Dimensional

DIMENSIONAL FUND ADVISORS | DC SERVICES

Bringing the Science of Investing to Defined Contribution Plans

UNITED STATES UK/EUROPE CANADA ASIA PACIFIC

A distinctive investment process.

Based on pioneering research that has evolved and been tested for more than twenty-five years, Dimensional believes that the prices of securities in free, public markets are almost always fairly valued because they continuously reflect all information available to investors. As a result, we don't try to time the market or take advantage of pricing "mistakes." Instead, we identify risks that are compensated with higher expected returns, and then we systematically target those risks with the goal of providing above-market returns to our clients over the long term.

Dimensional's distinctive investment process means that we are not an active manager, attempting to pick individual winners. But neither are we a purely passive manager, seeking to track an arbitrary benchmark. We give our portfolio managers and traders a great deal of flexibility to capture above-market returns and execute transactions at the lowest possible cost.

The dimensions of risk.

Financial science has brought us a powerful understanding of the risks that are worth taking and the risks that are not. Dimensional Fund Advisors uses this science to structure its strategies.

Key among the research that guides Dimensional's investment strategies is the three-factor asset pricing model, which explains the average returns on stocks. The model, developed by Eugene Fama of the University of Chicago and Kenneth French of Dartmouth College, both members of Dimensional's board of directors, says that the expected return of a broadly diversified stock portfolio in excess of a risk-free rate of return is a function of that portfolio's exposure to three common factors: a market factor, a size factor, and a relative price (or value) factor.

Structuring a portfolio around these compensated risk factors eliminates the need to make predictions about securities or markets. Rather than analyzing individual securities or striving to replicate arbitrary benchmarks, investing becomes a matter of deciding how much to hold in stocks versus bonds, and how tilted a portfolio should be toward small, large, value, or growth stock holdings.

THREE DIMENSIONS OF STOCK RETURNS

Equity Market

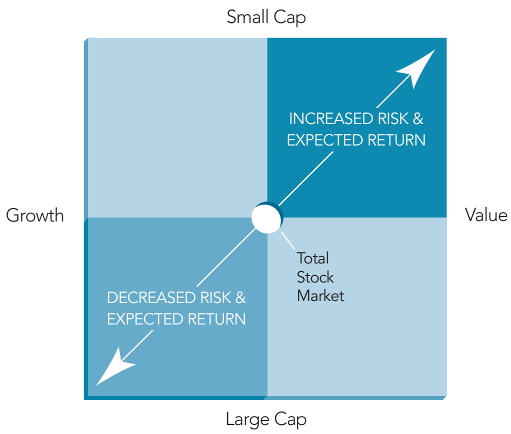
Measured by: Complete value-weighted universe of stocks.
Compensated risk: Stocks have higher expected returns and risk than fixed income.

Company Size

Measured by: Market capitalization.
Compensated risk: Small company stocks have higher expected returns and risk than large company stocks.

Company Price

Measured by: Ratio of company book value to market equity.
Compensated risk: Lower-priced "value" stocks have higher expected returns and risk than higher-priced "growth" stocks.

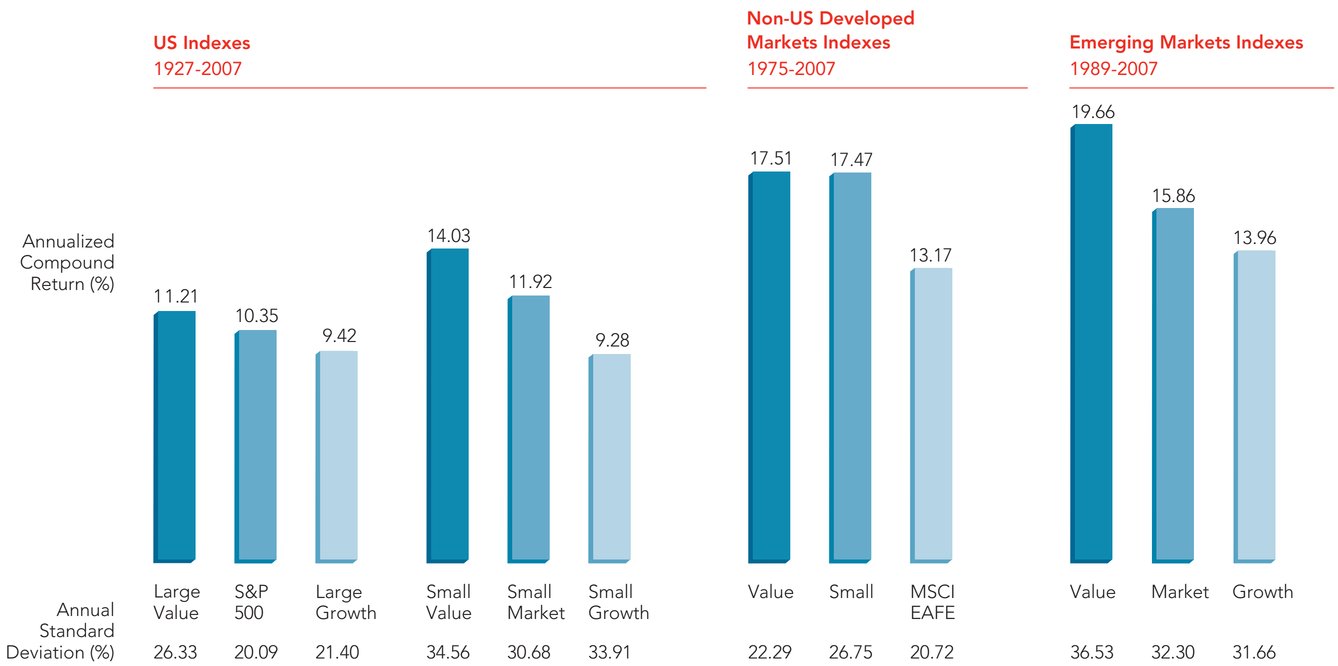


Extensive **defined contribution** expertise.

Dimensional Fund Advisors was founded over a quarter of a century ago to provide institutional investors access to small company stocks. At the time, this asset class was underrepresented in most institutional portfolios.

Today, the firm offers a wide array of investment strategies appropriate for the long-term investment horizons of defined contribution plans. Dimensional manages assets for defined contribution plans of all sizes, including some of the most prominent corporate defined contribution plans in the country.

Our solutions include asset class funds, core portfolios, target risk strategies, and share classes available exclusively to employer-sponsored plans. Our dedicated defined contribution team works with plan sponsors and their intermediaries to develop and deliver investments that meet plans' needs.



Size and Value Matter
Small cap and value effects are strong around the world. Smaller and lower-priced value stocks have higher risk and greater expected returns than larger and higher-priced growth stocks.

In US dollars. Developed markets value and growth index data provided by Fama/French. The S&P data are provided by Standard & Poor's Index Services Group. US Small Cap Index provided by the Center for Research in Security Prices (CRSP), University of Chicago. International Small Cap index data: January 1970–June 1981, 50% UK small cap stocks provided by the London Business School and 50% Japan small cap stocks provided by Nomura Securities; July 1981–present: simulated by Dimensional from StyleResearch securities data; includes securities of MSCI EAFE Index countries, market-capitalization weighted, each country capped at 50%. MSCI data copyright MSCI 2008, all rights reserved. Emerging markets index data simulated by Fama/French from countries in the IFC Investable Universe; simulations are free-float weighted both within each country and across all countries.

Indexes are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. Compound returns have an assumed rate of return, are hypothetical, and are not representative of any specific type of investment. Standard deviation is one method of measuring risk and performance and is presented as an approximation. Past performance is not a guarantee of future results.

The Dimensional Difference

Dimensional's scientific investment approach offers a number of important benefits for plan sponsors and participants.

Broadly diversified portfolios. Each of our funds holds several hundred to several thousand securities, reducing issue-specific and industry biases (and the risks that come with them) and helping us in our goal to consistently deliver asset class returns.

Focus on performance. Our structured approach allows us to focus on our objective of adding value over each fund's benchmark index, after fees.

Long-term time horizon. Our strategies are designed for long-term asset allocation investing, which is consistent with the needs of defined contribution plan participants.

Minimal style drift. We carefully adhere to fund mandates to ensure that we deliver the investment style that plan participants choose when they make a fund selection.

Low fees. Low management fees and state-of-the-art trading techniques keep our costs low, so that we can offer institutionally priced portfolios.

Institutional advantage. Plan participants have access to funds not available in typical retail channels.

FOCUSED ON CLIENT SERVICE

We understand that the service we provide our clients and their consultants is a very important component of our overall offering. As a result, we continually seek to stay a few steps ahead of the ever-changing needs of DC plan sponsors.

We provide our clients and the industry with a wide range of research reports and white papers. Some of this research is proprietary work generated from our in-house research team. Other reports are commissioned from financial economists at some of the world's most respected universities. We also invite our clients to regular luncheons and seminars where leading thinkers discuss issues that institutional investors are facing today.

In addition, we publish a quarterly newsletter, *DC Focus,* exclusively for DC plan sponsors. This publication addresses current industry topics and provides information and ideas for plan sponsors to use in evaluating their existing strategies and envisioning new approaches.

EFFECTIVE RISK MANAGEMENT

Successful investing is a product not only of capturing risks that generate higher expected returns but also of reducing or eliminating unnecessary risks. Avoidable risks include:

- Holding too few securities.
- Heavy allocations to one country, industry, or stock.
- Following market predictions.
- Speculating on market information.

Dimensional carefully structures its strategies to avoid unproductive risks and to focus on risks that provide relatively high compensation over the long term.

Dimensional's investment process integrates three ongoing activities. The continuous interaction among these three activities enables us to provide our clients the potential for above-market performance relative to peers and benchmarks.

PORTFOLIO ENGINEERING

Dimensional's portfolio engineering process is rooted in time-tested financial science. We developed and refined our process in the most difficult part of the market to research—small cap and value stocks. Over the years, we have applied rigorous academic research to many other asset classes. Using financial modeling tools, our investment strategies provide broadly diversified, yet highly focused, exposure to asset class returns in US, international developed, and emerging markets.

Dimensional defines equity asset classes based on a security's market capitalization and book-to-market ratio. We then actively apply our own eligibility rules. The resulting portfolios are well positioned to reliably and consistently deliver asset class returns.

PORTFOLIO MANAGEMENT

Dimensional gives portfolio managers a great deal of flexibility with which to pursue opportunities to add value to a fund's return. Unlike index funds that precisely mirror commercial benchmarks, we enable portfolio managers to treat stocks that have similar characteristics and belong to the same asset class as substitutes for one another. This substitution process enables portfolio managers to place orders for trades opportunistically.

By accepting some tracking error with respect to a target portfolio, we give portfolio managers flexibility in other important ways as well. For instance, portfolio managers can use cash inflows or outflows to rebalance portfolios closer to their target weights. Before buying or selling a security, portfolio managers can screen for momentum. They can also better respond to exchange rate fluctuations for international strategies. Management decisions about rebalancing also factor in transaction costs.

TRADING

Because they aren't forced to replicate an index in a mechanical fashion, traders are able to trade patiently, waiting to buy and sell securities at opportune times. Their ability to substitute securities within asset classes also puts them in a powerful negotiating position for any trade they are considering. This flexibility permits traders to reduce transaction costs caused by counterproductive trading, reduce overall turnover, and seize opportunities to increase returns.

Dimensional has four state-of-the-art trading desks worldwide. We buy or sell more than 12,000 equity securities each year. This trading breadth provides negotiating strength that benefits clients.

WHY WE USE BOOK-TO-MARKET TO IDENTIFY VALUE STOCKS

Book-to-Market Ratio

BtM is the ratio of a firm's book value of equity to its market value of equity. Book value is determined by the firm's accountants using historical cost information. Market value is determined by buyers and sellers of the stock using current information.

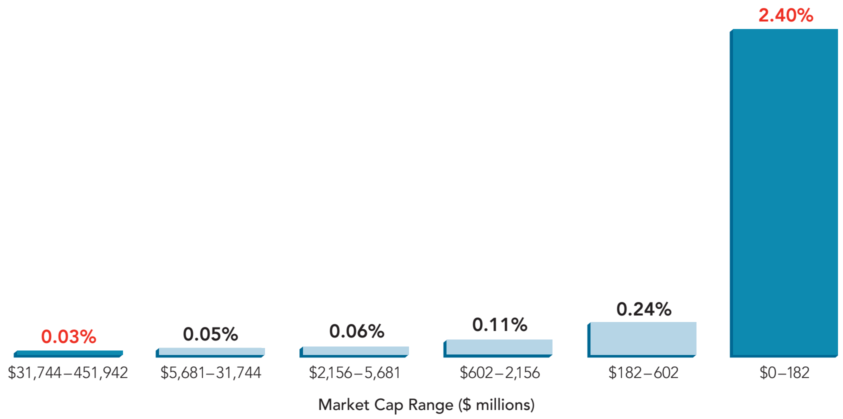
A portfolio's overall BtM ratio is a simple way to identify value stocks. In general, stocks with high BtM ratios are value-type companies. Growth companies typically have low BtM ratios.

BtM rankings tend to be more stable over time than rankings based on earnings, cash flow, or sales. As a result, the use of BtM as a value indicator reduces the turnover triggered by stocks moving in and out of the portfolio's buy range.

PROVIDING LIQUIDITY PAYS

Because of the volume of stocks we hold and the number of transactions we make, Dimensional is a major provider of liquidity to the marketplace, particularly in small cap stocks. The spread between bid price and ask price in the smallest stocks allows substantial trade price negotiation. Eager buyers are willing to pay us a premium to provide immediate liquidity. We also can earn trade premiums from eager sellers such as active or index managers needing to sell quickly. In both cases, the premiums directly add value to portfolio returns.

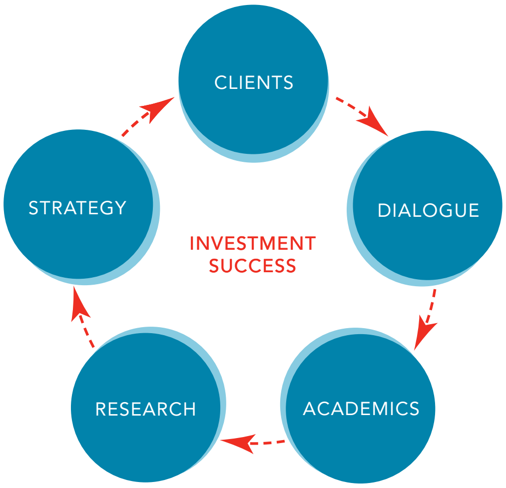
US Bid/Ask Spread
As of April 30, 2007



Source: Dimensional Fund Advisors.

Continuous innovation.

We work with some of the world's most innovative and respected economists to develop and test new strategies for our portfolios. These collaborations have enabled Dimensional to stay at the leading edge of financial science and have helped us to keep up with our clients' evolving investment needs.



FINANCIAL DESIGN THROUGH A SCIENTIFIC PROCESS

A continuous feedback loop makes it possible for Dimensional to pioneer innovative solutions using research-driven ideas. This process benefits Dimensional's clients.

- Leading financial economists in the field of asset pricing find new sources of risk and return in advance of the industry.
- Dimensional engineers products and brings client feedback to the academics for further research and enhancements.
- Academic research becomes more relevant to practical investing, and practical investing is backed by solid theory and economic knowledge.

ASSET CLASS STRATEGIES

Dimensional offers strategies across a wide range of asset classes. The strategies are especially well suited for retirement plans because they are broadly diversified, carry low fees, and consistently follow a long-term investment orientation.

LIFESTYLE STRATEGIES

CONSERVATIVE
Global 25/75

MODERATE
Global 60/40

AGGRESSIVE
Global Equity

CORE STRATEGIES

US EQUITY
- US Core Equity 1
- US Core Equity 2
- US Social Core Equity 2
- US Sustainability Core 1
- US Vector Equity

NON-US EQUITY
- International Core Equity
- International Sustainability Core 1
- Emerging Markets Core Equity
- Emerging Markets Social Core Equity

ASSET CLASS STRATEGIES

US EQUITY
- Large Cap Value
- Large Company (S&P 500 Index)
- Enhanced Large Company
- Targeted Value (small cap value)
- Small Cap

NON-US EQUITY
- International Value
- Large Cap International
- International Small Cap Value
- International Small Company
- Emerging Markets Value
- Emerging Markets (large cap)
- Emerging Markets Small Cap

REAL ESTATE
- Real Estate Securities (US)
- International Real Estate Securities
- Global Real Estate Securities

FIXED INCOME
- One-Year
- Two-Year Global
- Five-Year Government
- Five-Year Global
- Intermediate Government
- Inflation-Protected Securities
- Selectively Hedged Global

Plan sponsors can select among these individual strategies to complement existing investment options. Dimensional also works with consultants and plan sponsors to construct customized investment menus, including target date solutions, for individual plans.

Small Cap Factor

1981

Dimensional pioneers the industry's first passively managed small cap fund.

Small Cap Strategies:
US Micro Cap
US Small Cap
International Small Cap
Emerging Markets Small Cap

Fixed Income

1983

Dimensional focuses on quality to deliver fixed income that reduces risk.

Fixed Income Strategies:
One-Year
Two-Year Global
Five-Year Government
Five-Year Global
Intermediate Government
Short-Term Municipal
Selectively Hedged Global

Value Factor

1992

Dimensional's multifactor approach expands flexibility across stock market dimensions.

Value Strategies:
US Small Cap Value
US Targeted Value
US Large Cap Value
International Small Cap Value
International Value
Emerging Markets Value

Tax Management

1999

Dimensional engineers portfolios tailored to client goals and tax costs.

Tax-Managed Strategies:
US Small Cap
US Targeted Value
US Equity
US Marketwide Value
International Value

Applied Core Equity

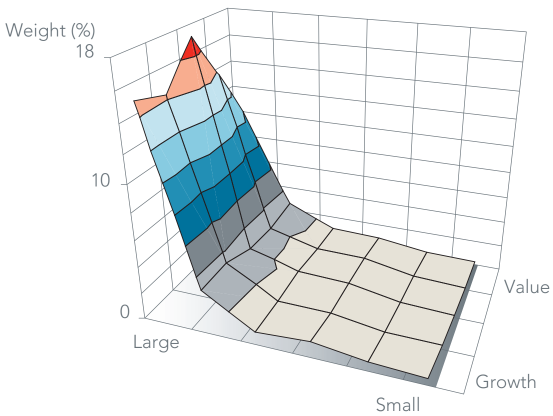
The result of decades of experience, integrated portfolios deliver broad diversification and low-friction factor exposures—the synthesis of Dimensional's investment philosophy.

Applied Core Equity Strategies:
US Core Equity
US Social Core Equity
US Sustainability Core Equity
International Core Equity
International Sustainability Core Equity
Emerging Markets Core Equity
Emerging Markets Social Core Equity

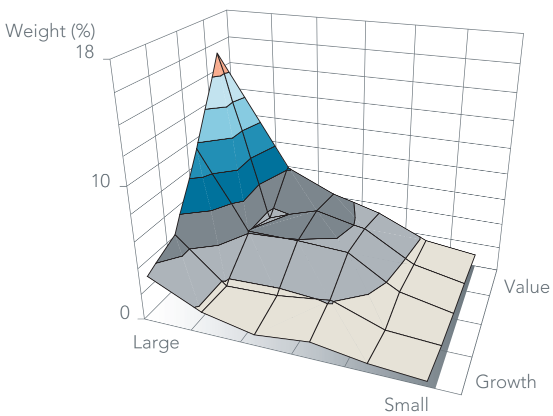
Integration across the Market

Surface maps of the equity weights in the total US stock market and Dimensional's US Core Equity strategy give a sense of the breadth and complexity of the core structure. Each applied core strategy covers most stocks in the market, with increased weighting in small cap and value regions.

Total US Stock Market



US Core Equity Strategy



CORE EQUITY STRATEGIES

Dimensional's core equity strategies represent a natural evolution of our experience in building multifactor strategies. These strategies seek to buy the total market (as defined by US, international developed, or emerging markets) in proportions that provide higher exposure to the risk premiums associated with size and value. For example, the total US market is defined as the aggregate capitalization of the NYSE, AMEX, and NASDAQ Global Market System companies.

Each of the US core strategies applies a different degree of exposure to small cap and value factors. The US Core Equity 1 Portfolio provides a moderate exposure to small cap and value. The US Core Equity 2 Portfolio provides a stronger exposure. The US Vector Equity Portfolio is even more aggressive in terms of small cap and value exposures.

Owning a core portfolio reduces reliance on numerous individual asset class strategies and provides targeted factor exposure that can result in lower overall operating expenses and rebalancing costs. A smoother and broader exposure also reduces trading and market impact costs caused by style drift or the reconstitution of indexes. Because the core equity architecture is seamlessly integrated across the full range of securities, the turnover and transaction costs normally associated with maintaining multiple components are also reduced.

About Dimensional Fund Advisors

Dimensional Fund Advisors is a global institutional asset management firm owned primarily by employees and directors. Its broadly diversified strategies are engineered and managed to precisely target dimensions of risk and capture their expected returns.

The firm pioneered its investment approach in 1981 with early research into the relatively strong performance of small cap stocks. Through its dynamic partnerships with leading financial economists, the firm has expanded its offerings over the years to include a broad range of equity and fixed income funds.

As of December 31, 2007, Dimensional had $152 billion in assets under management, more than half of which were invested in international markets. The firm has offices in Santa Monica, Austin, Chicago, London, Sydney, and Vancouver.

DC Services Contact Information

For more information about the services that Dimensional offers to defined contribution plan sponsors and consultants, please contact:

Patrick Carter
(310) 656-4202
patrick.carter@dimensional.com

Todd Erskine
(512) 306-7643
todd.erskine@dimensional.com

John Lessley
(310) 917-1443
john.lessley@dimensional.com

"Dimensional" refers to the Dimensional worldwide group of companies, rather than to one particular entity. These companies are Dimensional Fund Advisors, Dimensional Fund Advisors Ltd., DFA Australia Limited, and Dimensional Fund Advisors Canada Inc.

Dimensional Fund Advisors is an investment advisor registered with the Securities and Exchange Commission. Consider the investment objectives, risks, and charges and expenses of the Dimensional funds carefully before investing. For this and other information about the Dimensional funds, please read the prospectus carefully before investing. Prospectuses are available by calling Dimensional Fund Advisors collect at (310) 395-8005; on the Internet at www.dimensional.com; or, by mail, DFA Securities Inc., c/o Dimensional Fund Advisors, 1299 Ocean Avenue, Santa Monica, CA 90401.

Principal Risks of Investing

The principal risks associated with an investment are fully described in the prospectus in the section called "Principal Risks." The value of an investment will fluctuate based on economic, political, and stock-specific events, and there is a chance you will lose money. Small company stocks may fluctuate more in price than those of large companies. Stocks of non-US companies may also fluctuate due to these factors and may expose investors to fluctuations in currency exchange rates. The stocks of companies in emerging markets are subject to additional risks due to the unstable nature of some governments and the small and illiquid nature of their securities markets. The use of derivatives to hedge specific risks may increase expenses, and there is no guarantee that a hedging strategy will work.

Date of first use: April 23, 2008.

Mutual funds distributed by DFA Securities Inc.

SANTA MONICA

AUSTIN

CHICAGO

LONDON

SYDNEY

VANCOUVER

www.dimensional.com

Dimensional

244: V1: 07/08: US