarantee of future results.

Date range reflects most recent data available. Ranking provided by Virtu. Ranking from 1-100% where 1 is lowest implicit cost and 100 is highest implicit cost. The data provided on this slide is copyrighted by Virtu ITG LLC or its affiliates and may not be copied, displayed, or transmitted in any form without prior written permission. Many factors influence transaction cost including order size, volatility, and spread. Virtu's peer universe includes a variety of firm types trading orders of all sizes in various market conditions. US peer data includes firms trading more than USD\$100mm in the US during the period. Australia peer data includes firms trading more than USD\$50mm in Australia during the period.

A Systematic Approach to Country Eligibility

Local Market Infrastructure

Restrictions on Foreign Investors

Financial Accounting and Reporting Practices

Settlement System

Market and Exchange Regulations

Market Liquidity and Costs

How to Access

Local Listings

Depository Receipts/Foreign Listings

“What things should a good Emerging Markets fund manager consider?”

A

Costs and friction
of trading

B

Liquidity

C

Regulation

D

All of the above

“What things should a good Emerging Markets fund manager consider?”

A

Costs and friction
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Liquidity

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Regulation

D

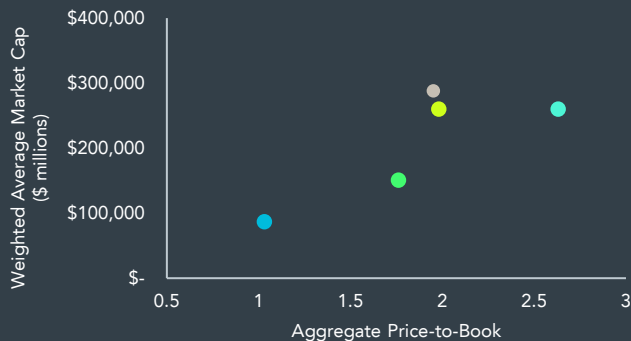
All of the above

Emerging Markets Landscape

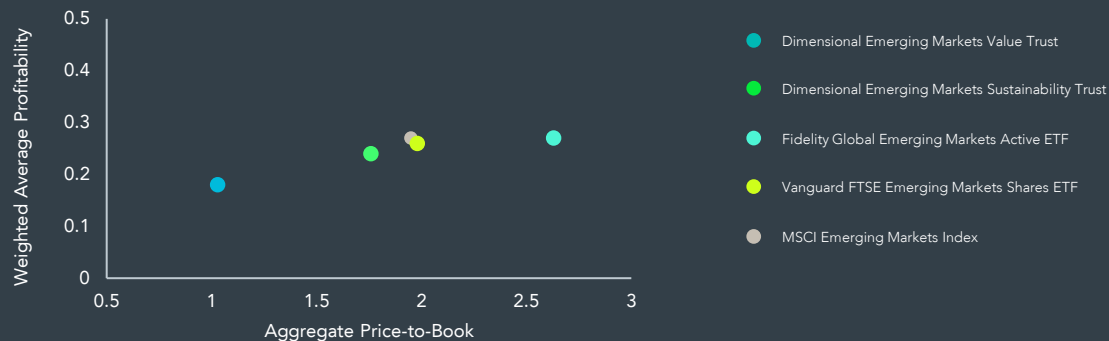
Characteristics

As of 30 June 2025

SIZE AND RELATIVE PRICE



PROFITABILITY AND RELATIVE PRICE



	Number of Companies	Weighted Average Market Cap (\$ millions)	Aggregate Price-to-Book	Weighted Average Profitability ¹	Management Fees and Costs
Dimensional Emerging Markets Value Trust	2,596	86,636	1.03	0.18	0.72%
Dimensional Emerging Markets Sustainability Trust	3,800	150,637	1.76	0.24	0.60%
Fidelity Global Emerging Markets Active ETF	45	241,348	2.63	0.27	0.99%
Vanguard FTSE Emerging Markets Shares ETF	4,368	259,785	1.98	0.26	0.48%
MSCI Emerging Markets Index	1,147	288,073	1.95	0.27	–

1.Profitability is measured as operating income before depreciation and amortisation minus interest expense scaled by book.

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Country Allocations

Weights (%) as at 30 June 2025

	Dimensional Emerging Markets Value Trust	Dimensional Emerging Markets Sustainability Trust	Fidelity Global Emerging Markets Active ETF	Vanguard FTSE Emerging Markets Shares ETF	MSCI Emerging Markets Index
China	27.57%	28.33%	28.76%	31.77%	28.41%
India	19.25%	17.85%	20.70%	22.15%	18.11%
Taiwan	18.95%	19.85%	14.27%	20.90%	18.91%
Korea	11.51%	12.14%	3.44%	-	10.72%
Brazil	3.42%	4.43%	4.95%	4.22%	4.45%
South Africa	3.10%	2.58%	10.06%	3.61%	3.24%
Saudi Arabia	3.07%	2.93%	-	3.48%	3.50%
Mexico	1.86%	1.90%	6.56%	2.12%	1.98%
United Arab Emirates	1.73%	1.78%	-	1.56%	1.57%
Malaysia	1.35%	1.12%	-	1.83%	1.28%
Poland	1.30%	1.24%	-	-	1.15%
Other	6.90%	5.86%	11.25%	8.37%	6.69%

These Country Allocations (exclusive of cash) are as at the date shown and are subject to change. Investors should consider the current PDS in deciding whether to invest in the trusts or to continue to hold their investments in the trusts. A copy of the most current PDS is available at dimensional.com/funds. Numbers may not total 100% due to rounding. Real Estate Investment Trusts (REITs) are shown as a separate category to illustrate their exclusion from certain funds. REITs are classified according to GICS Industry code. GICS was developed by and is the exclusive property of MSCI and S&P Dow Jones Indices. Source: Dimensional. MSCI data © MSCI 2025, all rights reserved.

Sector Allocations

Weights (%) as at 30 June 2025

	Dimensional Emerging Markets Value Trust	Dimensional Emerging Markets Sustainability Trust	Fidelity Global Emerging Markets Active ETF	Vanguard FTSE Emerging Markets Shares ETF	MSCI Emerging Markets Index
Communication Services	3.3%	8.8%	3.1%	9.1%	9.8%
Consumer Discretionary	12.7%	13.6%	21.2%	13.0%	12.8%
Consumer Staples	2.6%	4.2%	8.5%	4.8%	4.5%
Energy	8.5%	1.1%	0.0%	4.3%	4.3%
Financials	32.0%	22.0%	24.5%	22.6%	24.5%
Health Care	3.3%	5.5%	3.0%	4.1%	3.2%
Industrials	8.8%	11.8%	10.5%	7.7%	6.9%
Information Technology	13.3%	21.8%	23.8%	21.3%	24.0%
Materials	11.1%	5.7%	3.8%	7.1%	5.8%
Real Estate	2.9%	2.8%	1.0%	2.1%	1.5%
REITs	0.0%	0.4%	0.0%	0.3%	0.1%
Utilities	1.5%	2.2%	0.0%	3.0%	2.6%

These Sector Allocations (exclusive of cash) are as at the date shown and are subject to change. This information is as at the date shown and are subject to change. Investors should consider the current PDS in deciding whether to invest in the trusts or to continue to hold their investments in the trusts. A copy of the most current PDS is available at dimensional.com/funds. Holdings are subject to change. Numbers may not total 100% due to rounding. MSCI data © MSCI 2025, all rights reserved. Real Estate Investment Trusts (REITs) are shown as a separate category to illustrate their exclusion from certain funds. REITs are classified according to GICS Industry code. GICS was developed by and is the exclusive property of MSCI and S&P Dow Jones Indices LLC, a division of S&P Global. Indices are not available for direct investment.

“What are the primary differences between FTSE and MSCI Emerging Market indexes?”

A

Index provider reputation

B

Country classifications

C

Foreign ownership restrictions

“What are the primary differences between FTSE and MSCI Emerging Market indexes?”

A

Index provider reputation

B

Country classifications

C

Foreign ownership restrictions

The Emerging Markets Landscape



Returns, as of 30 June 2025

Fund Name	1 Year	3 Year	5 Year	10 Year	20 Year
Dimensional Emerging Markets Value Trust	13.13%	13.89%	14.24%	7.63%	7.27%
Ninety-One Australian Funds Emerging Market Equities	22.40%	13.49%	8.88%	-	-
GQG Partners Emerging Markets Equity	-3.26%	13.13%	9.59%	-	-
Dimensional Emerging Markets Sustainability Trust	17.50%	11.76%	-	-	-
Mercer Emerging Markets Shares Fund	18.37%	11.22%	7.25%	5.96%	-
Macquarie True Index Emerging Markets	16.74%	11.01%	7.59%	6.40%	-
iShares Emerging Markets IMI Equities Index	14.88%	10.96%	7.82%	6.02%	-
Mercer Passive Emerging Markets Shares	16.31%	10.60%	7.22%	5.83%	-
Vanguard FTSE Emerging Markets Shares ETF	17.76%	10.29%	7.93%	5.73%	7.01%
Platinum Asia Fund	16.26%	7.59%	6.11%	6.86%	9.80%
Fidelity Global Emerging Markets	14.04%	5.92%	6.49%	7.70%	-

Returns in AUD. Returns less than 1 year are not annualized. Fund ranked from highest to lowest 3 Year return.

Past performance, including hypothetical performance, is no guarantee of future results. Actual investment returns may be lower.

Data from Morningstar as of 30 June 2025. Comparison includes largest funds by AUM in the Australia Fund Equity Emerging Markets Morningstar category. See 'Appendix: Morningstar Categories' for more information. Exception is Platinum Asia Fund, which is in the Australia Fund equity Asia Pacific w/o Japan Morningstar Category. See 'Appendix: Comparison Explanation' for more information.

Dimensional vs. the Industry



Percentage of Dimensional Australian-domiciled equity and fixed income trusts that outperformed their Morningstar category average as of 31 December 2024



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.

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Ins and Outs of Emerging Markets Investing



PART 1: INVESTING

FUNDS TOOLS EVENTS RESEARCH RESOURCES

RESEARCH

Ins and Outs of Emerging Markets Investing

By Karen Umland, CFA Senior Investment Director and Vice President | Ethan Wren Senior Portfolio Manager and Vice President

Dec 13, 2022

CLIENT READY

Article

9 Minute Read

Approved Countries

Australia | Canada | Germany | Hong Kong | Ireland | Japan | Netherlands | New Zealand | Singapore | United Kingdom | United States

TOPIC

EQUITY INVESTING

INVESTMENT PRINCIPLES

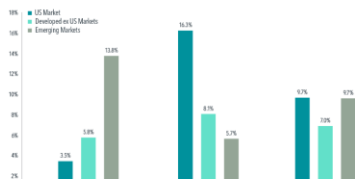
Recent history reminds us that emerging markets can be volatile and can lag developed markets. However, emerging markets represent a meaningful piece of the global investment opportunity set. A disciplined but flexible approach, which Dimensional has used for decades, can provide the means to access the emerging markets opportunity set effectively.

Recent Performance in Perspective

In recent years, the returns of emerging markets have lagged those of developed markets, with emerging markets underperforming US stocks by over 10 percentage points on an annualized basis over the past 10 years (see [Exhibit 1](#)). While recent returns have been disappointing, it is not uncommon to see periods when the reverse is true. For example, just looking back to the prior 10 years (2002–2011), emerging markets outperformed US stocks by more than 10 percentage points and other developed markets by 8 points on an annualized basis.

EXHIBIT 1

Performance of US, Developed ex US, and Emerging Markets, January 2002–December 2021



PART 2: PORTFOLIO MANAGEMENT AND TRADING

FUNDS TOOLS EVENTS RESEARCH RESOURCES

RESEARCH

Ins and Outs of Emerging Markets Investing Part 2: Portfolio Management and Trading

By Karen Umland, CFA Senior Investment Director and Vice President | Ethan Wren Senior Portfolio Manager and Vice President

Aug 31, 2020

PROFESSIONAL

Article

9 Minute Read

Approved Countries

Australia | Austria | Belgium | Canada | Denmark | Finland | France | Germany | Hong Kong | Ireland | Italy | Japan | Luxembourg | Netherlands | New Zealand | Norway | Singapore | Spain | Sweden | Switzerland | United Kingdom | United States

TOPIC

EQUITY INVESTING

In the first part of this two-part series, [“Ins and Outs of Emerging Markets Investing: Market Behavior and Evolution,”](#) we put the recent performance of emerging markets into a longer-term perspective and discuss the opportunity set presented by emerging markets. In this article, we discuss the importance of effective portfolio management in helping investors capture their fair share of returns in emerging markets and highlight key elements of Dimensional’s approach.

Since Dimensional first started investing in emerging markets in late 1993, we have implemented changes in our eligible investment universe that reflect the evolution of emerging markets as a whole. We consider a combination of qualitative and quantitative criteria to determine which countries, exchanges, and securities are eligible for investment in our emerging markets portfolios and global portfolios that include emerging markets. Those considerations include the costs and frictions associated with accessing these markets and apply certain minimum criteria in areas like market liquidity, adequate regulation at the exchange level, listing requirements, and reasonable accounting standards. For example, following several years of evaluation, the Dimensional Investment Committee in 2019 approved China A-shares, the United Arab Emirates, Saudi Arabia, and Qatar for investment. The addition of countries that meet Dimensional’s eligibility criteria enables us to pursue potential diversification

Securities Lending

Dimensional engages in securities lending in many of our equity portfolios with the goal of adding revenue to those portfolios and improving returns for investors. Total lending revenue from our global commingled funds with a dedicated emerging markets focus contributed approximately \$95.7 million, or 15.9 basis points, to those funds for the one-year period ending June 30, 2020.

We engage in securities lending in the local markets of countries that meet our requirements as well as in the US for American Depositary Receipts (ADRs) that provide exposure to emerging markets companies. Lending in multiple markets requires robust

Key Learning Takeouts

- Emerging Markets provides enhanced diversification benefits
- Implementation and flexibility are key within this market
- A systematic approach can ensure consistent targeting of premiums
- Beware of benchmark variations

Next Steps:

Reach out to your Dimensional representative to explore further

Appendix

Top 10 Holdings vs Index

As at 30 June 2025

	MSCI Emerging Markets Index	Dimensional Emerging Markets Value Trust	Dimensional Emerging Markets Sustainability Trust	Fidelity Global Emerging Markets Active ETF	Vanguard FTSE Emerging Markets Shares ETF
Taiwan Semiconductor Manufacturing Co Ltd	10.19%	0.00%	5.20%	9.03%	9.63%
Tencent Holdings Ltd	4.71%	0.00%	3.22%	3.06%	4.32%
Alibaba Group Holding Ltd	2.74%	3.41%	1.56%	0.00%	2.74%
Samsung Electronics Co Ltd	2.73%	2.61%	1.78%	0.00%	0.00%
HDFC Bank Ltd	1.51%	1.55%	0.00%	5.36%	1.43%
Xiaomi Corp	1.49%	0.00%	0.86%	0.00%	1.44%
SK Hynix Inc	1.35%	0.00%	0.00%	0.00%	0.00%
Reliance Industries Ltd	1.21%	2.79%	0.00%	0.00%	1.29%
China Construction Bank Corp	1.11%	2.23%	0.00%	0.00%	1.06%
ICICI Bank Ltd	1.01%	0.00%	0.76%	3.84%	0.97%
Total	28.06%	12.59%	13.38%	21.29%	22.89%

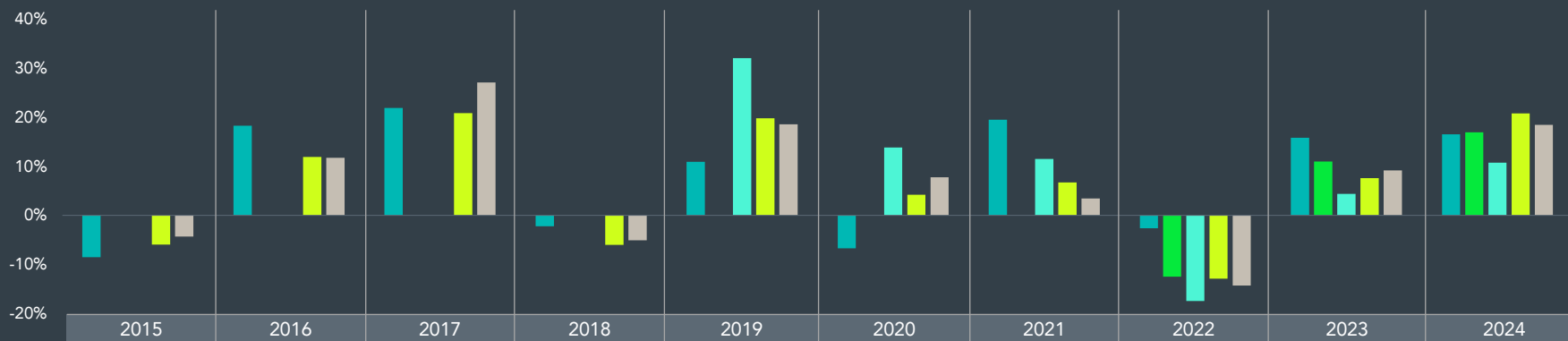
These holdings are as at the date shown and are subject to change. Investors should consider the current PDS in deciding whether to invest in the trusts or to continue to hold their investments in the trusts. A copy of the most current PDS is available at dimensional.com/funds. Numbers may not total 100% due to rounding. Real Estate Investment Trusts (REITs) are shown as a separate category to illustrate their exclusion from certain funds. REITs are classified according to GICS Industry code. GICS was developed by and is the exclusive property of MSCI and S&P Dow Jones Indices. Source: Dimensional. MSCI data © MSCI 2025, all rights reserved.

Returns

As of 30 June 2025

	3 Months	1 Year	3 Years	5 Years	10 Years
Dimensional Emerging Markets Value Trust	4.99%	13.12%	13.91%	14.26%	7.64%
Dimensional Emerging Markets Sustainability Trust	7.95%	17.49%	11.76%		
Fidelity Global Emerging Markets Active ETF	4.41%	13.92%	5.97%	6.49%	
Vanguard FTSE Emerging Markets Shares ETF	4.06%	17.76%	10.29%	7.93%	5.73%
MSCI Emerging Markets Index	6.49%	17.49%	11.48%	7.87%	6.50%

CALENDAR YEAR RETURNS (%)



Returns in AUD. Returns less than 1 year are not annualized.

Past performance, including hypothetical performance, is no guarantee of future results. Actual investment returns may be lower. MSCI data © MSCI 2025, all rights reserved. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.

Appendix: Morningstar Categories

Dimensional Wholesale Trust	Morningstar Category
Australian Core Equity Trust	Australia Fund Equity Australia Large Value
Australian Core Imputation Trust	Australia Fund Equity Australia Large Blend
Australian Large Company Trust	Australia Fund Equity Australia Large Blend
Australian Small Company Trust	Australia Fund Equity Australia Mid/Small Blend
Australian Sustainability Trust	Australia Fund Equity Australia Large Blend
Australian Value Trust	Australia Fund Equity Australia Large Value
Global Core Equity Trust AUD Hedged Class	Australia Fund Equity World - Currency Hedged
Global Core Equity Trust NZD Hedged Class	Australia Fund Miscellaneous NZD
Global Core Equity Trust Unhedged Class	Australia Fund Equity World Large Blend
Global Large Company Trust	Australia Fund Equity World Large Blend
Global Small Company Trust	Australia Fund Equity World Mid/Small
Global Sustainability Trust AUD Hedged Class	Australia Fund Equity World - Currency Hedged
Global Sustainability Trust NZD Hedged Class	Australia Fund Miscellaneous NZD
Global Sustainability Trust Unhedged Class	Australia Fund Equity World Large Blend
Global Value Trust	Australia Fund Equity World Large Value
Emerging Markets Sustainability Trust	Australia Fund Equity Emerging Markets
Emerging Markets Value Trust	Australia Fund Equity Emerging Markets
Five-Year Diversified Fixed Int. Trust AUD Class	Australia Fund Bonds - Global
Five-Year Diversified Fixed Int. Trust NZD Class	Australia Fund Miscellaneous NZD
Global Bond Sustainability Trust AUD Class	Australia Fund Bonds - Global
Global Bond Sustainability Trust NZD Class	Australia Fund Miscellaneous NZD
Global Bond Trust AUD Class	Australia Fund Bonds - Global
Global Bond Trust NZD Class	Australia Fund Miscellaneous NZD
Short Term Fixed Interest Trust	Australia Fund Australian Short Term Fixed Interest
Two-Year Sustainability Fixed Int. Trust AUD Class	Australia Fund Bonds - Global
Two-Year Sustainability Fixed Int. Trust NZD Class	Australia Fund Bonds - Global
Global Real Estate Trust NZD Hedged Class	Australia Fund Miscellaneous NZD
Global Real Estate Trust Unhedged Class	Australia Fund Equity Global Real Estate
World Allocation 30/70 Trust	Australia Fund Multisector Moderate
World Allocation 50/50 Trust	Australia Fund Multisector Balanced
World Allocation 70/30 Trust	Australia Fund Multisector Growth
Sustainability World Allocation 70/30 Trust	Australia Fund Multisector Growth
World Equity Trust	Australia Fund Multisector Aggressive

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 Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission.

Appendix: Comparison Explanation

Fidelity Global Emerging Markets Active ETF is chosen as a comparison to Dimensional Emerging Markets Value Trust based on similarity in intended market and asset class exposure. Both these funds are often used by investors to gain exposure to a portfolio of emerging market stocks.

There may be material differences between the funds being compared, including how the size, value, and profitability characteristics are defined. Additionally, differences in investment strategy, including fund construction and implementation, may contribute to differences in characteristics, exposure across market segments, and performance between the funds compared.

Please refer to the relevant PDS for further information about the relevant product.

Appendix: Comparison Explanation

Vanguard FTSE Emerging Markets Shares ETF is chosen as a comparison to Dimensional Emerging Markets Value Trust based on similarity in intended market and asset class exposure. Both these funds are often used by investors to gain exposure to a portfolio of emerging market stocks.

There may be material differences between the funds being compared, including how the size, value, and profitability characteristics are defined. Additionally, differences in investment strategy, including fund construction and implementation, may contribute to differences in characteristics, exposure across market segments, and performance between the funds compared.

Please refer to the relevant PDS for further information about the relevant product.

Appendix: Comparison Explanation

Platinum Asia Fund is chosen as a comparison to Dimensional Emerging Markets Value Trust based on similarity in intended market and asset class exposure. Both these funds are often used by investors to gain exposure to a portfolio of emerging market stocks, with a focus on value.

There may be material differences between the funds being compared, including how the size, value, and profitability characteristics are defined. Additionally, differences in investment strategy, including fund construction and implementation, may contribute to differences in characteristics, exposure across market segments, and performance between the funds compared.

Please refer to the relevant PDS for further information about the relevant product.

Eligible Universe Information



Source: Dimensional, using CRSP and Bloomberg. Data is as of December 31, 2024. Country eligibility determined by Dimensional for developed and emerging markets, and by MSCI classification for frontier markets. Market cap data is free-float adjusted and meets minimum liquidity and listing requirements. Minimum liquidity is \$50K median daily volume in the current month, and minimum total market capitalization is \$10MM for the US and \$50MM elsewhere. Includes equity and REIT securities. China A-Shares only includes those trading on Hong Kong Stock Connect, at a 25% inclusion factor. Totals may not equal 100% due to rounding. For educational purposes; should not be used as investment advice.

Dimensional's Eligible Emerging Markets Universe: The countries included in Dimensional's emerging markets universe are as follows: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey, UAE.

Dimensional's Eligible Global Markets Universe: The countries included in Dimensional's global universe are as follows: Australia, Austria, Bahrain, Bangladesh, Belgium, Brazil, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Ivory Coast, Japan, Jordan, Kazakhstan, Korea, Kenya, Kuwait, Lebanon, Lithuania, Malaysia, Mauritius, Mexico, Morocco, Netherlands, New Zealand, Nigeria, Norway, Oman, Peru, Philippines, Poland, Portugal, Qatar, Romania, Saudi Arabia, Senegal, Serbia, Singapore, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, Thailand, Tunisia, Turkey, UAE, UK, US, Vietnam.

The Fund Landscape Appendix

Data Sample

The sample includes US-domiciled, USD-denominated open-end and exchange-traded funds (ETFs) in the following Morningstar categories. Non-Dimensional fund data provided by Morningstar. Dimensional fund data is provided by the fund accountant. Dimensional funds or subadvised funds whose access is or previously was limited to certain investors are excluded. Index funds, load-waived funds, and funds of funds are excluded from the industry sample.

Methodology

The beginning samples include funds as of the start of the 10-, 15-, and 20-year periods. Surviving funds are those with return observations for every month of the sample period. Each fund is evaluated relative to its primary prospectus benchmark. Where the full series of primary prospectus benchmark returns is unavailable, non-Dimensional funds are instead evaluated relative to their Morningstar category index. Outperformers are funds that survived the sample period and whose cumulative net return over the period exceeded that of their respective benchmark. We aggregate funds with multiple share classes to the strategy level.

Morningstar Categories (Equity)

Equity fund sample includes the following Morningstar historical categories: Diversified Emerging Markets, Europe Stock, Foreign Large Blend, Foreign Large Growth, Foreign Large Value, Foreign Small/Mid Blend, Foreign Small/Mid Growth, Foreign Small/Mid Value, Global Real Estate, Japan Stock, Large Blend, Large Growth, Large Value, Mid-Cap Blend, Mid-Cap Growth, Mid-Cap Value, Miscellaneous Region, Pacific/Asia ex-Japan Stock, Real Estate, Small Blend, Small Growth, Small Value, Global Large-Stock Blend, Global Large-Stock Growth, Global Large-Stock Value, and Global Small/Mid Stock.

Morningstar Categories (Fixed Income)

Fixed income fund sample includes the following Morningstar historical categories: Corporate Bond, High-Yield Bond, Inflation-Protected Bond, Intermediate Core Bond, Intermediate Core-Plus Bond, Intermediate Government, Long Government, Muni California Intermediate, Muni California Long, Muni Massachusetts, Muni Minnesota, Muni National Intermediate, Muni National Long, Muni National Short, Muni New Jersey, Muni New York Intermediate, Muni New York Long, Muni Ohio, Muni Pennsylvania, Muni Single State Intermediate, Muni Single State Long, Muni Single State Short, Muni Target Maturity, Short Government, Short-Term Bond, Ultrashort Bond, Global Bond, and Global Bond-USD Hedged.

Index Data Sources

Index data provided by Bloomberg, MSCI, Russell, FTSE Fixed Income LLC, and S&P Dow Jones Indices LLC. Bloomberg data provided by Bloomberg. MSCI data © MSCI 2025, all rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. FTSE fixed income indices © 2025 FTSE Fixed Income LLC. All rights reserved. S&P data © 2025 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

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RISKS

Investments involve risks. The investment return and principal value of an investment may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original value. Diversification neither assures a profit nor guarantees against a loss in a declining market. Past performance is not a guarantee of future results. There is no guarantee strategies will be successful.

Index Descriptions



Dimensional US Small Cap Index was created by Dimensional in March 2007 and is compiled by Dimensional. It represents a market-capitalization-weighted index of securities of the smallest US companies whose market capitalization falls in the lowest 8% of the total market capitalization of the eligible market. The eligible market is composed of securities of US companies traded on the NYSE, NYSE MKT (formerly AMEX), and Nasdaq Global Market. Exclusions: non-US companies, REITs, UITs, and investment companies. From January 1975 to the present, the index excludes companies with the lowest profitability and highest relative price within the small cap universe. The index also excludes those companies with the highest asset growth within the small cap universe. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. Asset growth is defined as change in total assets from the prior fiscal year to current fiscal year. Source: CRSP and Compustat. The index monthly returns are computed as the simple average of the monthly returns of 12 subindices, each one reconstituted once a year at the end of a different month of the year. The calculation methodology for the Dimensional US Small Cap Index was amended on January 1, 2014, to include profitability as a factor in selecting securities for inclusion in the index.

Dimensional International Small Cap Index was created by Dimensional in April 2008 and is compiled by Dimensional. July 1981–December 1993: It includes non-US developed securities in the bottom 10% of market capitalization in each eligible country. All securities are market capitalization weighted. Each country is capped at 50%. Rebalanced semiannually. January 1994–present: Market-capitalization-weighted index of small company securities in the eligible markets, excluding those with the lowest profitability and highest relative price within their country's small cap universe. The index also excludes those companies with the highest asset growth within their country's small cap universe. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. Asset growth is defined as change in total assets from the prior fiscal year to current fiscal year. The index monthly returns are computed as the simple average of the monthly returns of four subindices, each one reconstituted once a year at the end of a different quarter of the year. Prior to July 1981, the index is 50% UK and 50% Japan. The calculation methodology for the Dimensional International Small Cap Index was amended on January 1, 2014, to include profitability as a factor in selecting securities for inclusion in the index.

Dimensional International Market Index is compiled by Dimensional from Bloomberg data. Market capitalization-weighted index of all securities in the eligible markets. The index monthly returns are computed as the simple average of the monthly returns of four sub-indices, each one reconstituted once a year at the end of each quarter of the year. Maximum index weight of any one company is capped at 5%. Countries currently included are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and United Kingdom. Exclusions: REITs and Investment Companies. The index has been retrospectively calculated by Dimensional Fund Advisors and did not exist prior to April 2008.

Dimensional Emerging Markets Small Index was created by Dimensional in April 2008 and is compiled by Dimensional. January 1989–December 1993: Fama/French Emerging Markets Small Cap Index. January 1994–present: Dimensional Emerging Markets Small Cap Index composition: Market-capitalization-weighted index of small company securities in the eligible markets, excluding those with the lowest profitability and highest relative price within their country's small cap universe. The index also excludes those companies with the highest asset growth within their country's small cap universe. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. Asset growth is defined as change in total assets from the prior fiscal year to current fiscal year. The index monthly returns are computed as the simple average of the monthly returns of four subindices, each one reconstituted once a year at the end of a different quarter of the year. Source: Bloomberg. The calculation methodology for the Dimensional Emerging Markets Small Cap Index was amended on January 1, 2014, to include profitability as a factor in selecting securities for inclusion in the index.

The Dimensional Indices have been retrospectively calculated by Dimensional Fund Advisors LP and did not exist prior to their index inception dates. Accordingly, results shown during the periods prior to each index's index inception date do not represent actual returns of the 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.

Index Descriptions



Dimensional Australia Small Cap Index was created by Dimensional in April 2008 and is compiled by Dimensional. January 1974–December 1981: Market-capitalisation-weighted index of Australian small company securities. January 1982–present: Market-capitalisation-weighted index of Australian small company securities excluding those with the lowest profitability and highest relative price within the small cap universe. Profitability is measured as operating income before depreciation and amortisation minus interest expense scaled by book. Exclusions: REITs and Investment Companies. The index monthly returns are computed as the simple average of the monthly returns of four sub-indices, each one reconstituted once a year at the end of a different quarter of the year. The calculation for the Dimensional Australian Small Cap Index was amended in January 2014. Source: Bloomberg, ARC and CRIF.

The Dimensional Indices have been retrospectively calculated by Dimensional Fund Advisors LP and did not exist prior to their index inception dates. Accordingly, results shown during the periods prior to each Index's index inception date do not represent actual returns of the 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

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.

Fama/French Emerging Markets Small Cap Index: July 1989–present: Fama/French Emerging Markets Small Cap Index. Courtesy of Fama/French from Bloomberg and IFC securities data. Includes stocks in the bottom 10% of aggregate market cap in each country; companies weighted by float-adjusted market cap; rebalanced annually in June. Countries currently included are Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey, and United Arab Emirates. 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



Dimensional US Small Cap Index was created by Dimensional in March 2007 and is compiled by Dimensional. January 1975–present: Market-capitalization-weighted index of securities of the smallest US companies whose market capitalization falls in the lowest 8% of the total market capitalization of the Eligible Market. The Eligible Market is composed of securities of US companies traded on the NYSE, NYSE MKT (formerly AMEX), and Nasdaq Global Market. Exclusions: Non-US companies, REITs, UITs, and Investment Companies and companies with the lowest profitability and highest relative price within the small cap universe. The index also excludes those companies with the highest asset growth within the small cap universe. Source: CRSP and Compustat. The index monthly returns are computed as the simple average of the monthly returns of 12 sub-indices, each one reconstituted once a year at the end of each month of the year. The calculation methodology for the Dimensional US Small Cap Index was amended in January 2014 to include profitability as a factor in selecting securities for inclusion in the index. The calculation methodology for the Dimensional US Small Cap Index was amended in December 2019 to include asset growth as a factor in selecting securities for inclusion in the index. June 1927–December 1974: Market-capitalization-weighted index of securities of the smallest US companies whose market capitalization falls in the lowest 8% of the total market capitalization of the Eligible Market. The Eligible Market is composed of securities of US companies traded on the NYSE, NYSE MKT (formerly AMEX), and Nasdaq Global Market. Exclusions: Non-US companies, REITs, UITs, and Investment Companies. Source: CRSP and Compustat.

Dimensional International Small Cap Index was created by Dimensional in April 2008 and is compiled by Dimensional. January 1990–present: Market-capitalization-weighted index of small company securities in the eligible markets, excluding those with the lowest profitability and highest relative price within their country's small cap universe. The index also excludes those companies with the highest asset growth within their country's small cap universe. The index monthly returns are computed as the simple average of the monthly returns of four sub-indices, each one reconstituted once a year at the end of each quarter of the year. Maximum index weight of any one company is capped at 5%. Countries currently included are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain,

Sweden, Switzerland, and United Kingdom. Exclusions: REITs and Investment Companies. Source: Bloomberg. The calculation methodology for the Dimensional International Small Cap Index was amended in January 2014 to include profitability as a factor in selecting securities for inclusion in the index. The calculation methodology for the Dimensional International Small Cap Index was amended in November 2019 to include asset growth as a factor in selecting securities for inclusion in the index. July 1981–December 1989: Created by Dimensional. Includes securities of MSCI EAFE countries in the bottom 10% of market capitalization, excluding the bottom 1%. All securities are market capitalization weighted. Each country is capped at 50%. Rebalanced semiannually. January 1970–June 1981: 50% Hoare Govett Small Companies Index (hgsmall.ind), 50% Nomura Small Companies Index (nomura.ind).

Dimensional Emerging Markets Small Index was created by Dimensional in April 2008 and is compiled by Dimensional. January 1990–present: Market-capitalization-weighted index of small company securities in the eligible markets, excluding those with the lowest profitability and highest relative price within their country's small cap universe. The index also excludes those companies with the highest asset growth within their country's small cap universe. The index monthly returns are computed as the simple average of the monthly returns of four sub-indices, each one reconstituted once a year at the end of each quarter of the year. Maximum index weight of any one company is capped at 5%. Countries currently included are Brazil, Chile, China, Colombia, Czech Republic, Hungary, India, Indonesia, Malaysia, Mexico, Peru, Philippines, Poland, South Africa, South Korea, Taiwan, Thailand, and Turkey. Exclusions: REITs and Investment Companies. Source: Bloomberg. The calculation methodology for the Dimensional Emerging Markets Small Index was amended in January 2014 to include profitability as a factor in selecting securities for inclusion in the index. The calculation methodology for the Dimensional Emerging Markets Small Index was amended in November 2019 to include asset growth as a factor in selecting securities for inclusion in the index. January 1989–December 1989: Fama/French Emerging Markets Small Cap Index.

The Dimensional Indices have been retrospectively calculated by Dimensional Fund Advisors LP and did not exist prior to their index inception dates. Accordingly, results shown during the periods prior to each index's index inception date do not represent actual returns of the 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. The Indices reflected above are not "financial indices" for the purpose of the EU Markets in Financial Instruments Directive (MiFID). Rather, they represent academic concepts that may be relevant or informative about portfolio construction and are not available for direct investment or for use as a benchmark. Profitability is defined as operating income before depreciation and amortization minus interest expense divided by book equity. Asset growth is defined as change in total assets from the prior fiscal year to current fiscal year.

Index Descriptions



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 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 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 Emerging Markets High Profitability Index: Courtesy of Fama/French from Bloomberg and IFC securities data. Includes stocks in the upper 30% operating profitability (OP) 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, selling, general and administrative expenses divided by book equity for the last fiscal year end in t-1.

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 (OP) 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, selling, general and administrative expenses divided by book equity for the last fiscal year end in t-1.

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.

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Index Descriptions



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

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 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: Courtesy of Fama/French from CRSP and Compustat securities data. Includes all stocks in the upper 30% operating profitability (OP) 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 US Low Profitability Index: Courtesy of Fama/French from CRSP and Compustat securities data. Includes all stocks in the lower 30% operating profitability (OP) 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 International Market Index: Source: Ken French website. Simulated from MSCI and Bloomberg data.

Fama/French International Value Index: Consists of companies whose relative price is in the bottom 30% for the region. The index is reconstituted once a year at the end of December. Source: Ken French website. Simulated from MSCI and Bloomberg data.

Fama/French International Growth Index: Consists of companies whose relative price is in the top 30% for the region. The index is reconstituted once a year at the end of December. Source: Ken French website. Simulated from MSCI and Bloomberg data.

Fama/French International High Profitability Index: Courtesy of Fama/French from Bloomberg securities data. Includes stocks in the upper 30% operating profitability (OP) 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 International Low Profitability Index: Courtesy of Fama/French from Bloomberg securities data. Includes stocks in the lower 30% operating profitability (OP) 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.

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