



Item 1 – Cover Page

DFA Australia Limited
Level 43
Gateway
1 Macquarie Place
Sydney NSW, 2000 Australia
61 (2) 8336-7100

<http://au.dimensional.com>

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This Brochure provides information about the qualifications and business practices of DFA Australia Limited (“DFAA”). If you have any questions about the contents of this Brochure, please contact us at 61 (2) 8336-7100 and/or <http://au.dimensional.com>. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

DFAA is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about DFAA is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Brochure dated March 31, 2017 reflects DFAA’s annual update to Form ADV Part 2A since its last annual update dated March 29, 2016. The following summarizes some of the changes:



- Item 4 has been amended to update the amount of assets DFAA manages on a discretionary basis.
- Item 8 has been amended to update certain risks, such as an addition to reflect political and economic risks of portfolios that have significant exposure to certain countries or regions, and to make general updates.
- Item 12 has been amended to clarify certain brokerage practices, such as the factors DFAA may consider in selecting brokers for client transactions, and how commissions may vary according to the type of transaction, instrument or broker.



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Item 4 – Advisory Business

General Description of Advisory Firm

The principal business activities of DFAA relating to this registration involve acting as sub-advisor or agent to its U.S. parent, Dimensional Fund Advisors LP (“DFA”), a U.S. limited partnership which owns 100% of the outstanding shares of DFAA and which serves as investment manager to various institutional clients including mutual fund portfolios, separate accounts and collective trust funds. DFAA’s sub-advisory or agent services are with respect to such clients’ investments in non-U.S. securities. Except as otherwise indicated, the information provided in Form ADV relates to DFAA’s services to its U.S. clients. DFAA has been in business since August 15, 1994 and is a registered investment adviser under the Investment Advisers Act of 1940, as amended (“Advisers Act”).

As of December 31, 2016, DFAA managed approximately \$177,297,922,281 on a discretionary basis.¹

General Description of Advisory Services

DFAA manages equity and fixed income securities based on fundamental analysis:

- DFAA believes that equity investing should involve a long-term view and a systematic focus on sources of expected returns, not on stock picking or market timing. In constructing an equity investment portfolio, DFAA generally identifies a broadly diversified universe of eligible securities with defined risk and return characteristics.
- DFAA believes that fixed income investing should also involve a long-term view and a systematic focus on bond market risk and return, not on interest rate forecasting or market timing. In constructing a fixed-income investment portfolio, DFAA generally identifies a broadly diversified universe of eligible securities with defined maturity ranges and credit quality characteristics.

DFAA provides: (i) trading and other investment advisory services to DFA in connection with DFA’s management of four SEC-registered investment companies which comprise approximately 49 separate funds in aggregate (“U.S. Dimensional Funds”); (ii) trading and other investment advisory services to DFA in connection with DFA’s management of separate account clients and other clients investing in non-U.S. securities; and (iii) trade execution and related services to DFA in connection with DFA’s management of its other mutual fund clients, separate account clients, and other clients investing in non-U.S. securities. DFAA serves DFA clients in a sub-advisory or agency capacity.

¹ Discretionary assets under management include assets that are attributable to funds-of-funds managed by DFAA that invest in underlying funds that are also managed by DFAA and whose assets are also included.



DFAA may also from time to time provide information to its clients about the general behavior of certain securities markets. Such information may include summaries of performance of stock markets in the Asia Pacific region and the United States, certain emerging markets in the region and/or of various sections within each market.

Item 5 – Fees and Compensation

Sub-Advisory Fees

For sub-advisory services provided to the U.S. Dimensional Funds managed by DFA, DFAA receives a fee, which is typically payable by DFA quarterly. The specific fees that DFAA charges are set forth in a written sub-advisory agreement with DFA and the U.S. Dimensional Funds. No additional fee is payable to DFAA by such clients. For sub-advisory services and other services provided to separately managed accounts of DFA, DFA pays DFAA quarterly fees equivalent to certain of DFAA's expenses plus a percentage of expenses. Fees are negotiable and are not paid before services are provided.

Brokerage, Custodial and Other Expenses

DFAA's fees are exclusive of brokerage commissions, custodial fees, and other transaction costs and expenses which the client may incur. See Item 12 of this Brochure for a discussion of DFAA's brokerage practices.

Item 6 – Performance-Based Fees and Side-By-Side Management

DFAA does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

As further described in Item 4, DFAA provides sub-advisory services to DFA, a registered investment advisor, primarily in connection with DFA's management of the U.S. Dimensional Funds, and also certain institutional separate accounts.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

In its role as sub-advisor of funds and accounts managed by DFA or as agent of DFA, DFAA will have primary responsibility for determining the best methods and timing of executing securities transactions in Australian, Japanese and Pacific Rim Asian securities or fixed interest



instruments, as the case may be, in accordance with the investment decisions, selections and policies of DFA and the respective clients.

DFAA's portfolio managers use a team approach to manage client assets. DFAA's sales staff and client service representatives may discuss DFAA's investment philosophy, strategies, and performance, and review client reports, as well as discuss other client-related services offered by DFAA. However, they do not formulate investment advice for potential or current clients.

Because the value of a client's investment will fluctuate, there is the risk that a client will lose money. Clients should carefully review the risks of investing and be prepared to bear those risks, including the possible loss of the principal amount invested.

General Investments

Method of Analysis and Investment Strategies. DFAA primarily utilizes fundamental analysis with limited technical analysis. Securities analysis will be used to eliminate securities from a portfolio rather than to decide which securities will be added. DFA, DFAA's U.S. parent company, also has consulting arrangements with several academics who provide expertise with respect to investment management strategies.

Market Risk: A long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific conditions and events will cause the value of securities, and the portfolio that owns them, to rise or fall.

Fund of Funds Risk: The investment performance of a portfolio that is a fund-of-funds is affected by the investment performance of the underlying funds in which the portfolio invests. The ability of the portfolio to achieve its investment objective depends on the ability of the underlying funds to meet their investment objectives and on DFAA's decisions regarding the allocation of the portfolio's assets among the underlying funds. The portfolio may allocate assets to an underlying fund or asset class that underperforms other funds or asset classes. There can be no assurance that the investment objective of the portfolio or any underlying fund will be achieved. When the portfolio invests in underlying funds, investors are exposed to a proportionate share of the expenses of those underlying funds in addition to the expenses of the portfolio. Through its investments in underlying funds, the portfolio is subject to the risks of the underlying funds' investments.

Securities Lending Risk: Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, a portfolio may lose money and there may be a delay in recovering the loaned securities. The portfolio could also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral. Securities lending also may have certain adverse tax consequences.



Foreign Securities and Currencies Risk: Foreign securities prices may decline or fluctuate because of: (a) economic or political actions of foreign governments, and/or (b) less regulated or liquid securities markets. Investors holding these securities may also be exposed to foreign currency risk (the possibility that foreign currency will fluctuate in value against the U.S. dollar or that a foreign government will convert, or be forced to convert, its currency to another currency, changing its value against the U.S. dollar). A portfolio may seek to hedge foreign currency exposure.

Political, United Kingdom and European Market Related Risks: Portfolios that have significant exposure to certain countries can be expected to be impacted by the political and economic conditions within such countries. There is continuing uncertainty around the future of the euro and the European Union (EU) following the United Kingdom's vote to exit the EU in June 2016. It is expected that the United Kingdom's exit from the EU will take place within two years after the United Kingdom formally notifies the European Council of its intention to withdraw. However, there is a significant degree of uncertainty about how negotiations relating to the United Kingdom's exit will be conducted, including the outcome of negotiations for a new relationship between the United Kingdom and EU. While it is not possible to determine the precise impact these events may have on a portfolio, during this period and beyond, the impact on the United Kingdom, EU countries, other countries or parties that transact with the United Kingdom and EU, and the broader global economy could be significant and could adversely affect the value and liquidity of a portfolio's investments. In addition, if one or more countries were to exit the EU or abandon the use of the euro as a currency, the value of investments tied to those countries or the euro could decline significantly and unpredictably.

Cyber Security Risk: A portfolio's and its service providers' use of internet, technology and information systems may expose the portfolio to potential risks linked to cyber security breaches of those technological or information systems. Cyber security breaches, amongst other things, could allow an unauthorized party to gain access to proprietary information, customer data, or fund assets, or cause the portfolio and/or its service providers to suffer data corruption or lose operational functionality. As a result of investment in a portfolio, investors may be impacted by such cyber security breaches.

Tax-Management/Tax Advantage Strategy Risk: Tax-management strategies and strategies that consider the tax implications of investment decisions may alter investment decisions and affect portfolio holdings, when compared to those of non-tax managed portfolios. The performance of such portfolios may deviate from that of non-tax managed portfolios.

Social Investment/Sustainability Impact Consideration Investment Risk: Portfolios with social issue screens or sustainability impact considerations limit the number of investment opportunities available to such portfolios, and as a result, at times, a portfolio may produce different returns or more modest gains than funds that are not subject to such special investment



conditions. For example, a portfolio may decline to purchase, or underweight its investment in, certain securities due to sustainability impact considerations when other investment considerations would suggest that a more significant investment in such securities would be advantageous, or the portfolio may sell certain securities for social reasons when it is otherwise disadvantageous to do so. Sustainability impact considerations may cause a portfolio's industry allocation to deviate from that of funds without these considerations and of conventional benchmarks.

Equity Investments

Method of Analysis and Investment Strategies. DFAA believes that equity investing should involve a long-term view and a systematic focus on sources of expected returns, not on stock picking or market timing. In constructing an equity investment portfolio, DFAA generally identifies a broadly diversified universe of eligible securities with defined risk and return characteristics. It then places priority on efficiently managing portfolio turnover and keeping trading costs low. Generally, DFAA does not intend to purchase or sell securities for investment portfolios based on prospects for the economy, the securities markets or the individual issuers whose shares are eligible for purchase.

Equity Market Risk: A long-term investment approach cannot guarantee a profit. Economic, market, political, and issuer-specific conditions and events will cause the value of equity securities, and the portfolio that owns them, to rise or fall. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Small Company Risk: Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, smaller capitalization companies are also more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

Value Investment Risk: Value stocks may perform differently from the market as a whole and following a value-oriented investment strategy may cause a portfolio to at times underperform equity funds that use other investment strategies.

Investment Strategy Risk (growth portfolios): Securities that have high valuation ratios and/or high profitability may perform differently from the market as a whole and an investment strategy purchasing these securities may cause a portfolio to at times underperform equity funds that use other investment strategies.

Emerging Markets Risk: Numerous emerging market countries have a history of, and continue to experience serious, and potentially continuing, economic and political problems. Stock markets in many emerging market countries are relatively small, expensive to trade in and generally have



higher risks than those in developed markets. Securities in emerging markets also may be less liquid than those in developed markets and foreigners are often limited in their ability to invest in, and withdraw assets from, these markets. Additional restrictions may be imposed under other conditions. Frontier market countries generally have smaller economies or less developed capital markets and, as a result, the risks of investing in emerging market countries are magnified in frontier market countries.

Risks of Concentrating in the Real Estate Industry: Portfolios that concentrate in the real estate industry will be exposed to the general risks of direct real estate ownership. The value of securities in the real estate industry can be affected by changes in real estate values and rental income, property taxes, and tax and regulatory requirements. In addition, the value of securities in the real estate industry may decline with changes in interest rates. Investing in REITs and REIT-like entities involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs and REIT-like entities are dependent upon management skill, may not be diversified, and are subject to heavy cash flow dependency and self-liquidation. REITs and REIT-like entities also are subject to the possibility of failing to qualify for tax free pass-through of income. Many foreign REIT-like entities are deemed for tax purposes as passive foreign investment companies (PFICs), which could result in the receipt of taxable dividends to shareholders at an unfavorable tax rate. Also, because REITs and REIT-like entities typically are invested in a limited number of projects or in a particular market segment, these entities are more susceptible to adverse developments affecting a single project or market segment than more broadly diversified investments. The performance of the portfolio may be materially different from the broad equity market.

Country/Region Market Risk: The performance of portfolios that concentrate investments in a single country or region is expected to be closely tied to the social, political, and economic conditions within such country or region and may be more volatile than the performance of funds with more geographically diverse investments.

Fixed-Income Investments

Method of Analysis and Investment Strategies. DFAA believes that fixed income investing should involve a long-term view and a systematic focus on bond market risk and return, not on interest rate forecasting or market timing. In constructing a fixed-income investment portfolio, DFAA generally identifies a broadly diversified universe of eligible securities with defined maturity ranges and credit quality characteristics. DFAA will then seek to purchase a broad and diverse portfolio of securities meeting these credit quality standards.

Foreign Government Debt Risk: The risk that (a) the governmental entity that controls the repayment of government debt may not be willing or able to repay the principal and/or to pay the interest when it becomes due, due to factors such as political considerations, the relative size of



the governmental entity's debt position in relation to the economy, cash flow problems, insufficient foreign currency reserves, the failure to put in place economic reforms required by the International Monetary Fund or other multilateral agencies, and/or other national economic factors; (b) governments may default on their debt securities, which may require holders of such securities to participate in debt rescheduling; and (c) there is no legal or bankruptcy process by which defaulted government debt may be collected in whole or in part.

Interest Rate Risk: Fixed income securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices fall. When interest rates fall, fixed income security prices rise. In general, fixed income securities with longer maturities are more sensitive to changes in interest rates.

Credit Risk: Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value, and thus, impact a portfolio's performance. Government agency obligations have different levels of credit support and, therefore, different degrees of credit risk. Securities issued by agencies and instrumentalities of the U.S. Government that are supported by the full faith and credit of the United States, such as the Federal Housing Administration and Ginnie Mae, present little credit risk. Other securities issued by agencies and instrumentalities sponsored by the U.S. Government, that are supported only by the issuer's right to borrow from the U.S. Treasury, subject to certain limitations, and securities issued by agencies and instrumentalities sponsored by the U.S. Government that are sponsored by the credit of the issuing agencies, such as Freddie Mac and Fannie Mae, are subject to a greater degree of credit risk. U.S. government agency securities issued or guaranteed by the credit of the agency may still involve a risk of non-payment of principal and/or interest.

Income Risk: Income risk is the risk that falling interest rates will cause a portfolio's income to decline because, among other reasons, the proceeds from maturing short-term securities in its portfolio may be reinvested in lower-yielding securities.

Liquidity Risk: Liquidity risk exists when particular portfolio investments are difficult to purchase or sell. To the extent that the portfolio holds illiquid investments, the portfolio's performance may be reduced due to an inability to sell the investments at opportune prices or times. Liquid portfolio investments may become illiquid or less liquid after purchase by the portfolio due to low trading volume, adverse investor perceptions and/or other market developments. Liquidity risk includes the risk that the portfolio will experience significant net redemptions at a time when it cannot find willing buyers for its portfolio securities or can only sell its portfolio securities at a material loss. Liquidity risk can be more pronounced in periods of market turmoil.



Call Risk: Call risk is the risk that during periods of falling interest rates, a bond issuer will call or repay a higher-yielding bond before its maturity date, forcing the portfolio to reinvest in bonds with lower interest rates than the original obligations.

High Yield Risk: Fixed income securities rated below investment grade may be subject to greater interest rate, credit and liquidity risks than investment grade securities. Fixed income securities that are below investment grade involve high credit risk and are considered speculative. Below investment grade fixed income securities may also fluctuate in value more than higher quality fixed income securities and, during periods of market volatility, may be more difficult to sell at the time and price desired.

Risks of Investing for Inflation Protection: Because the interest and/or principal payments on an inflation protected security are adjusted periodically for changes in inflation, the income distributed by a portfolio may be irregular. Although the U.S. Treasury guarantees to pay at least the original face value of any inflation-protected securities the Treasury issues, other issuers may not offer the same guarantee. Also, inflation-protected securities, including those issued by the U.S. Treasury, are not protected against deflation. As a result, in a period of deflation, the principal and income of inflation-protected securities held by a portfolio will decline and the portfolio may suffer a loss during such periods. While inflation-protected securities are expected to be protected from long-term inflationary trends, short-term increases in inflation may lead to a decline in a portfolio's value. For example, if interest rates rise due to reasons other than inflation, a portfolio's investment in these securities may not be protected to the extent that the increase is not reflected in the securities' inflation measures. In addition, positive adjustments to principal generally will result in taxable income to a portfolio at the time of such adjustments (which generally would be distributed by the portfolio as part of its taxable dividends), even though the principal amount is not paid until maturity. The current market value of inflation-protected securities is not guaranteed and will fluctuate.

Inflation-Protected Securities Interest Rate Risk: Inflation-protected securities may react differently from other fixed income securities to changes in interest rates. Because interest rates on inflation-protected securities are adjusted for inflation, the values of these securities are not materially affected by inflation expectations. Therefore, the value of inflation-protected securities are anticipated to change in response to changes in "real" interest rates, which represent nominal (stated) interest rates reduced by the expected impact of inflation. Generally, the value of an inflation-protected security will fall when real interest rates rise and will rise when real interest rates fall.

Inflation-Protected Securities Interest Rate Tax Risk: Any increase in the principal amount of an inflation-protected security may be included for tax purposes in a portfolio's gross income, even though no cash attributable to such gross income has been received by the portfolio. In such event, a portfolio may be required to make annual gross distributions to shareholders that exceed



the cash it has otherwise received. In order to pay such distributions, a portfolio may be required to raise cash by selling its investments. The sale of such investments could result in capital gains to the portfolio and additional capital gain distributions to shareholders. In addition, adjustments during the taxable year for deflation to an inflation-indexed bond held by a portfolio may cause amounts previously distributed to shareholders in the taxable year as income to be characterized as a return of capital.

Tax Liability Risk (municipal portfolios): Tax liability risk is the risk that distributions by a portfolio become taxable to shareholders due to noncompliant conduct by a municipal bond issuer, unfavorable changes in federal or state tax laws, or adverse interpretations of tax laws by the Internal Revenue Service or state tax authorities or other factors. Such adverse interpretations or actions could cause interest from a security to become taxable, possibly retroactively, subjecting shareholders to increased tax liability. In addition, such adverse interpretations or actions could cause the value of a security, and therefore, the value of a portfolio's shares, to decline. Additionally, if a portfolio's use of derivative instruments for hedging and non-hedging purposes cause the portfolio to invest less than 50% of its assets in municipal securities in any quarter, which the portfolio does not anticipate, the portfolio may fail to qualify to pay exempt-interest dividends to its shareholders, resulting in the distributions by the portfolio becoming taxable to shareholders as ordinary income.

State-Specific Risk (municipal portfolios): The investments of portfolios that focus their investments primarily in a single state's municipal securities will be highly sensitive to events affecting the fiscal stability of such state and its agencies, municipalities, authorities and other instrumentalities that issue securities. Having a significant percentage of its assets invested in the securities of fewer issuers, particularly obligations of government issuers of a single state could result in greater credit risk exposure to a smaller number of issuers due to economic, regulatory or political problems in such state. Also, to the extent that a portfolio makes significant investments in securities issued to finance projects in a particular segment of the state's municipal securities market such focused investment may cause the value of the portfolio's shares to change more than the value of shares of funds that invest more broadly.

Derivatives

Method of Analysis and Investment Strategies. Certain portfolios may purchase or sell futures contracts and options on futures contracts to adjust market exposure based on actual or expected cash inflows to or outflows from a portfolio. Certain portfolios may also use derivatives, such as swaps, futures and forwards to hedge against fluctuations in currency exchange rates; transfer balances from one currency to another; hedge credit exposure; seek inflation protection; gain market or issuer exposure without owning the underlying securities; or to increase the portfolio's



total return. These strategies are more fully described in the respective prospectuses, statements of additional information (“SAIs”), or other offering documents of the portfolios.

Various Risks: Derivatives are instruments, such as swaps, futures and foreign exchange forward contracts, whose value is derived from that of other assets, rates or indices. Derivatives can be used for hedging (attempting to reduce risk by offsetting one investment position with another) or non-hedging purposes. Hedging with derivatives may increase expenses, and there is no guarantee that a hedging strategy will work. While hedging can reduce or eliminate losses, it also can reduce or eliminate gains or cause losses if the market moves in a manner different from that anticipated by the portfolio or if the cost of the derivative outweighs the benefit of the hedge. The use of derivatives for non-hedging purposes may be considered to carry more risk than other types of investments. When a portfolio uses derivatives, the portfolio will be directly exposed to the risks of those derivatives. Derivative instruments are subject to a number of risks including counterparty, liquidity, interest rate, market, credit and management risks, and the risk of improper valuation. Changes in the value of a derivative may not correlate perfectly with the underlying asset, rate, or index; and the portfolio could lose more than the principal amount invested. Additional risks are associated with the use of credit default swaps including counterparty and credit risk (the risk that the other party to a swap agreement will not fulfill its contractual obligations, whether because of bankruptcy or other default) and liquidity risk (the possible lack of a secondary market for the swap agreement). Credit risk increases when a portfolio is the seller of credit default swaps and counterparty risk increases when a portfolio is a buyer of credit default swaps. In addition, where a portfolio is the seller of credit default swaps, it may be required to liquidate portfolio securities at inopportune times in order to meet payment obligations or segregation requirements. Credit default swaps may be illiquid or difficult to value.

Commodity Strategy Portfolio

DFAA acts as sub-advisor to the DFA Commodity Strategy Portfolio of DFA Investment Dimensions Group Inc. (the “Commodity Portfolio”). The Commodity Portfolio invests in commodity-linked derivative instruments and fixed income investments. The Commodity Portfolio may invest up to 25% of its total assets in Dimensional Cayman Commodity Fund I Ltd. (the “Subsidiary”), a wholly-owned subsidiary of the Commodity Portfolio formed in the Cayman Islands, which has the same investment objective as the Commodity Portfolio and has a strategy of investing in derivative instruments, such as commodity-linked swap agreements and other commodity-linked instruments, futures contracts on individual commodities or commodity indices, and options on these instruments.

Method of Analysis and Investment Strategies. DFAA believes that commodity investing should involve a long-term view and a systemic focus on risk and return, instead of focusing on forecasting or market timing.



Commodity Risk: The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political, and regulatory developments.

Use of leveraged commodity-linked derivatives creates an opportunity for increased return but, at the same time, creates the possibility for greater loss (including the likelihood of greater volatility of the Commodity Portfolio's net asset value), and there can be no assurance that the Commodity Portfolio's use of leverage will be successful.

Derivatives Risk: Derivatives can be used for hedging (attempting to reduce risk by offsetting one investment position with another) or non-hedging purposes. While hedging can reduce or eliminate losses, it also can reduce or eliminate gains. The use of derivatives for non-hedging purposes may be considered to carry more risk than other types of investments. When the Commodity Portfolio uses derivatives, it will be directly exposed to the risks of those derivatives. Derivative instruments are subject to a number of risks, including commodity, correlation, interest rate, liquidity, market, credit and management risks, and the risk of improper valuation. The Commodity Portfolio also may use derivatives for leverage. The Commodity Portfolio's use of derivatives, particularly commodity-linked derivatives, involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Changes in the value of a derivative may not correlate perfectly with the underlying asset, rate, or index, and the Commodity Portfolio could lose more than the principal amount invested. For example, potential losses from commodity-linked notes or swap agreements can be unlimited. Additional risks are associated with the use of credit default swaps, including counterparty and credit risk (the risk that the other party to a swap agreement will not fulfill its contractual obligations, whether because of bankruptcy or other default) and liquidity risk (the possible lack of a secondary market for the swap agreement). Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Commodity Portfolio will engage in these transactions to reduce exposure to other risks when that would be beneficial.

Focus Risk: The Commodity Portfolio may be exposed, from time to time, to the performance of a small number of commodity sectors (e.g., energy, metals or agricultural), which may represent a large portion of the Commodity Portfolio. As a result, the Commodity Portfolio may be subject to greater volatility than if it were more broadly diversified among commodity sectors.

Leveraging Risk: Certain transactions that the Commodity Portfolio may enter into may give rise to a form of leverage. Such transactions may include, among others, structured notes, swap agreements, futures contracts, and loans of portfolio securities. The use of leverage may cause the Commodity Portfolio to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements. Leverage may cause the Commodity Portfolio to be more volatile than if it had not been leveraged. This is because



leverage tends to exaggerate the effect of any increase or decrease in the value of the securities utilized in the Commodity Portfolio.

Regulatory Risk: Governments, agencies, or other regulatory bodies may adopt or change laws or regulations that could adversely affect the issuer, the market value of the security, or the Commodity Portfolio's performance.

Valuation Risk: The lack of an active trading market may make it difficult to obtain an accurate price for a security utilized in the Commodity Portfolio. Many commodity-linked derivative instruments are not actively traded.

Subsidiary Risk: By investing in the Subsidiary, the Commodity Portfolio is indirectly exposed to the risks associated with the Subsidiary's investments. The derivatives and other investments held by the Subsidiary are generally similar to those that are permitted to be held by the Commodity Portfolio and are subject to the same risks that apply to similar investments if held directly by the Commodity Portfolio. There can be no assurance that the investment objective of the Subsidiary will be achieved. The Subsidiary is not registered under the Investment Company Act of 1940, as amended (the "1940 Act"), and, unless otherwise noted in the Commodity Portfolio's prospectus, is not subject to all of the investor protections of the 1940 Act. Subsidiary Risk is more fully described in the prospectus, SAI or other offering documents of the Commodity Portfolio.

Tax Risk: The tax treatment of commodity-linked derivative instruments may be adversely affected by changes in legislation, regulations or other legally binding authority. If, as a result of any such adverse action, the income of the portfolio from certain commodity-linked derivatives was treated as non-qualifying income, the portfolio might fail to qualify as a regulated investment company and be subject to federal income tax at the portfolio level. Tax Risk is more fully described in the prospectus, SAI or other offering documents of the Commodity Portfolio.

Securities Class Actions and Similar Proceedings

From time to time, clients of DFAA own or have owned securities that are the subject of class action lawsuits. Generally, in U.S. courts, persons or entities that have held or transacted in the subject securities within a specified class period are entitled to participate in the recovery or settlement in a class action lawsuit by filing proofs of claim. All class members normally are bound by a court approved settlement or judgment in a class action unless they have filed a timely opt out notice with the court's claim administrator. The filing of proofs of claim or an opt out notice in class actions is an action that should be undertaken by the custodian for the client, and DFAA shall not perform such action unless DFAA has, in a particular case, expressly agreed in writing to accept such an obligation and is provided by the custodian and client with all necessary information and appropriate authorization to permit DFAA to represent the account in



such class action(s). DFAA does not actively seek out information concerning pending class actions.

With respect to securities class actions in U.S. or Canadian courts, each U.S. Dimensional Fund has arrangements with a service provider to provide class action filing services to the U.S. Dimensional Funds. These services include the responsibility generally to file class action claims for all monies or other property associated with U.S. or Canadian portfolio securities held by a U.S. Dimensional Fund, including coordinating with the custodian with respect to the collection process to the extent a U.S. Dimensional Fund appears to be eligible. Such duties include monitoring for information regarding pending class action lawsuits, making a determination of a U.S. Dimensional Fund's eligibility to participate in a class, filing proofs of claim and coordinating with the custodian with respect to collecting class action lawsuit settlement proceeds. A U.S. Dimensional Fund may choose to opt-out of a securities class action in a U.S. court and file a direct action against the defendants. In such instances, the U.S. Dimensional Fund may request DFA's assistance in evaluating the prospective litigation and litigation counsel.

In the event a non-U.S. security held by a U.S. Dimensional Fund is subject of a class action or similar proceeding filed in a judicial system outside the United States or Canada, and that fact has come to the attention of a U.S. Dimensional Fund's service provider, DFAA or DFA, and the proceeding in the non-U.S. jurisdiction is comparable to the U.S. system in that it is unlikely to result in liability to a passive participant, DFA may perform a cost/benefit analysis on behalf of the affected U.S. Dimensional Fund, to determine whether or not it is in the best interest of the U.S. Dimensional Fund to participate.

With respect to U.S. separate accounts and U.S. sub-advised fund clients, neither DFA nor DFAA agrees to act with respect to legal proceedings involving securities held by the account including, but not limited to, class actions or bankruptcies, except in any particular case where DFA or DFAA has expressly agreed in writing to undertake such an obligation and is provided by the custodian and client with all necessary information and appropriate authorization to permit DFA or DFAA to represent the account in such proceeding(s). In addition, DFA or DFAA will only be obligated to assist with notifying a client of or monitoring for class actions or assisting with the filings of proofs of claim to the extent DFA or DFAA has expressly agreed in writing to assume these responsibilities, even if another account that DFA or DFAA manages may be participating in the class action or legal proceeding.

Typically, the custodian for the account is the party that receives legal notices for the account and be responsible for notifying the client directly of the action, pursuant to its custodial agreement with the client. If the client has an arrangement for its custodian to notify it of class actions, the client may then evaluate its individual facts and ownership circumstances including the client's overall holdings of that security to determine if participation is in the best interests of the client.



Item 9 – Disciplinary Information

A registered investment adviser is required to disclose in this Item all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of the adviser or the integrity of the adviser's management.

DFAA has no disciplinary information to report under this Item.

Item 10 – Other Financial Industry Activities and Affiliations

DFAA has several affiliated businesses that are material to its advisory business.

Affiliated Broker-Dealer

DFA has a wholly-owned limited-purpose broker-dealer subsidiary, DFA Securities LLC ("DFA Securities"), which supervises DFA's distribution of the shares of the U.S. Dimensional Funds advised by DFA. Certain of DFA's or DFAA's management and client-facing personnel are registered representatives of DFA Securities.

Affiliated Investment Advisers

DFAA is affiliated with several other investment advisers, and in providing services to a client, DFAA may use personnel or services of one or more of its investment advisory affiliates. Services provided by these affiliates or their personnel may include investment advice, portfolio execution and trading, back office processing, accounting, reporting and client servicing. These services may be provided through arrangements that take a variety of forms, including dual employee, participating affiliate, delegation arrangement, sub-advisory, consulting, or other servicing agreements. In these cases, DFAA remains responsible for the account from a legal and contractual perspective. Clients are not charged any fees other than those specified in the investment management agreement for such services.

The investment advisers affiliated with DFAA are:

- DFA.
- Dimensional Fund Advisors Ltd. ("DFAL"), a wholly-owned subsidiary of DFA.
- Dimensional Fund Advisors Canada ULC ("DFA Canada"), a wholly-owned indirect subsidiary of DFA.
- Dimensional Japan Ltd. ("DFA Japan"), a wholly-owned subsidiary of DFA, subject to minority profits interest held by certain employees of DFA Japan.



- Dimensional Fund Advisors Pte. Ltd. (“DFA Singapore”), a wholly-owned indirect subsidiary of DFA, subject to a minority profits interest in its direct parent held by certain officers of such entity.
- Dimensional LLP (“DLLP”), a wholly-owned subsidiary of DFAL, which as of the date of this Brochure is not yet providing advisory services to any U.S. clients or otherwise acting as a sub-advisor to Dimensional.

DFAA provides trading and other investment advisory services to DFA in connection with DFA’s management of certain U.S. Dimensional Funds, as disclosed in their respective prospectuses and SAIs, and also to certain of DFA’s separate account and other clients. DFAA may also provide investment, trade execution and related services to DFA in connection with DFA’s management of its other mutual fund clients, separate account clients and other clients investing in non-U.S. securities. For such services, DFAA receives a fee equivalent to certain of DFAA’s expenses plus a percentage, payable by DFA. Clients of DFA will not be required to pay additional fees to DFAA for such services.

In addition, DFAA has entered into sub-advisory agreements with DFA and DFAL relating to the management of certain of the funds of Dimensional Funds ICVC, an investment company with variable capital registered in England and Wales for which DFAL acts as the Authorized Corporate Director, certain of the funds of Dimensional Funds plc, an Irish Undertaking for Collective Investment in Transferable Securities (“UCITS”) for which DFAL acts as the investment manager, and certain of the funds of Dimensional Funds II plc, an Irish UCITS for which DFAL acts as the investment manager.

DFAA, under the supervision of DFA, also provides sub-advisory services to certain funds managed by DFA Canada.

Participating Affiliates and Related Arrangements

In reliance on a series of SEC no-action letters, DFAA and DFA have entered into arrangements with certain of their Affiliated Investment Advisers (the “Participating Affiliates”) whereby DFAA and DFA use the investment management capabilities and related services, including certain personnel, of these Participating Affiliates in providing investment advice to DFAA’s and DFA’s clients. The Participating Affiliates are not registered with the SEC as investment advisers. However, personnel of the Participating Affiliates that assist in providing investment advice to DFAA or DFA are subject to the oversight of DFAA or DFA including that such personnel must comply with DFAA’s and DFA’s Global Code of Ethics and Standard of Conduct and other compliance policies and procedures adopted by DFAA and DFA pursuant to the requirements of the Advisers Act.



As of the date of this brochure, DFAA's Participating Affiliates include: DFA Singapore and DFA Japan. Clients of DFAA and DFA will not be required to pay additional fees to the Participating Affiliates for any services provided.

Affiliated Collective Investment Trust

DFA sponsors one collective trust fund, the DFA Group Trust, which consists of various subtrusts, in which assets of qualified defined benefit plans are invested.

Affiliated Recordkeeper

DFA has an affiliated entity, Dimensional Retirement Plan Services LLC, which provides recordkeeping services to retirement plans.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

DFAA has adopted a Global Code of Ethics and Standard of Conduct (the “Code”) to maintain the appropriate standard of professional conduct at DFAA and otherwise aid in meeting the requirements of Rule 17j-1 of the 1940 Act as well as Rule 204A-1 of the Advisers Act. The Code applies to officers, general partners, directors/trustees and employees of DFAA and its investment advisory affiliates, in addition to other persons as required (collectively, “Access Persons”). DFAA will provide a copy of its Code to any client or prospective client upon request.

The Code is designed to ensure that Access Persons act in the interest of clients with respect to any personal trading of securities. The Code contains (i) certain reporting requirements applying to purchases of funds advised by DFAA and its advisory affiliates as well as investment accounts in which Access Persons have beneficial ownership and (ii) pre-clearance procedures for personal securities transactions. The Code requires all Access Persons to pre-clear with a compliance officer trades in certain securities, such as stocks, bonds, and derivatives. Access Persons are also prohibited from participating in certain transactions, such as initial public offerings. Subject to the terms of the Code, employees of DFAA may purchase for their own accounts shares of the funds advised by DFAA and its advisory affiliates or securities recommended for purchase by those funds or any of DFAA's other clients.

DFAA, DFA, and DFAL and related persons of those advisers may recommend to clients that they buy or sell shares or units of investment funds advised or administered by any of those investment advisers. Additionally, at certain times, related persons of DFAA, DFA, or DFAL may have a greater than 25% interest in one or more of these funds.

DFA's subsidiary, DFA Securities, a limited purpose broker-dealer, may provide investment advice to certain personal brokerage accounts solely with regard to the U.S. Dimensional Funds



(for which DFA serves as investment adviser, administrator, or both, and receives compensation for the services provided to the U.S. Dimensional Funds) and such advice is solely incidental to the brokerage services DFA Securities provides. Personal brokerage accounts are established and maintained with a third-party custodian and broker-dealer as an accommodation by DFA Securities to certain individuals seeking to invest in U.S. Dimensional Funds and obtain certain communication and reporting services from the third-party custodian and broker-dealer not generally provided by DFA. Transactions to buy and sell shares of the funds are placed through the third-party custodian and broker-dealer.

Item 12 – Brokerage Practices

Selection of Broker-Dealers

DFAA's overriding objective in selecting brokers and dealers to effect transactions in securities and derivatives (with respect to foreign currency transactions, subject to the limitations described below) for clients is to seek the best net result in terms of price and execution so a client's total cost or proceeds are the most favorable under the circumstances. Cost includes the "all in" costs of the trade or proceeds, not necessarily the lowest commission rate, nor the most expeditious execution. The best net price, giving effect to brokerage commission, if any, is an important factor in this decision; however, in selecting brokers and dealers for any transaction, a number of judgmental factors also may enter into the decision. These factors may include one or more of the following: DFAA's knowledge of negotiated commission rates currently available and other transaction costs; the nature of the security being purchased or sold; the size of the transaction; the desired timing of the transaction; the activity existing and expected in the market for the particular security; confidentiality; the execution, clearance, and settlement capabilities of the broker or dealer selected; local market compliance or restrictions; and whether the legal agreements and operational systems considered to be necessary or desirable by DFAA to use a broker or dealer, or a counterparty, are in place. DFAA may also execute client transactions with brokers and dealers that have customized their technology to facilitate Dimensional's trading process. This may give DFAA an incentive to execute through such brokers and dealers in order to realize operational efficiencies.

Orders to buy or sell fixed income securities are typically placed on a competitive basis when available with a reasonable attempt made to obtain multiple competitive bids or offers from dealers consistent with the advisor's needs in terms of speed, availability and reliability. Generally, there is no stated commission in the case of fixed income securities which are traded in the over-the-counter markets. The price paid by the client often includes an undisclosed dealer mark-up.

Equity commissions vary by stock price, country, type of brokerage and execution style, or portfolio. Futures commissions may vary by contract type, broker, or portfolio. Some foreign



exchange transactions may have commissions or discretionary spreads which may vary by currency, execution style, counterparty, custodian, or client.

DFAA may also make use of direct market access and algorithmic, program or electronic trading methods. DFAA may extensively use electronic trading systems as such systems can provide the ability to customize the orders placed and can assist in DFAA's execution strategies.

"Soft Dollars" Practices

As of December 31, 2013, DFAA no longer accrues soft dollar credits to purchase brokerage and research services to be used by DFAA for the benefit of its clients. DFAA no longer uses client brokerage commissions to generate credits to purchase brokerage and research services ("Soft Dollar Practices"). If at any time should DFAA determine to use soft dollars, it would do so in a manner consistent with Section 28(e) of the Securities Exchange Act and as further described below.

Research or brokerage services obtained through soft dollars would be supplemental to DFAA's own efforts. DFAA would expect to receive a benefit because it does not have to produce or pay for the research, products, or services. Accordingly, any future soft dollar arrangements may create a conflict of interest between DFAA and its clients.

Should DFAA use soft dollars, it would receive a wide range of brokerage and research services provided by brokers and dealers. Brokerage and research services acquired with soft dollar credits may include: general economic or industry reports or research data compilations; compilations of securities prices, earnings, dividends, and similar data; computerized databases; quotation services; and services of economic or other consultants. Research services may be received in the form of written reports, computer generated reports or databases, or telephone contacts.

Brokerage services may also include services provided by DFAA's mid-office service provider, including post-trade matching; electronic communication of allocation instructions and other messages related to trade processing communication, confirmation and settlement among broker-dealers, custodians, and institutions; and portfolio accounting, reporting and reconciliation.

If a product or service obtained by DFAA has both eligible research and brokerage and non-eligible-research and brokerage benefits, based on a good faith showing DFAA would treat the product as a "mixed use" item and would pay for the non-eligible portion with cash rather than soft dollars. Senior investment personnel determine DFAA's Soft Dollar Practices, the brokerage and research products and services to be obtained, and the amount of commissions appropriate to the acquisition of these products and services. Any future soft dollar process would be overseen and monitored by the Investment Committee, with the support of the Compliance Department.



If DFAA acts as a sub-advisor to non-U.S. funds or accounts, DFAA may engage in Soft Dollar Practices in compliance with DFAA's policy and the laws of the jurisdiction of the fund or account.

In some cases, research obtained with soft dollars would not be used for the specific account that generated the soft dollars. DFAA would not attempt to allocate the relative costs of research among specific client accounts because DFAA believes that, in the aggregate, any research DFAA receives would assist DFAA in fulfilling its overall responsibilities to clients.

Settlement Failures

If any securities transaction fails to settle or otherwise be completed when and as contractually required because of an error by a broker or dealer, DFAA will not be responsible for the actions or failures to act of any such broker or dealer. Notwithstanding the above, DFAA's obligations with respect to any settlement failures for a particular client or account are controlled by the undertakings DFAA has agreed to in writing for that particular client or account. Similarly, where DFAA has agreed in writing to certain undertakings when a settlement failure occurs as a result from DFAA's actions or failures to act, any responsibility or undertakings would only apply in situations where the settlement failure was directly caused by DFAA's actions or inactions and would not have otherwise occurred.

Directed Brokerage

Because of the efficiencies that DFAA seeks through its trading practices, DFAA does not recommend and currently does not permit any one client invested in any commingled investment vehicle to direct portfolio transactions to a specified broker or dealer. A separate account client may negotiate a directed brokerage arrangement pursuant to which some or all of the client's transactions are executed with the broker or dealer with which the client has established an account. In this case, the client should recognize that for those transactions in which DFAA is directed to use certain brokers or dealers, brokerage commissions (or other costs) for the execution of transactions in the client's account may not be negotiated by DFAA. In addition, DFAA may not be free to seek best price and execution for securities and futures transactions by placing transactions with other brokers or dealers. The client assumes that risk.

Similarly, a separate account client may establish an account with certain custodians that impose additional fees or transaction costs for using brokers or dealers not affiliated with or preferred by the custodian. In such cases, the imposition of the additional fee adversely impacts DFAA's ability to seek best price and execution for securities and derivatives transactions by placing transactions with other brokers or dealers. Again, the client assumes that risk.

Notwithstanding the foregoing, the client may give DFAA the authority to execute transactions on a "step-out" or "trade away" basis to the extent necessary to achieve best execution. In this situation, any brokerage commissions charged in connection with a step-out transaction are not



covered by the client's brokerage arrangements and the client shall bear such costs. Clients may wish to satisfy themselves in a directed brokerage arrangement that the broker or dealer participating in the arrangement can provide adequate price and execution of most or all transactions. A client should also consider that, depending upon the fee the client negotiates with the broker, the amount of portfolio activity in the client's account, the value of custodial services which are provided under the arrangement and other factors, the fee the client pays may exceed the amount the client would pay if DFAA were free to negotiate commissions and seek best price and execution of transactions for the client's account. Additionally, a client who directs trades to particular brokers may not be able to participate in block trades. DFAA reserves the right to execute trades for directed accounts only after it has executed trades for its other accounts.

Foreign Currency Exchange Transactions

If a written agreement between the client and DFAA expressly provides that DFAA may select currency dealers to effect the client's currency exchange transactions or gives DFAA the authority and discretion to execute currency exchange transactions on a "trade-away" basis (i.e., transactions not executed with the account's custodian), DFAA's objective is to seek an improved execution result in terms of net price for currency exchange transactions in light of all applicable fees and charges. For currencies that DFAA considers to be freely deliverable, DFAA generally attempts to meet its objective by competing currency exchange transactions among multiple currency dealers and transacting at the best quoted rate for the client, net of any applicable trade-away charges (charges for trades not executed with the custodian).

In certain cases, DFAA may not compete currency exchange transactions for a variety of reasons, including, but not limited to: counterparty or operational risk reduction considerations; an opportunity to receive a potentially better rate by netting against other trades with a single currency dealer; lack of certain risk control measures between the client and a currency dealer; lack of trading agreements with additional counterparties; or because of restrictions imposed by local rules or practices. DFAA may therefore be required or determine to trade such currencies through either the client's custodian or, in certain cases, a single currency dealer. In such cases, DFAA's ability to reduce trading costs is limited. If a client has designated its custodians or currency dealers to execute currency exchange transactions on behalf of the client's account, the client is responsible for ensuring that its arrangements will provide the client with acceptable rates.

DFAA determines all currency exchange transaction policies on behalf of any commingled account it manages, except with respect to sub-advised commingled accounts. For sub-advised commingled accounts, the account's primary adviser or board may require DFAA to use its designated custodians or currency dealers. However, no individual investor in the commingled account will be permitted to determine currency exchange transaction policies for a commingled fund.



A currency can be considered restricted based on a variety of factors, including regulatory or governmental restrictions. DFAA may receive information from third parties, such as broker-dealers or custodians, to determine whether a currency should be considered restricted. DFAA seeks to collect data about trades in both restricted and unrestricted currencies to evaluate the execution prices obtained. However, for restricted currencies where custodians or other third parties execute currency exchange transactions and DFAA is not directly involved with the execution process, DFAA is not able to perform such analysis with precision and is limited by the available information.

Trade Allocations

The general principles on which DFAA's trade allocation procedures are based are: (a) fairness to advisory clients, both in priority of order execution and in the allocation of aggregated orders or trades; (b) timeliness and efficiency in the execution of orders; and (c) accuracy of the investment adviser's records both as to trade orders and maintenance of client account positions.

DFAA performs investment advisory and investment management services for various clients and may give advice and take action with respect to one client that differs from advice given or the timing or nature of action taken with respect to another client. However, it is DFAA's policy not to favor or disfavor consistently or consciously any clients or class of clients in the allocation of investment opportunities, with the result that to the extent practical, all investment opportunities will be allocated among clients over a period of time on a fair and equitable basis.

Specifically, DFAA allocates trades in a company or security based on capacity across the portfolios that it manages and for which such company or security is an eligible investment. Calculation of capacity is based on:

- a. incremental contribution of the security to the desired characteristics of the overall portfolio;
- b. demand relative to target weight of the security within the portfolio compared to that of other portfolios;
- c. anticipated liquidity of the security;
- d. cash position of the portfolio;
- e. anticipated client cash flows in or out of the portfolio; and
- f. anticipated expenses associated with transacting in the security.



Aggregation of Trade Orders

No order may be aggregated unless an authorized trader has determined that such aggregation is in the best interest of the participating accounts or clients and is consistent with the duty to seek best execution. DFAA may aggregate brokerage orders for clients to obtain lower average commission costs. When DFAA gives the brokers instructions to execute orders representing multiple portfolios, orders that are fully executed will be allocated according to the current trade order instructions. Aggregated orders that remain only partially filled at the end of the trading day shall generally be allocated pro rata based on the size of the current order, subject to some minimum ticket or minimum trade sizes and adjustments for partially filled orders as described below. In addition, when executing sell orders, DFAA will seek to avoid leaving small positions in a client account. Therefore, DFAA may allocate a greater than pro rata share of a sell order for a security to an account if DFAA intends to sell the account's entire position in such security.

It is DFAA's policy to treat all accounts fairly over time and not to favor or disfavor any clients or class of clients. However, allocations of orders may differ across accounts or clients within a given day, according to the relevant factors affecting each account (or client). An authorized trader may determine whether to aggregate, delay, alternate or rotate orders, or to effect execution of orders according to other criteria, provided that such execution supports the fair and equitable treatment of clients over time.

DFAA's general policy of allocating partially filled orders is pro rata, based on the size of the current order, but adjusted for, among other things, (a) available cash, (b) round lots, minimum trade size or certain minimum basis points holding as determined by an authorized trader, (c) the size of the account, or (d) the necessity to obtain a certain level of holdings according to the specific benchmark of the client.

Cross-Transactions

DFAA may conclude that it is appropriate to cause one of its advisory clients to sell a security and another of its advisory clients to purchase the same security at or about the same time. Consistent with its fiduciary obligations to each client and the requirements of best price and execution, DFAA may, under such circumstances, arrange to have the purchase and sale transactions effected directly between its clients ("cross transactions"). A cross transaction would be effected on the basis of the current market price of the security or at a price reasonably determined to reflect the fair value of the security, which may be based on independent dealer quotes or information obtained from recognized pricing services. Cross transactions may also be executed through third-party brokers.

DFAA will not receive compensation (other than its advisory fee), directly or indirectly, for effecting a cross transaction between advisory clients, and accordingly will not be deemed to have acted as a "broker" with respect to the transaction. Since, in such transactions, DFAA will



represent both client-seller and client-buyer, it may have a conflict of interest given DFAA's obligation to seek to obtain the best price and most favorable execution for its clients. Clients, therefore, should consider the possible costs or disadvantages of cross transactions versus the potential benefit of obtaining reduced transaction or execution costs that may be obtained from such cross trades. When one of DFAA's advisory clients which is a party to a cross transaction is an investment company, the transaction will be effected pursuant to procedures adopted in compliance with the 1940 Act. Generally, cross transactions may not be effected with any client account that is subject to ERISA unless the provisions of a specific ERISA statutory exemption allowing cross trading have been complied with.

Item 13 – Review of Accounts

DFAA reviews client accounts on a periodic basis. Reviewers include members of the portfolio management team, authorized persons, the Investment Committee, and/or the compliance department.

Reviews of an account occur at differing frequencies and for differing purposes depending on the type of account. For example, separate account investment guidelines are reviewed, at least annually and upon client request, by the Investment Committee to monitor consistency with the client's investment objectives and limitations. Fund portfolio reviews are carried out regularly by portfolio managers to ensure that parameters and characteristics are within acceptable limits. Cash balances for all accounts are reviewed on a daily basis by authorized persons in portfolio management to ensure sufficient funds are available in local or base currency, and that overall balances meet internal guidelines.

As an additional tool in portfolio compliance monitoring, DFAA maintains a portfolio compliance monitoring system that is used in conjunction with its proprietary investment management system. This portfolio compliance monitoring system assesses the underlying positions for accounts after the day's trading system processing is completed and provides independent post-facto daily review of positions against various rules-based compliance tests, covering client-specific guidelines and restrictions, as well as product and regulatory requirements.

All of DFA's separate account clients receive monthly and/or quarterly reports unless their custodians cannot produce the requisite data with that frequency, in which case DFA produces reports with the same frequency as the custodians produce the required asset and transaction data. These periodic reports typically contain the total return for each account held by a client which is calculated on the basis of net asset value plus dividend and interest income, and in cases where required by the clients, compared to an appropriate benchmark index.



In addition, clients of U.S. Dimensional Funds and separate account clients may receive additional reports pursuant to the negotiated terms of investment management agreements or as mutually agreed upon. These additional reports include, but are not limited to: portfolio characteristics, assets listings, discussions of the investment entity's general strategy, and reports containing results of proxy voting.

Item 14 – Client Referrals and Other Compensation

Consultants of DFA and/or DFAL may be paid a commission for client referrals. Such commission may be based on a percentage of total fees received by DFA and/or DFAL, as applicable, as a result of such referrals. Additionally, with respect to DFAL's management of UCITS funds, DFAL or any of its sub-advisers, may, at its discretion, rebate part or all of the management fees charged to the UCITS funds to any UCITS funds' shareholder or use part of such management fees to remunerate certain financial intermediaries of such UCITS funds. Additionally, certain international service providers retained by DFAA may be paid a fee based on a percentage of investment advisory fees actually received by DFAA. This fee is payment for services provided to DFAA to assist DFAA in servicing certain international clients in accordance with the requirements of applicable international laws.

From time to time, DFAA or its affiliates provide certain non-advisory services to financial intermediaries ("Intermediaries") with business relationships with clients. Intermediaries may include, without limitation, independent financial advisors ("FAs"), broker-dealers, institutional investment consultants, and plan service providers (such as recordkeepers). These Intermediaries may be involved in the distribution of funds advised by DFAA, and may recommend DFAA's or its affiliates' strategies or the purchase of funds managed by DFAA or its affiliates ("Dimensional Funds") for their clients. Services provided to Intermediaries may include: (i) providing personnel and outside consultants to Intermediaries for purposes of continuing education, internal strategic planning and, for FAs, practice management; (ii) data collection and analysis, including historical market analysis and risk/return analysis; and (iii) other services.

DFAA or its affiliates regularly provide educational speakers and facilities for conferences or events for Intermediaries, customers or clients of the Intermediaries, or such customers' or clients' service providers. For its sponsored events, DFAA or an affiliate typically pays any associated food, beverage, and facilities related expenses. DFAA or its affiliates sometimes pay a fee to attend, speak at or assist in sponsoring conferences or events organized by others and may pay travel accommodations of certain participants attending such conferences or events. DFAA or an affiliate's sponsorship of conferences or events organized by others may include direct payments to vendors and/or reimbursement of expenses incurred by the organizers of such events. Also, DFAA may make direct payments to vendors and/or reimbursement of expenses



incurred by Intermediaries in connection with the Intermediaries hosting educational training, customer appreciation or other events for such Intermediaries and/or their customers. DFAA personnel may or may not be present at any of the events hosted by third parties as described herein, and DFAA may promote its participation in or sponsorship of such conferences or events in marketing or advertising materials. At the request of a client or potential client, DFAA may also refer such client to one or more Intermediaries.

The services and arrangements described above may give Intermediaries, customers or clients of Intermediaries, or such customers' or clients' service providers an incentive to recommend DFAA's or its affiliates' strategies or Dimensional Funds to their clients in order to receive or continue to receive these services and arrangements from DFAA or its affiliates. However, the provision of these services by DFAA is only to the extent permitted by applicable law and guidance, and is not dependent on the amount of Dimensional Funds or strategies sold or recommended by such Intermediaries, customers or clients of Intermediaries, or such customers' or clients' service providers.

Item 15 – Custody

Each separate account client should receive at least quarterly statements from the broker-dealer, bank, or other qualified custodian that holds and maintains the client's investment assets. DFAA may also send a client a separate account statement or invoice if DFAA manages a separate account for the client. If this is the case, then DFAA urges the client to carefully review such statements and compare such official custodial records to the account statements that we may provide. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

The cash and securities of DFAA's clients are held by third-party custodians. However, DFAA is a registered advisor which acts as trustee to a non-U.S. fund that is structured as a trust and to which not all of the provisions of the Advisers Act and the rules thereunder apply. Because of that trustee relationship, DFAA may be deemed to have "custody" of these assets pursuant to the SEC's definition of "custody". The trusts are audited by independent public accountants, and the audited financial statements are distributed to investors as required per local law. Except as otherwise required by law, DFAA will not be liable for any act or failure to act of the client's custodian.

Item 16 – Investment Discretion

DFAA usually receives discretionary authority from the client pursuant to a sub-advisory agreement at the outset of a sub-advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a



manner consistent with the stated investment objectives for the particular client account. Except as otherwise required by law, DFAA will not be liable for any action or instruction of the client or the client's custodian.

When selecting securities and determining amounts, DFAA observes the investment policies, limitations and restrictions of the clients for which it advises. For SEC registered investment companies, DFAA's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made. Investment guidelines and restrictions must be provided to DFAA in writing.

Item 17 – Voting Client Securities

DFAA, DFA, DFAL, DLLP, DFA Japan, and DFA Singapore (each, an “Advisor,” and collectively, the “Advisors”) have jointly adopted proxy voting policies and procedures (the “Voting Procedures”) for voting proxies on behalf of clients to the extent that: (i) relationships with such clients are subject to the Advisers Act or ERISA; or (ii) the clients are registered investment companies under the 1940 Act. The following is a summary of the Voting Procedures:

The Investment Committee at DFA is generally responsible for overseeing each Advisor's proxy voting process. The Investment Committee has formed a Corporate Governance Committee composed of certain officers, directors and other personnel of the Advisors and has delegated to its members authority to (i) oversee the voting of proxies and third-party proxy service providers (discussed further below), (ii) make determinations as to how to instruct the vote on certain specific proxies, (iii) verify ongoing compliance with the Voting Procedures, and (iv) review the Voting Procedures from time to time and recommend changes to the Investment Committee. The Corporate Governance Committee may designate one or more of its members to oversee specific, ongoing compliance with respect to the Voting Procedures and may designate personnel of each Advisor to instruct the vote on proxies on behalf of an Advisor's clients, such as authorized traders of the Advisors.

Generally, DFAA, along with the other Advisors, will seek to instruct the vote for proxies, or refrain from voting proxies, in accordance with the guidelines set forth in the Voting Procedures unless a client has expressly directed DFAA to vote differently for such client's account or DFAA has contractually agreed to follow a client's individualized proxy voting guidelines.

The guidelines provide a framework for analysis and decision making. However, the guidelines do not address all potential issues. DFAA may vote counter to the guidelines if, after a review of the matter, DFAA believes that the best interests of the client would be served by such a vote. DFAA may, but will not ordinarily take social concerns into account in voting proxies with respect to securities held by clients, including those held by socially screened portfolios or



accounts. DFAA will ordinarily take environmental concerns into account in voting proxies with respect to securities held by certain sustainability screened portfolios or accounts, to the extent permitted by applicable law and guidance.

DFAA may determine that voting is not in the best interests of a client and refrain from voting if the costs, including the opportunity costs, of voting would, in DFAA's view, exceed the expected benefits of voting. For securities on loan, DFAA will balance the revenue-producing value of loans against the difficult-to-assess value of casting votes. It is DFAA's belief that the expected value of casting a vote generally will be less than the securities lending income, either because the votes will not have significant economic consequences or because the outcome of the vote would not be affected by DFAA recalling loaned securities for voting. DFAA does intend to recall securities on loan if, based upon information in DFAA's possession, DFAA determines that voting the securities is likely to materially affect the value of a client's investment and it is in the client's best interests to do so.

For proxies of non-U.S. companies, it is typically both difficult and costly to vote proxies. DFAA does not intend to vote proxies of non-U.S. companies if it determines the expected costs of voting outweigh any anticipated economic benefit to the client of voting. In the event DFAA is made aware of and believes an issue to be voted is likely to materially affect the economic value of a portfolio, that its client's vote is reasonably likely to influence the ultimate outcome of the contest, and the expected benefits to the client of voting the proxies exceed the expected costs, DFAA will seek to make reasonable efforts to vote such proxies.

Proxies that DFAA receives on behalf of its clients will generally be voted in accordance with predetermined Voting Procedures and guidelines. Therefore, proxies voted typically should not be affected by any conflicts of interest. In the limited instances where (i) an authorized person is considering voting a proxy contrary to the guidelines set forth in the Voting Procedures (or in cases where the guidelines do not prescribe a particular vote and the proposed vote is contrary to the recommendation of Institutional Shareholder Services, Inc. ("ISS"), the proxy service provider discussed below), and (ii) the authorized person believes a potential conflict of interest exists, the authorized person will disclose the potential conflict to a member of the Corporate Governance Committee. If the Committee member has actual knowledge of a conflict of interest and recommends a vote contrary to the guidelines (or in cases where the guidelines do not prescribe a particular vote and the vote is contrary to the recommendation of ISS, the proxy service provider as discussed below), the Committee member will bring the vote to the Committee, which will determine (a) how the vote should be cast keeping in mind the principle of preserving shareholder value or (b) to abstain from voting, unless abstaining would be materially adverse to the client's interest. To the extent the Corporate Governance Committee makes a determination regarding how to vote or to abstain from a proxy on behalf of a U.S. Dimensional Fund in the circumstances described in this paragraph, DFAA will report annually



on such determinations to the relevant Board of Directors/Trustees of the affected U.S. Dimensional Fund.

The Advisors and the U.S. Dimensional Funds have retained ISS to provide certain services with respect to proxy voting. ISS will provide information on shareholder meeting dates and proxy materials; translate proxy materials printed in a foreign language; provide research on proxy proposals and voting recommendations in accordance with the guidelines; effect votes on behalf of clients for whom the Advisors have voting responsibility; and provide reports concerning the proxies voted (“Proxy Voting Services”). In addition, DFAA may obtain the services of supplemental third party proxy service providers to provide, among other things, research on proxy proposals and voting recommendations for certain shareholder meetings, as identified in the guidelines. Although DFAA retains third party service providers for proxy issues, DFAA remains ultimately responsible for its proxy voting decisions. In this regard, DFAA uses commercially reasonable efforts to oversee any directed delegation to third-party proxy service providers, upon which DFAA relies to carry out the Proxy Voting Services. Prior to the selection of a new third-party proxy service provider and annually thereafter or more frequently if deemed necessary by DFA, the Corporate Governance Committee will consider whether the proxy service provider (i) has the capacity and competency to adequately analyze proxy issues and (ii) can make its recommendation in an impartial manner and in consideration of the best interests of DFAA’s clients. In the event that the guidelines are not implemented precisely as DFAA intends because of the actions or omissions of any third party proxy service providers, custodians or sub-custodians or other agents, or any such persons experience any irregularities (e.g., misvotes or missed votes), then such instances will not necessarily be deemed by DFAA as a breach of the Voting Procedures.

Clients may obtain a complete copy of the Voting Procedures, including a summary of the guidelines, and records of how their securities were voted by writing to their customer service representative at Dimensional Fund Advisors, Level 43 Gateway, 1 Macquarie Place, Sydney NSW, 2000 Australia.

To the extent that a separate account or sub-advised fund client has not authorized DFAA or DFAA has not agreed to vote proxies for securities in the client’s account, the client will be responsible for receiving and voting proxies for any and all securities maintained in its portfolio, and DFAA is not responsible for forwarding proxies to the client. Depending on the circumstances and the terms of the client’s agreement, DFAA may provide advice about a proxy from time to time.



Item 18 – Financial Information

A registered investment adviser is required to provide certain financial information or disclosures about the adviser's financial condition. DFAA believes that it has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

Not applicable.