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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER
8-27006

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2019 AND ENDING 12/31/2019  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: DFA Securities LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

6300 Bee Cave Road, Building One

(No. and Street)

Austin

TX

78746

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

PricewaterhouseCoopers LLP

(Name - if individual, state last, first, middle name)

835 W 6th St, #1600

Austin

TX

78703

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions.

SEC Mail Processing

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Washington, DC

<b>FOR OFFICIAL USE ONLY</b>

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

RMS



# **DFA Securities LLC**

**(A wholly owned subsidiary of Dimensional Fund Advisors LP)**

*Financial Statements, Supplemental Schedules and  
Report of Independent Registered Public Accounting Firm  
as of and for the years ended December 31, 2019 and 2018*

# DFA Securities LLC

(A wholly owned subsidiary of Dimensional Fund Advisors LP)

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December 31, 2019 and 2018

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## Report of Independent Registered Public Accounting Firm

To the Board of Directors of Dimensional Holdings Inc.,  
General Partner of Dimensional Fund Advisors LP  
and  
Member of DFA Securities LLC

### ***Opinion on the Financial Statements***

We have audited the accompanying statements of financial condition of DFA Securities LLC (the "Company") as of December 31, 2019 and 2018, and the related statements of operations, changes in member's equity, and cash flows for the years then ended, including the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### ***Supplemental Information***

The accompanying Schedule 1 Computation of Net Capital Pursuant to Uniform Net Capital Rule 15c3-1 ("Schedule 1") and Schedule 2 Computation for Determination of the Reserve Requirements and Information Relating to Possession or Control Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 ("Schedule 2") has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, Schedule 1 and Schedule 2 are fairly stated, in all material respects, in relation to the financial statements as a whole.

*PricewaterhouseCoopers LLP*

February 21, 2020

We have served as the Company's auditor since 1992.

**DFA Securities LLC**  
**(A wholly owned subsidiary of Dimensional Fund Advisors LP)**  
**Statements of Financial Condition**  
**December 31, 2019 and 2018**

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	2019	2018
<b>Assets</b>		
Investment in Affiliated Mutual Fund at Fair Value	\$ 92,160	\$ 89,964
<b>Liabilities</b>	-	-
<b>Member's equity</b>		
Member's Capital	\$ 86,800	\$ 86,800
Retained Earnings	5,360	3,164
Total Member's Equity	\$ 92,160	\$ 89,964

The accompanying notes are an integral part of these financial statements.

## DFA Securities LLC

(A wholly owned subsidiary of Dimensional Fund Advisors LP)

### Statements of Operations

Years Ended December 31, 2019 and 2018

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	2019	2018
<b>Revenue</b>		
Service Fee from Affiliated Entity	\$ 1,048,343	\$ 871,228
Investment Income	2,196	1,655
Total Revenue	<u>1,050,539</u>	<u>872,883</u>
<b>Expenses</b>		
Registration, Licensing and Other Operating Expenses	<u>1,048,343</u>	<u>871,228</u>
Net Income	<u>\$ 2,196</u>	<u>\$ 1,655</u>

The accompanying notes are an integral part of these financial statements.

## DFA Securities LLC

(A wholly owned subsidiary of Dimensional Fund Advisors LP)

### Statements of Changes in Member's Equity

Years Ended December 31, 2019 and 2018

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	Member's Capital	Retained Earnings	Total Member's Equity
Balances at December 31, 2017	\$ 86,800	\$ 1,509	\$ 88,309
Net Income	-	1,655	1,655
Balances at December 31, 2018	\$ 86,800	\$ 3,164	\$ 89,964
Net Income	-	2,196	2,196
Balances at December 31, 2019	\$ 86,800	\$ 5,360	\$ 92,160

The accompanying notes are an integral part of these financial statements.

**DFA Securities LLC**  
 (A wholly owned subsidiary of Dimensional Fund Advisors LP)  
**Statements of Cash Flows**  
**Years Ended December 31, 2019 and 2018**

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	2019	2018
<b>Cash Flows Used in Operating Activities</b>		
Net Income	\$ 2,196	\$ 1,655
Adjustment to Reconcile Net Income to Net Cash Used in Operating Activities		
Investment in Affiliated Mutual Fund	(2,196)	(1,655)
Net Cash Flows Used in Operating Activities	<u>-</u>	<u>-</u>
Net Change in Cash	-	-
<b>Cash</b>		
Beginning of Year	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

# DFA Securities LLC

(A wholly owned subsidiary of Dimensional Fund Advisors LP)

## Notes to Financial Statements

Years Ended December 31, 2019 and 2018

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### 1. Organization and Summary of Significant Accounting Policies

DFA Securities LLC (the "Company"), a Delaware limited liability company, is a registered broker-dealer under the Securities Exchange Act of 1934 (the "Act") and is a member of the Financial Industry Regulatory Authority, Inc. The Company is a wholly owned subsidiary of Dimensional Fund Advisors LP (the "Parent"), a registered investment advisor under the Investment Advisors Act of 1940, as amended.

The Company does not carry security accounts for customers and does not perform custodial functions relating to customer securities and is, therefore, exempt from the provisions of Rule 15c3-3 of the Act under provision (k)(2)(i) of that rule.

In accordance with ASC 320, Investments – Debt and Equity Securities, the investment in the DFA One-year Fixed Income Portfolio mutual fund (the "Fund") is carried at fair market value, which is the Fund's net asset value per share. At December 31, 2019 and 2018, unrealized gains and losses were included in earnings. Investment income includes dividends and distributions received from the Fund and any unrealized gains or losses. Dividends and distributions from the Fund are recorded on the ex-dividend date.

In accordance with the authoritative guidance on fair value measurements and disclosures under accounting principles generally accepted in the United States of America ("GAAP"), the Company discloses the fair value of its investment in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are derived from valuation techniques in which one or more inputs is unobservable.

The following is a summary of the financial instruments held by the Company as of December 31, 2019 and 2018:

	2019	2018
<b>Financial instruments</b>		
Level 1 - Investment in Affiliated Mutual Fund	\$ 92,160	\$ 89,964

As of December 31, 2019 and 2018, there were no fair value measurements using Level 2 or Level 3 inputs.

## **DFA Securities LLC**

(A wholly owned subsidiary of Dimensional Fund Advisors LP)

### **Notes to Financial Statements**

**Years Ended December 31, 2019 and 2018**

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Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Company. The Company considers observable data to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Company's perceived risk of that instrument. Shares held by the Company in the affiliated mutual fund are valued at net asset value as reported by its administrator. These valuations are classified as Level 1 in the hierarchy.

In May 2014, the Financial Accounting Standards Board ("FASB") issued updated accounting guidance on the recognition of revenue from customers arising from the transfer of goods and services and accounting for certain contract costs. The Company adopted the new standard on January 1, 2018 using the full retrospective method. Upon application of the full retrospective method there were no adjustments necessary to the prior year reporting.

In February 2016, FASB issued amended guidance on the accounting for leasing transactions. The primary objective of this update is to increase transparency and comparability among organizations by requiring lessees to recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. This guidance was effective January 1, 2019 but had no impact to the Company as there were no transactions within the scope of the amended guidance.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Company has evaluated as of the balance sheet date and determined no commitments or contingencies exist.

## **2. Income Taxes**

The Company is a disregarded entity for federal income tax purposes, and so is not subject to federal income tax; instead, its taxable income, deductions, gains, or losses are included in the Parent's income tax returns. Accordingly, no liability or provision for federal income taxes is included in the accompanying financial statements. California state franchise tax is included in 'Registration, licensing and other operating expenses' on the accompanying statement of operations.

ASC 740, Income Taxes, sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. Since no provision for federal income tax is required in the Company's financial statements, there are no uncertain tax positions that would require accrual under ASC 740.

**DFA Securities LLC**  
(A wholly owned subsidiary of Dimensional Fund Advisors LP)  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

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**3. Related Party Transactions**

During the years ended December 31, 2019 and 2018, the Parent provided investment management services to the Fund in which the Company invested.

The Company has distribution agreements with related party registered investment companies for which the Parent is the investment adviser, whereby the Company distributes mutual fund shares. In accordance with the distribution agreements, there is no consideration provided to the Company in exchange for this service. Accordingly, during the years ended December 31, 2019 and 2018, no revenue was earned by the Company under these agreements. Pursuant to a separate agreement between the Company and the Parent, the Parent pays for all operating expenses incurred by the Company, except for certain legal expenses. Pursuant to the agreement between the Company and the Parent, the Company's expenses are recorded in the general ledger of the Company as incurred and offset by a service fee earned from the Parent. For the years ended December 31, 2019 and 2018, total expenses paid by the Parent on behalf of the Company were equal to the service fees.

**4. Revenue**

Pursuant to a separate agreement between the Company and the Parent, whereby the only performance obligation is for the Company to continue delivery of services under the distribution agreements with related party registered investment companies for which the Parent is the investment adviser, the Parent pays for all operating expenses incurred by the Company except for certain legal expenses. Pursuant to the agreement between the Company and the Parent, the Company's expenses are recorded in the general ledger of the Company as incurred and offset by a service fee earned from the Parent at the point in time the expenses are incurred.

**5. Net Capital Requirements**

The Company is subject to the Uniform Net Capital Rule (Rule 15c3-1) of the Act, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2019, the Company had net capital of \$83,866 which was \$58,866 in excess of its required net capital of \$25,000 and thus complied with its net capital requirements. At December 31, 2018, the Company had net capital of \$81,867 which was \$56,867 in excess of its required net capital of \$25,000 and thus complied with its net capital requirements.

**6. Subsequent Events**

The Company has evaluated subsequent events through February 21, 2020, the date of this report, and the results of this evaluation are appropriately reflected in these financial statements.

## **Supplemental Schedules**

## DFA Securities LLC

(A wholly owned subsidiary of Dimensional Fund Advisors LP)

### Schedule 1

### Computation of Net Capital Pursuant to Uniform Net Capital

### Rule 15c3-1

December 31, 2019 and 2018

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	2019	2018
<b>Total Capital</b>		
Member's Equity	<u>\$ 92,160</u>	<u>\$ 89,964</u>
<b>Deductions</b>		
Haircut on Mutual Fund Shares	<u>8,294</u>	<u>8,097</u>
Net Capital	<u>83,866</u>	<u>81,867</u>
Minimum Net Capital Requirement	<u>25,000</u>	<u>25,000</u>
Excess Net Capital	<u>\$ 58,866</u>	<u>\$ 56,867</u>
Aggregate Indebtedness	<u>\$ -</u>	<u>\$ -</u>
Ratio: Aggregate Indebtedness to Net Capital	<u>-</u>	<u>-</u>

Note: There are no differences between the above computations and the corresponding computations prepared by the Company and included in its unaudited FOCUS Reports filed on January 23, 2020 and January 25, 2019.

**DFA Securities LLC**

(A wholly owned subsidiary of Dimensional Fund Advisors LP)

**Schedule 2**

**Computation for Determination of the Reserve Requirements and  
Information Relating to Possession or Control Requirements for  
Brokers and Dealers Pursuant to Rule 15c3-3  
December 31, 2019 and 2018**

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The Company claims exemption from the provisions of Rule 15c3-3 under paragraph (k)(2)(i) of that rule.

Note: There are no differences between the information above and the information included in the Company's unaudited FOCUS Reports filed on January 23, 2020 and January 25, 2019.

# **DFA Securities LLC**

**(A wholly owned subsidiary of Dimensional Fund Advisors LP)**

**Exemption Report**

**Pursuant to Rule 17a-5 of**

**the Securities and Exchange Commission**

**For the period January 1, 2019 to December 31, 2019**

**DFA Securities LLC**

(A wholly owned subsidiary of Dimensional Fund Advisors LP)

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**December 31, 2019**

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## Report of Independent Registered Public Accounting Firm

To the Management of DFA Securities LLC:

We have reviewed DFA Securities LLC's assertions, included in the accompanying DFA Securities LLC's Exemption Report, in which (1) the Company identified 17 C.F.R. § 240.15c3-3(k)(2)(i) as the provision under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3 (the "exemption provision") and (2) the Company stated that it met the identified exemption provision throughout the year ended December 31, 2019 without exception. The Company's management is responsible for the assertions and for compliance with the identified exemption provision throughout the year ended December 31, 2019.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provision. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's assertions referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) of 17 C.F.R. § 240.15c3-3.

*PricewaterhouseCoopers LLP*

February 21, 2020

## **DFA Securities LLC**

(A wholly owned subsidiary of Dimensional Fund Advisors LP)

### **Exemption Report**

**December 31, 2019**

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#### DFA Securities LLC's Exemption Report

DFA Securities LLC (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

(1) The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the following provision of 17 C.F.R. § 240.15c3-3 (k): (2)(i).

(2) The Company met the identified exemption provision in 17 C.F.R. § 240.15c3-3(k) throughout the most recent fiscal year without exception.

#### **DFA Securities LLC**

I, Gregory K. Hinkle, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.

  
\_\_\_\_\_  
Gregory K. Hinkle, Chief Financial Officer & Vice President

February 21, 2020

Securities Investor Protection Corporation  
1667 K Street NW, Ste 1000  
Washington, DC 20006-1620

Forwarding and Address Correction Requested

SIPC-3 2020

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8-27006 FINRA DEC 12/04/1981  
DFA SECURITIES LLC  
ATTN CATHERINE NEWEL  
6300 BEE CAVE RD  
AUSTIN, TX 78746

Securities Investor Protection Corporation  
1667 K Street NW, Ste 1000  
Washington, DC 20006-1620

<b>Check appropriate boxes.</b>	
<input type="checkbox"/> (i) its principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions;*	
<input checked="" type="checkbox"/> (ii) its business as a broker-dealer is expected to consist exclusively of:	
<input checked="" type="checkbox"/> (I) the distribution of shares of registered open end investment companies or unit investment trusts;	
<input type="checkbox"/> (II) the sale of variable annuities;	
<input type="checkbox"/> (III) the business of insurance;	
<input type="checkbox"/> (IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts;	
<input type="checkbox"/> (iii) it is registered pursuant to 15 U.S.C. 78o(b)(11)(A) as a broker-dealer with respect to transactions in securities futures products;	
<b>Pursuant to the terms of this form (detailed below).</b>	
x <u>Calvin</u>	12/19/19
Authorized Signature/Title	Date

## Form SIPC-3

FY 2020

### Certification of Exclusion From Membership.

TO BE FILED BY A BROKER-DEALER WHO CLAIMS EXCLUSION FROM MEMBERSHIP IN THE SECURITIES INVESTOR PROTECTION CORPORATION ("SIPC") UNDER SECTION 78ccc(a)(2)(A) OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 ("SIPA").

The above broker-dealer certifies that during the fiscal year ending 12/31/2020 its business as a broker-dealer is expected to consist exclusively of one or more of the following (check appropriate boxes):

- (i) its principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions;\*
- (ii) its business as a broker-dealer is expected to consist exclusively of:
- (I) the distribution of shares of registered open end investment companies or unit investment trusts;
  - (II) the sale of variable annuities;
  - (III) the business of insurance;
  - (IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts;
- (iii) it is registered pursuant to 15 U.S.C. 78o(b)(11)(A) as a broker-dealer with respect to transactions in securities futures products;

and that, therefore, under section 78ccc(a)(2)(A) of SIPA it is excluded from membership in SIPC.

\*If you have any questions concerning the foreign exclusion provision please contact SIPC via telephone at 202-371-8300 or e-mail at asksipc@sipc.org to request a foreign exclusion questionnaire.

The following bylaw was adopted by the Board of Directors:

#### Interest on Assessments.

... If any broker or dealer has incorrectly filed a claim for exclusion from membership in the Corporation, such broker or dealer shall pay, in addition to all assessments due, interest at the rate of 20% per annum of the unpaid assessment for each day it has not been paid since the date on which it should have been paid.

In the event of any subsequent change in the business of the undersigned broker-dealer that would terminate such broker-dealer's exclusion from membership in SIPC pursuant to section 78ccc(a)(2)(A) of the SIPA, the undersigned broker-dealer will immediately give SIPC written notice thereof and make payment of all assessments thereafter required under section 78ddd(c) of the SIPA.

Sign, date and return this form no later than 30 days after the beginning of the fiscal year, using the enclosed return envelope.

Retain a copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.