



PROFESSIONAL
FINANCIAL

Consultative Wealth Management

CLARITY. COMMITMENT. CONFIDENCE.



Principles of Informed Investing

Paul Byron Hill, CFP®

President | Top Wealth Manager

Professional Financial Strategies, Inc.

Powder Mill Office Park

1159 Pittsford-Victor Road, Suite 120

P. O. Box 999

Pittsford, NY 14534

(585) 218-9080

www.professionalfinancial.com



Disclosure: Professional Financial Strategies, Inc. is an independent state-registered investment adviser, and is not an affiliate of Charles Schwab & Co., TIAA-CREF or Dimensional Fund Advisors, LLC. A current disclosure brochure is available by calling 585.218.9080 or emailing paulhill@professionalfinancial.com.

Market Equilibrium

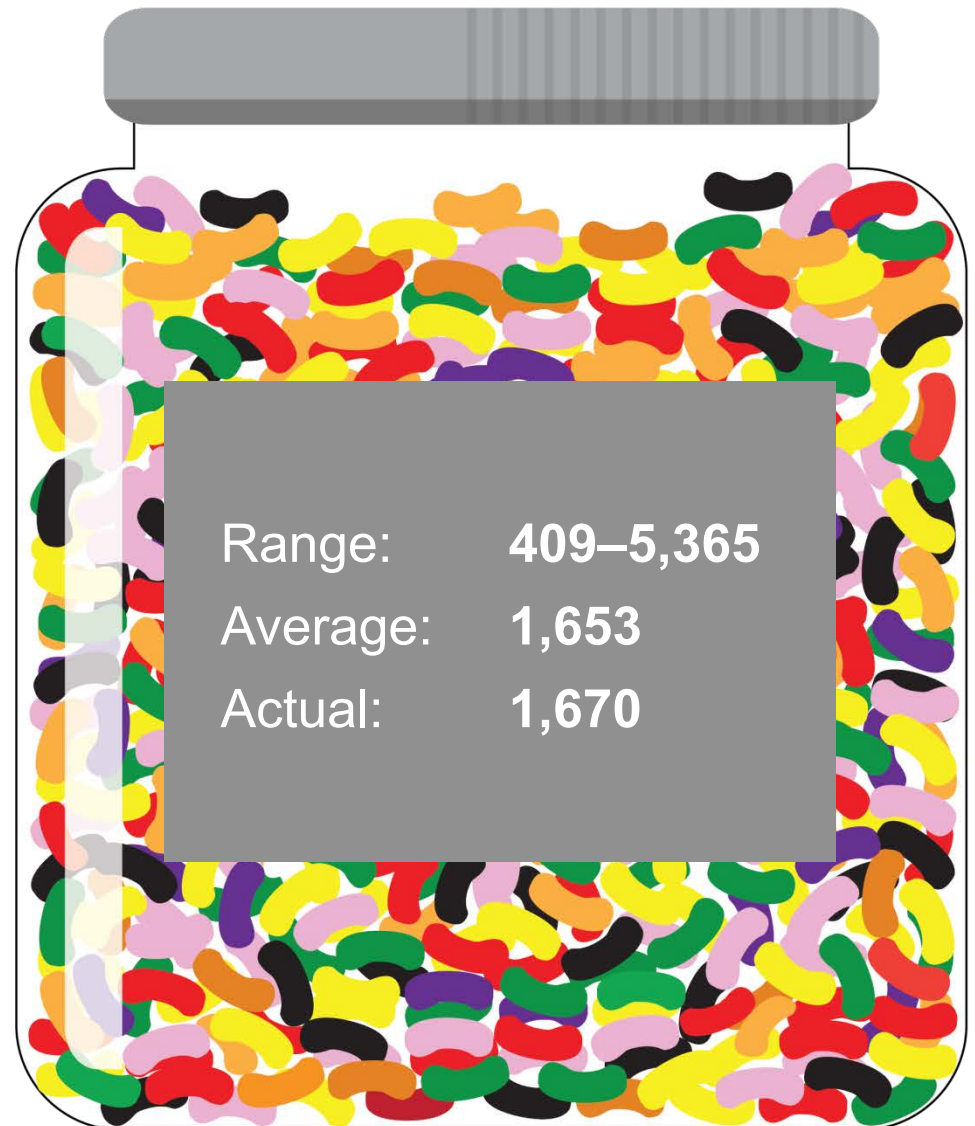
- I. What's Your Guess?
- II. Markets Integrate the Combined Knowledge of All Participants
- III. People Trust Market Pricing Every Day
- IV. What Affects a Stock's Current Price?
- V. Markets React to Events
- VI. Stock Prices Adjust Quickly
- VII. Picking the Fastest Lane Is a Stressful Guessing Game
- VIII. Few Mutual Funds Survive and Beat Their Benchmarks
- IX. Let the Market Work for You

What's Your Guess?

Participants were asked to estimate the number of jelly beans in a jar.

The average estimate of all participants was very close to the actual count.

Together, we know more than we do alone.



Markets Integrate the Combined Knowledge of All Participants

The market effectively enables competition among many market participants who voluntarily agree to transact.

This trading aggregates a vast amount of dispersed information and drives it into security prices.

World Equity Trading in 2014

	Number of Trades	Dollar Volume
Daily Average	60 million	\$302 billion

People Trust Market Pricing Every Day

The daily price of fish may vary based on buyer and seller expectations of market forces. We accept the price as an accurate estimate of current value and make decisions accordingly.

The same is true of a stock price, which reflects all known information about a company.



What Affects a Stock's Current Price?



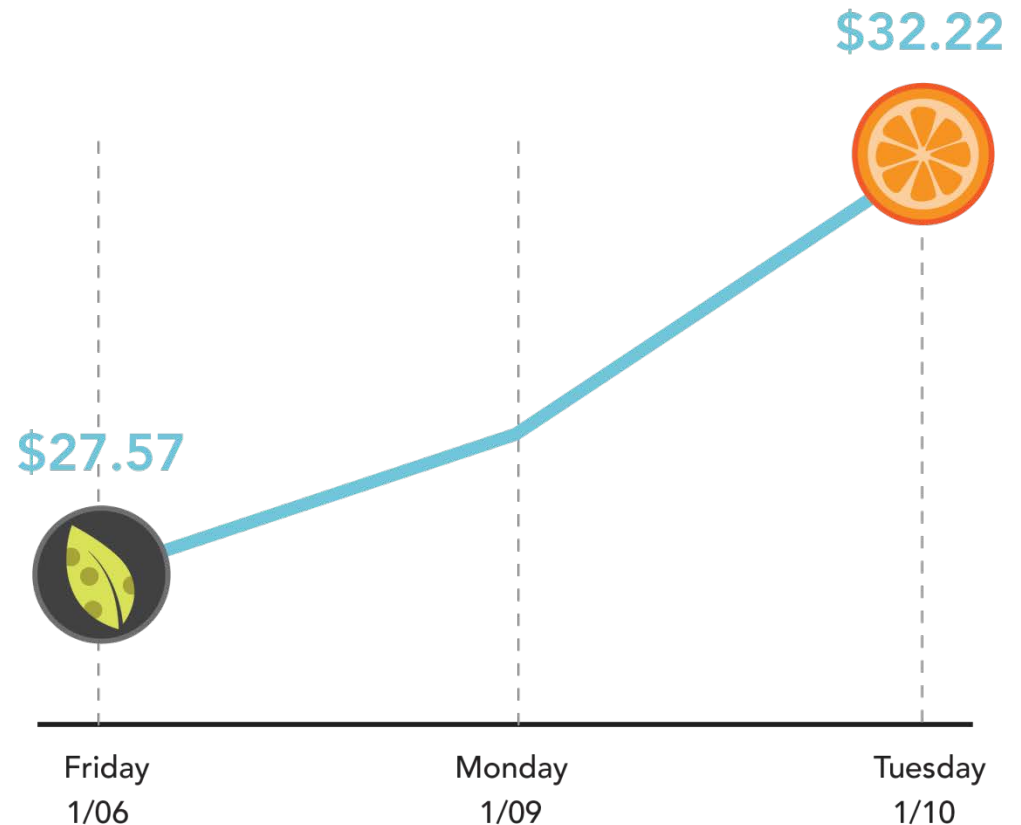
Given all information, a stock's current price offers the best approximation of actual value.

Markets React to Events

“Orange juice futures surge to record on fungicide fears”

–*Reuters*, January 10, 2012

Prices adjust when unexpected events alter the market’s view of the future.

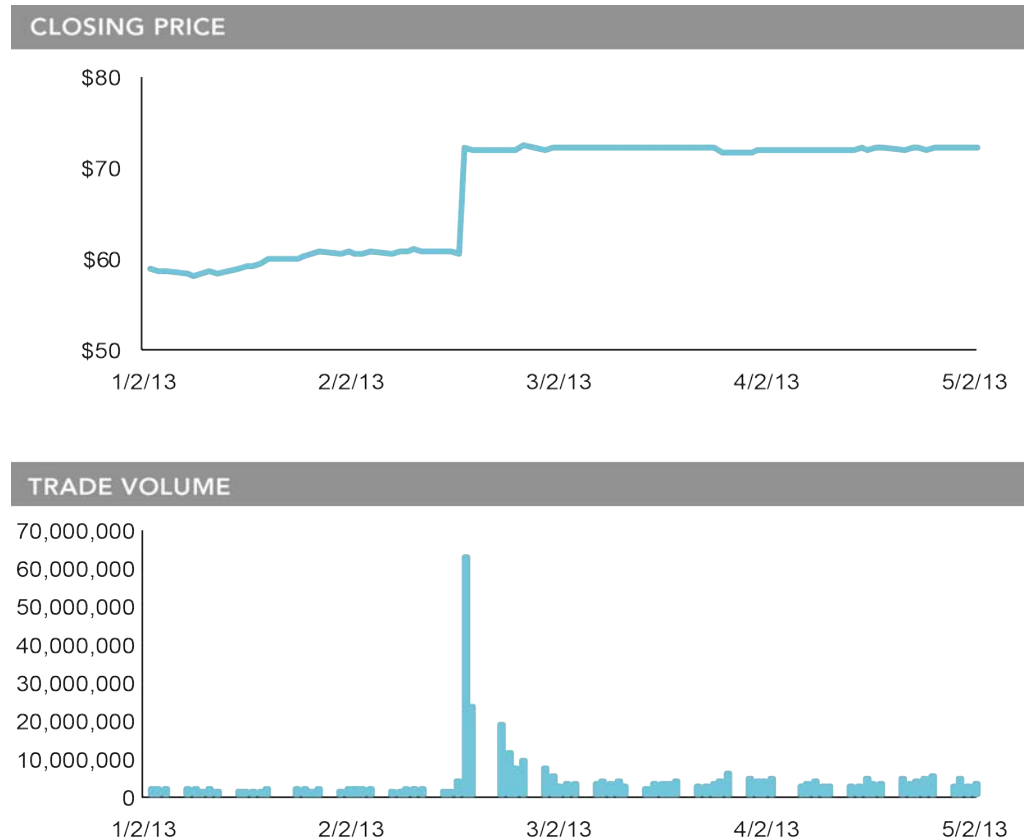


Stock Prices Adjust Quickly

Heinz, 2/14/2013

**“Heinz agrees to buyout by
Berkshire Hathaway, 3G”**
–*USA Today*, February 14, 2013

News travels quickly, and prices
can adjust in an instant.

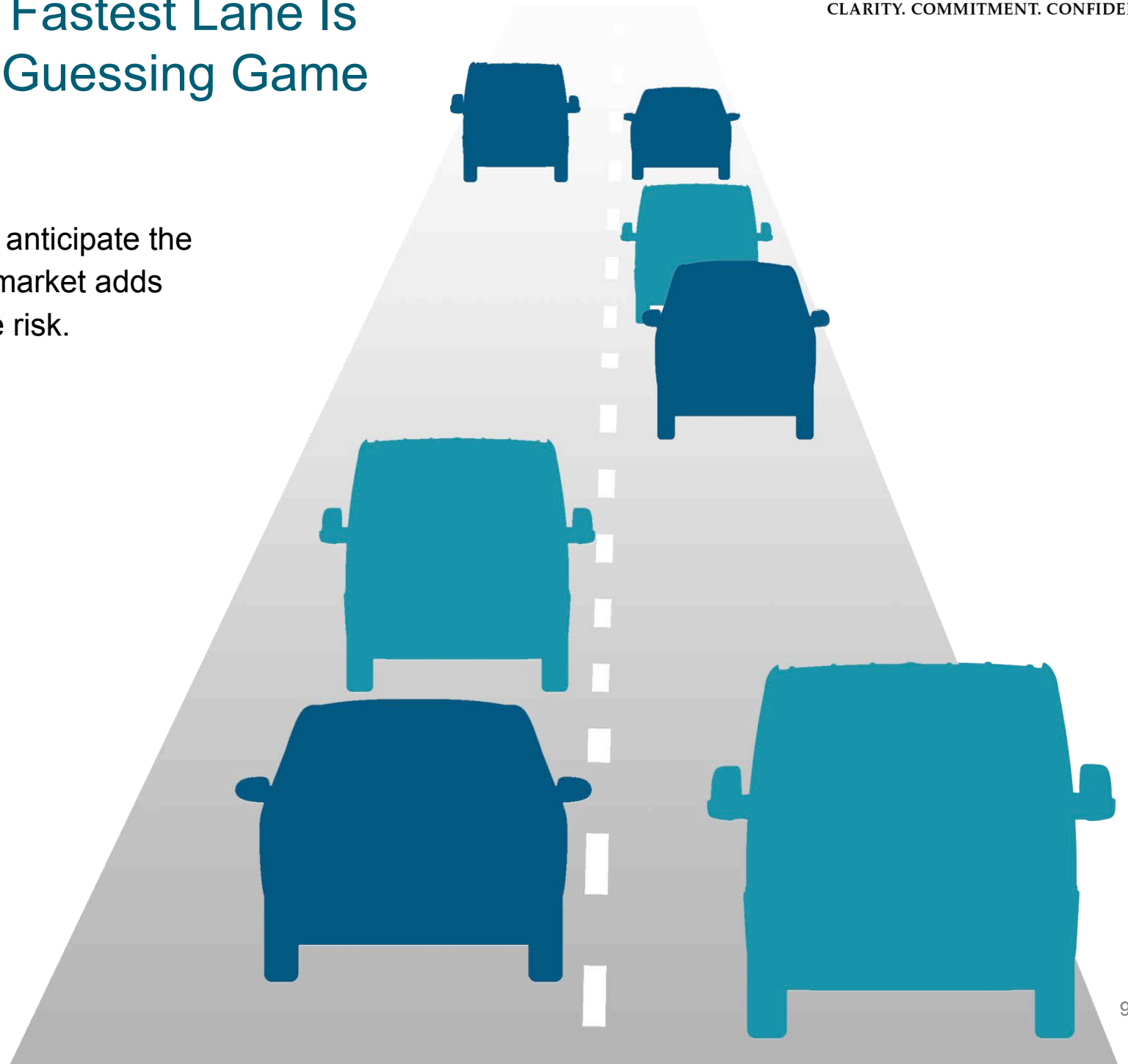


Source: Bloomberg

The security identified is shown for illustrative purposes only to demonstrate the investment philosophy described herein. These materials are not, and should not be construed as, a recommendation to purchase or sell the security identified or any other securities. Actual holdings will vary for each client, and there is no guarantee that any client will hold the security identified.

Picking the Fastest Lane Is a Stressful Guessing Game

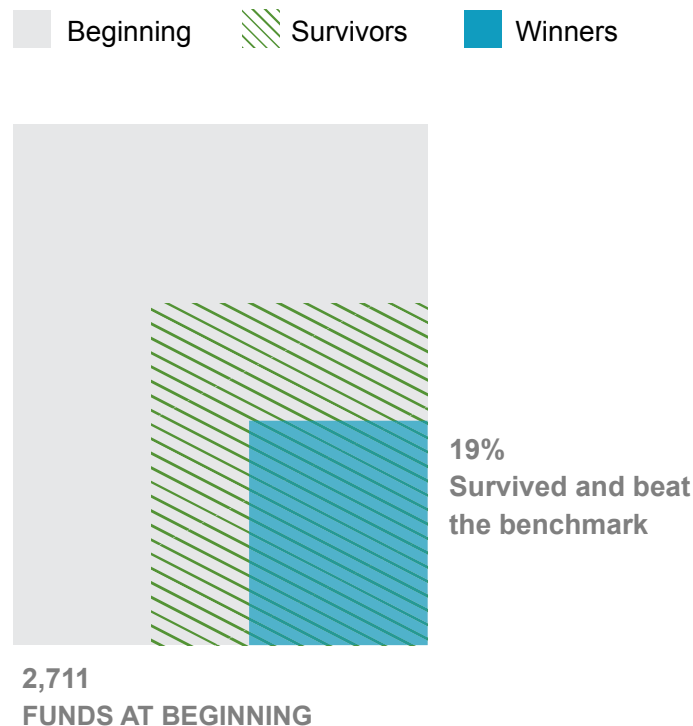
Likewise, trying to anticipate the movement of the market adds anxiety and undue risk.



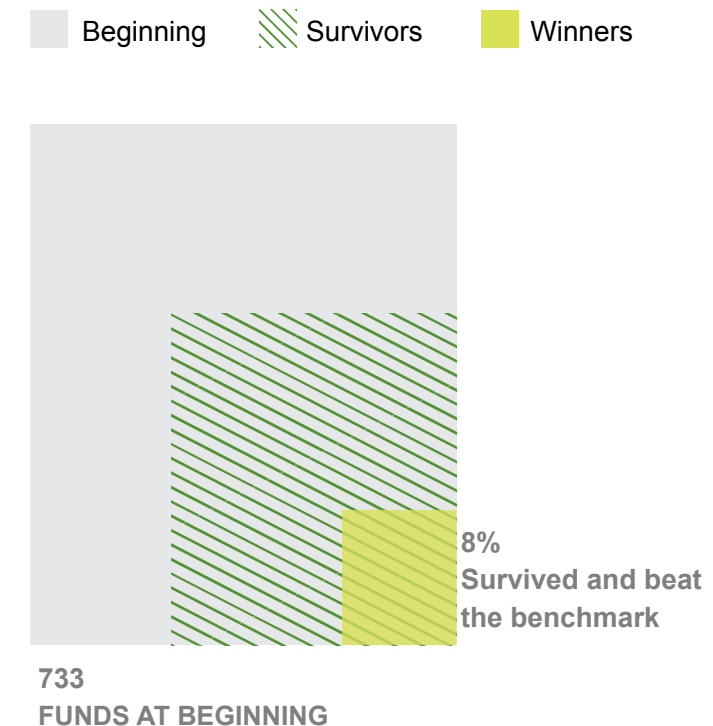
Outsmarting other investors is tough

Few mutual funds survive and beat their benchmarks
15-year performance period ending December 31, 2014

EQUITY FUNDS



FIXED INCOME FUNDS

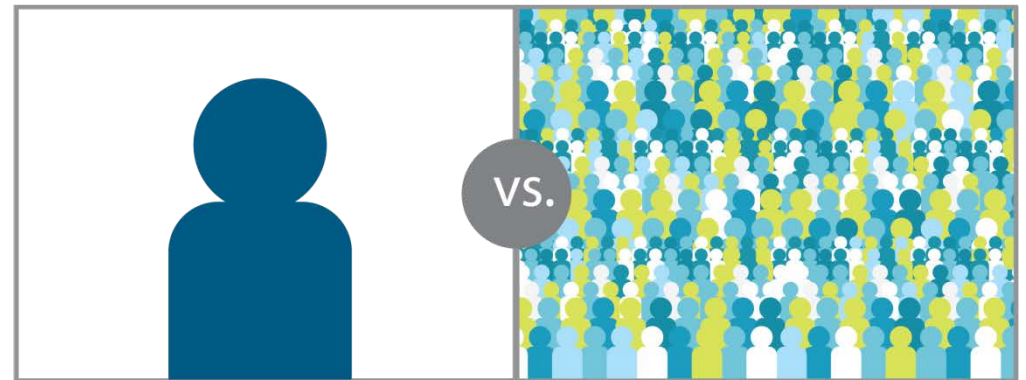


Past performance is no guarantee of future results.

In US dollars. . US-domiciled mutual fund data is from the CRSP Survivor-Bias-Free US Mutual Fund Database, provided by the Center for Research in Security Prices, University of Chicago. Beginning sample includes funds as of the beginning of the 15-year period ending in 2014. The number of funds as of the beginning is indicated below the exhibit. Survivors are funds that are still in existence as of December 31, 2014. Winners are funds that survive and beat their respective benchmarks over the period. Funds are identified using Lipper fund classification codes and are matched to their respective benchmarks at the beginning of the sample period. Loser funds are funds that did not survive the period or whose cumulative return did not exceed their respective benchmark.

Let the Market Work for You

When you try to outwit the market, you compete with the collective knowledge of all investors.



By harnessing the market's power, you put their knowledge to work in your portfolio.

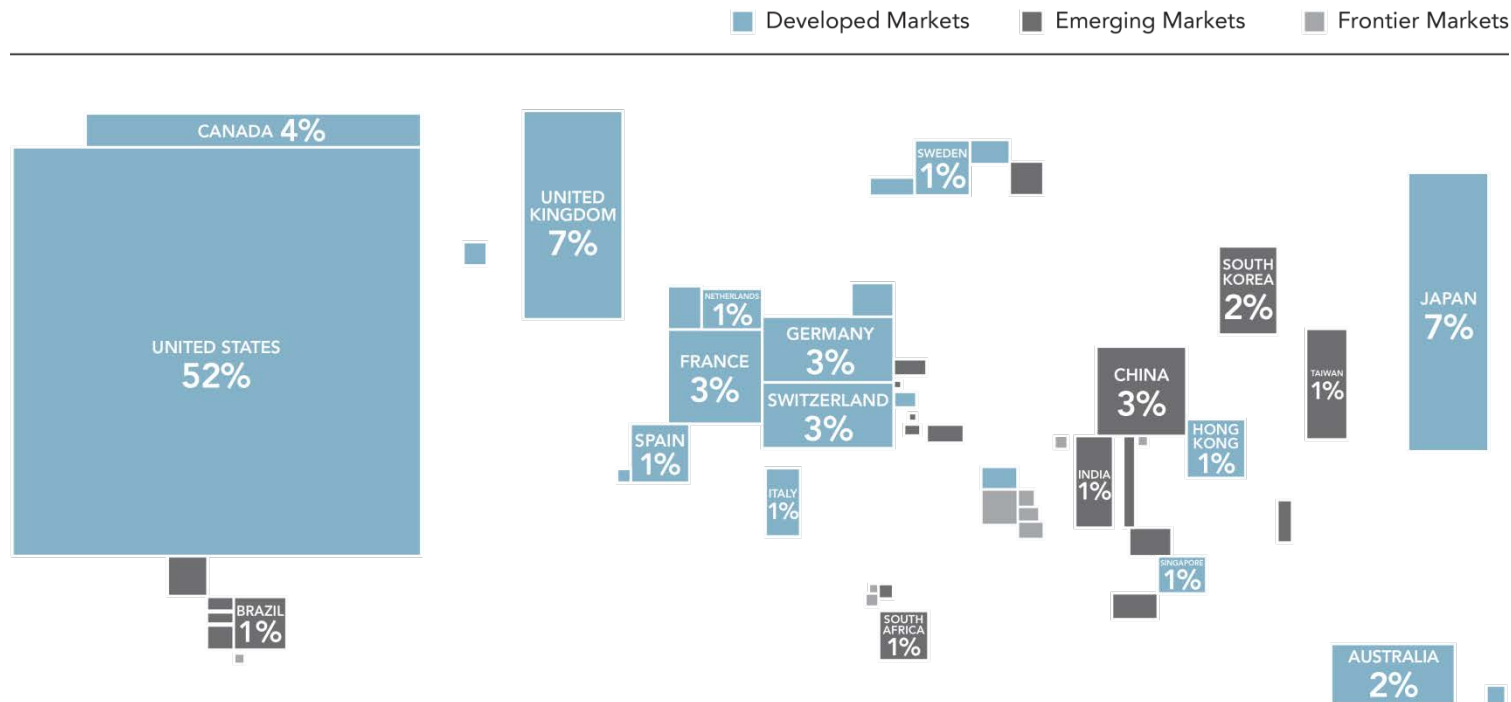


Diversification

- I. Diversification Helps You Capture What Global Markets Offer
- II. Diversification Reduces Risks That Have No Expected Return
- III. Diversification May Prevent You from Missing Opportunity
- IV. Diversification Smooths Out Some of the Bumps
- V. Diversification Helps Take the Guesswork out of Investing

Diversification Helps You Capture What Global Markets Offer

Percent of world market capitalization as of December 31, 2014



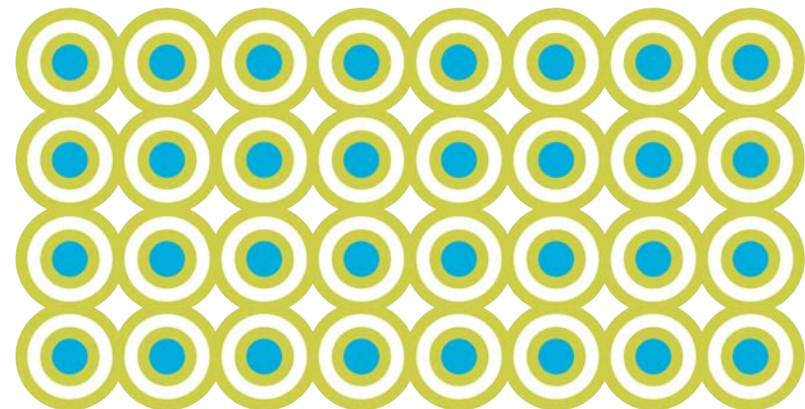
- 44 countries
- Approximately 12,000 publicly traded stocks
- \$46.8 trillion market value

The global equity market is large and represents a world of investment opportunity.

Diversification Reduces Risks That Have No Expected Return

Concentrating in one stock exposes you to unnecessary risks.

Diversification reduces the impact of any one company's performance on your wealth.

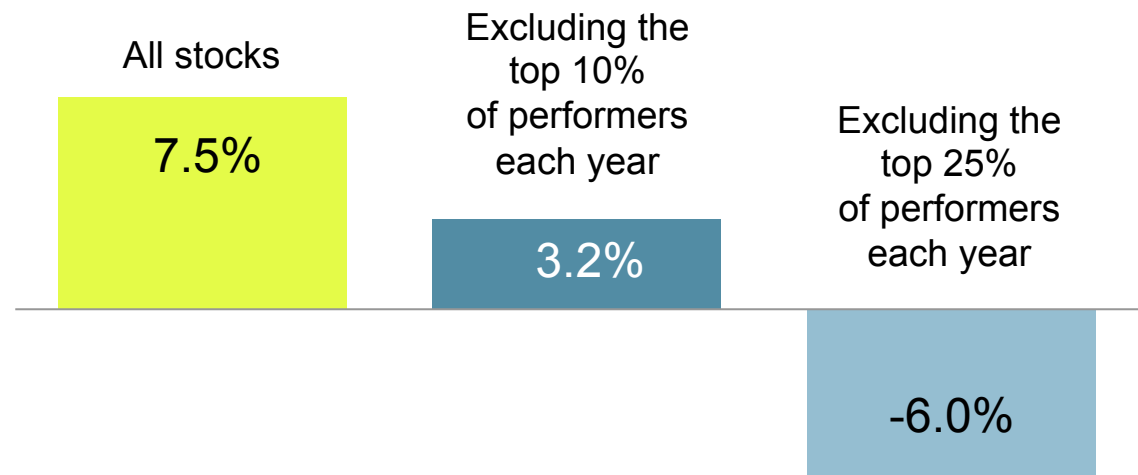


Diversification May Prevent You from Missing Opportunity

Compound average annual returns: 1994-2014

Attempting to identify that group of future winners is a guessing game.

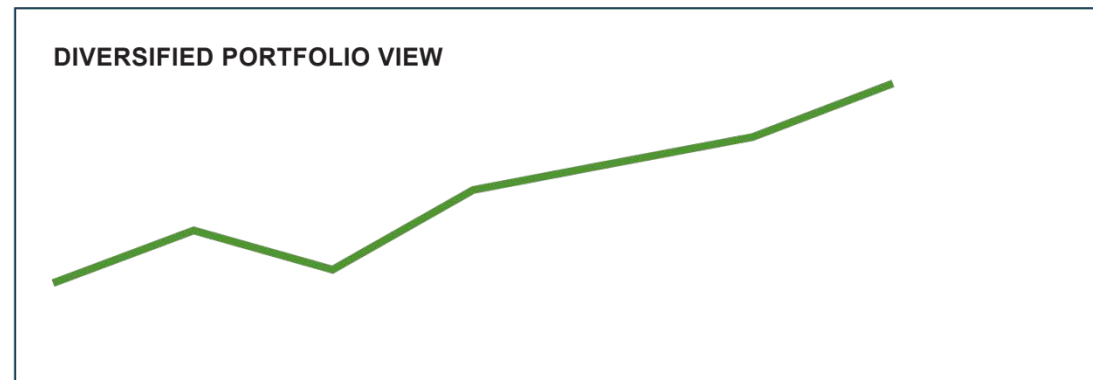
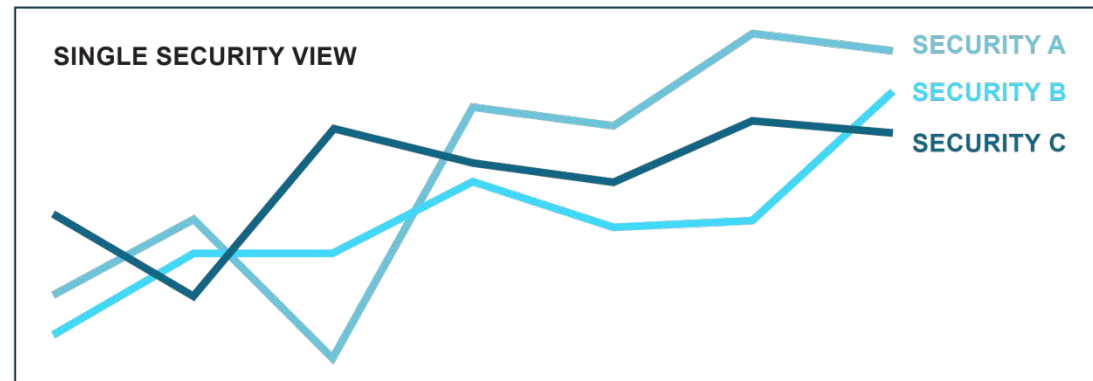
Diversification improves the odds of holding the best performers.



Source: Bloomberg, London Share Price Database, and Centre for Research in Finance. Compound average annual returns are in US dollars. The returns are from the following developed and emerging markets: Australia, Austria, Belgium, Brazil, Canada, Chile, China, Colombia, Czech Republic, Denmark, Egypt, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Republic of Korea, Malaysia, Mexico, Netherlands, New Zealand, Norway, Peru, Philippines, Poland, Portugal, Russia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, and the United States. Diversification does not eliminate the risk of market loss. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. **Past performance is no guarantee of future results.** Investing involves risks, including fluctuating values and potential loss of principal.

Diversification Smooths Out Some of the Bumps

A well-diversified portfolio can provide the opportunity for a more stable outcome than a single security.



Diversification Helps Take the Guesswork out of Investing

Annual returns (%): 2000–2014

You never know which markets will outperform from year to year.

By holding a globally diversified portfolio, investors are positioned to capture returns wherever they occur.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Higher Return	31.0	12.3	7.6	60.6	33.8	34.5	36.0	39.8	8.8	79.0	28.1	9.4	18.6	38.8	32.0
	9.0	8.4	5.1	56.3	33.2	23.5	32.6	8.2	6.6	44.8	26.9	3.4	17.9	32.4	13.7
	8.3	7.3	3.6	47.3	26.0	13.8	25.2	7.2	4.7	28.5	20.9	2.3	17.1	25.8	4.9
	7.3	6.4	3.4	36.2	18.3	4.9	18.4	6.3	-33.8	27.2	19.2	2.1	16.3	1.2	1.9
	-3.0	2.5	-2.0	28.7	10.9	4.6	15.8	5.9	-37.0	26.5	15.1	0.6	16.0	0.6	1.2
	-9.1	-2.4	-6.0	2.0	2.7	3.1	4.3	5.5	-39.2	2.3	3.7	-4.2	2.1	0.3	0.2
	-9.9	-11.9	-20.5	1.9	1.3	2.4	4.1	-1.6	-45.8	0.8	2.0	-14.7	0.9	-0.1	-1.8
Lower Return	-30.6	-13.6	-22.1	1.5	0.8	1.3	3.8	-17.6	-53.2	0.2	0.8	-18.2	0.2	-2.3	-5.5

	S&P 500 Index
	Russell 2000 Index
	Dow Jones US Select REIT Index
	Dimensional International Small Cap index
	MSCI Emerging Markets Index (gross div.)
	BofA Merrill Lynch One-Year US Treasury Notes Index
	Barclays Treasury Bond Index 1-5 Years
	Citigroup World Government Bond Index 1-5 Years (hedged to USD)

In US dollars. Diversification does not eliminate the risk of market loss. **Past performance is not a guarantee of future results.** Indices are not available for direct investment. Their performance does not reflect expenses associated with the management of an actual portfolio. Source: S&P data provided by Standard & Poor's Index Services Group. Russell data copyright © Russell Investment Group 1997-2015, all rights reserved. Dimensional Index data compiled by Dimensional. MSCI data © 2015, all rights reserved. The BofA Merrill Lynch Indices are used with permission; copyright 2015 Merrill Lynch, Pierce, Fenner & Smith Incorporated; all rights reserved. Merrill Lynch, Pierce, Fenner & Smith Incorporated is a wholly owned subsidiary of Bank of America Corporation. Barclays Capital data is provided by Barclays Bank PLC. Citigroup bond indices © 2015 by Citigroup.

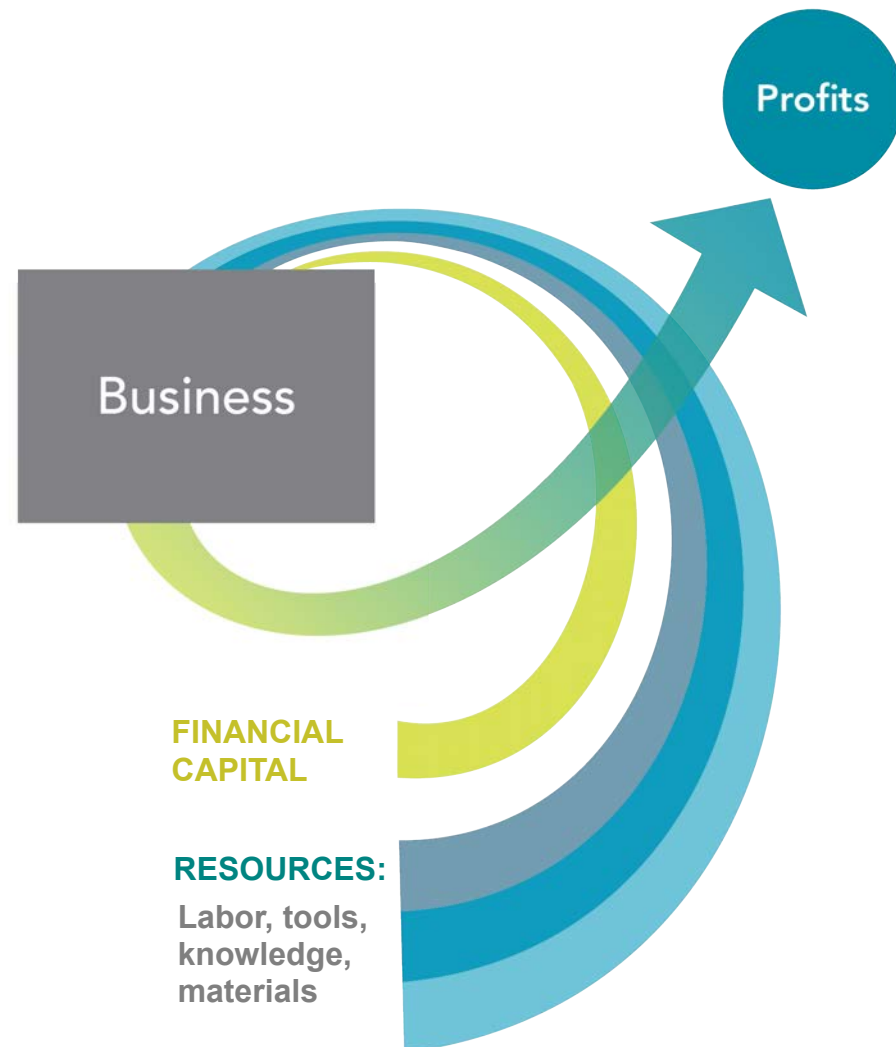
Dimensions of Returns

- I. Financial Capital Plays a Vital Role in Wealth Creation
- II. Stocks and Bonds Are Conduits for Capital
- III. The Capital Markets Have Rewarded Long-Term Investors
- IV. Markets Compensate Non-Diversifiable Risk
- V. Dimensions Point to Differences in Expected Returns
- VI. Portfolios Can Be Structured to Pursue Dimensions

Financial Capital Plays a Vital Role in Wealth Creation

Using financial capital and other resources, a business produces goods or services that can be sold for a profit.

As providers of financial capital, investors expect a return on their money.



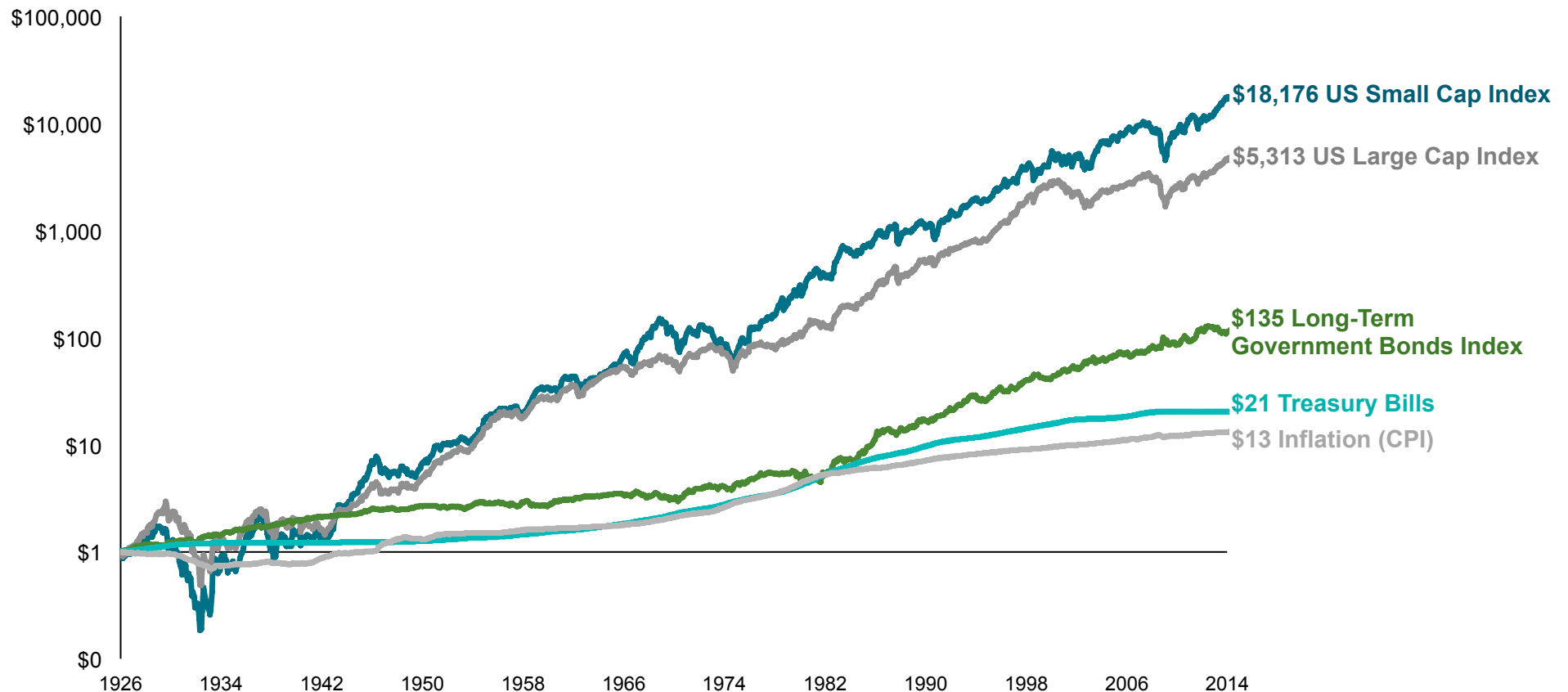
Stocks and Bonds Are Conduits for Capital



Bondholders are lenders to a company.
Stockholders are equity owners in the business.
Both expect an adequate return for the terms
and risk of their investment.

The Capital Markets Have Rewarded Long-Term Investors

Monthly growth of wealth (\$1), 1926–2014



In US dollars. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. **Past performance is no guarantee of future results.** US Small Cap Index is the CRSP 6–10 Index; US Large Cap Index is the S&P 500 Index; Long-Term Government Bonds Index is 20-year US government bonds; Treasury Bills are One-Month US Treasury bills; Inflation is the Consumer Price Index. CRSP data provided by the Center for Research in Security Prices, The S&P data are provided by Standard & Poor's Index Services Group. University of Chicago. Bonds, T-bills, and inflation data © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld).

Markets Compensate Non-Diversifiable Risk

Risk is a complex concept—it is always present, even if it has not been realized, and it cannot be directly observed until it occurs.

The sources of return are directly observable, and decades of academic research have advanced our understanding of them.

Investors balance risk and return by incorporating their expectations and preferences into securities prices.



Dimensions Point to Differences in Expected Returns

Academic research has identified these dimensions, which are well documented in markets around the world and across different time periods.



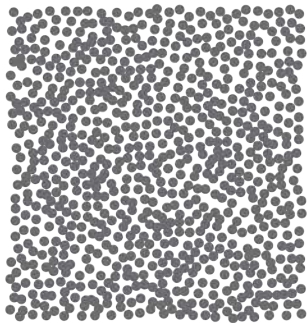
Diversification does not eliminate the risk of market loss. 1. Relative price as measured by the price-to-book ratio; value stocks are those with lower price-to-book ratios.
2. Profitability is a measure of current profitability, based on information from individual companies' income statements.

Portfolios Can Be Structured to Pursue Dimensions

● Company ●●●● Higher Expected Return
 →

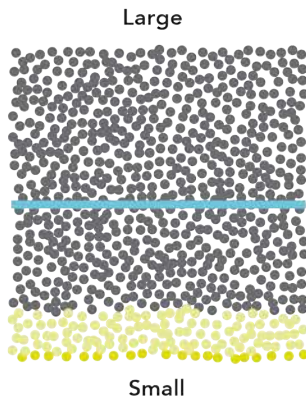
MARKET

Beta¹
(Equity Premium)



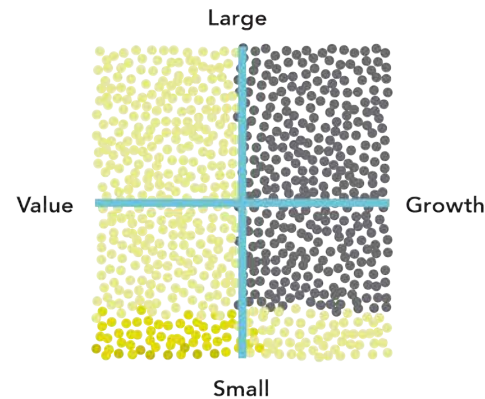
COMPANY SIZE

Market Cap
(Small Cap Premium)



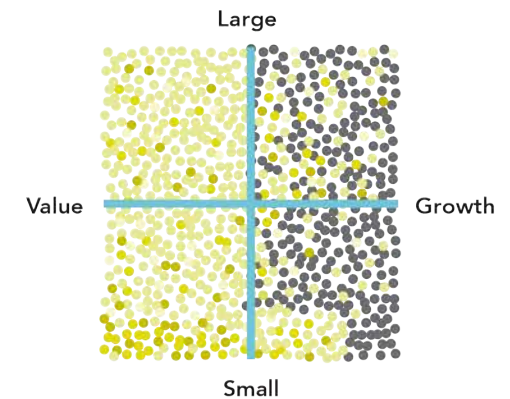
RELATIVE PRICE

Price-to-Book²
(Value Premium)



PROFITABILITY

Profitability³
(Profitability Premium)



Investors can pursue higher expected returns through a low-cost, well-diversified portfolio that targets these dimensions.

1. Beta: A quantitative measure of the co-movement of a given stock, mutual fund, or portfolio with the overall market.

2. Price-to-Book Ratio: A company's capitalization divided by its book value. It compares the market's valuation of a company to the value of that company as indicated on its financial statements.

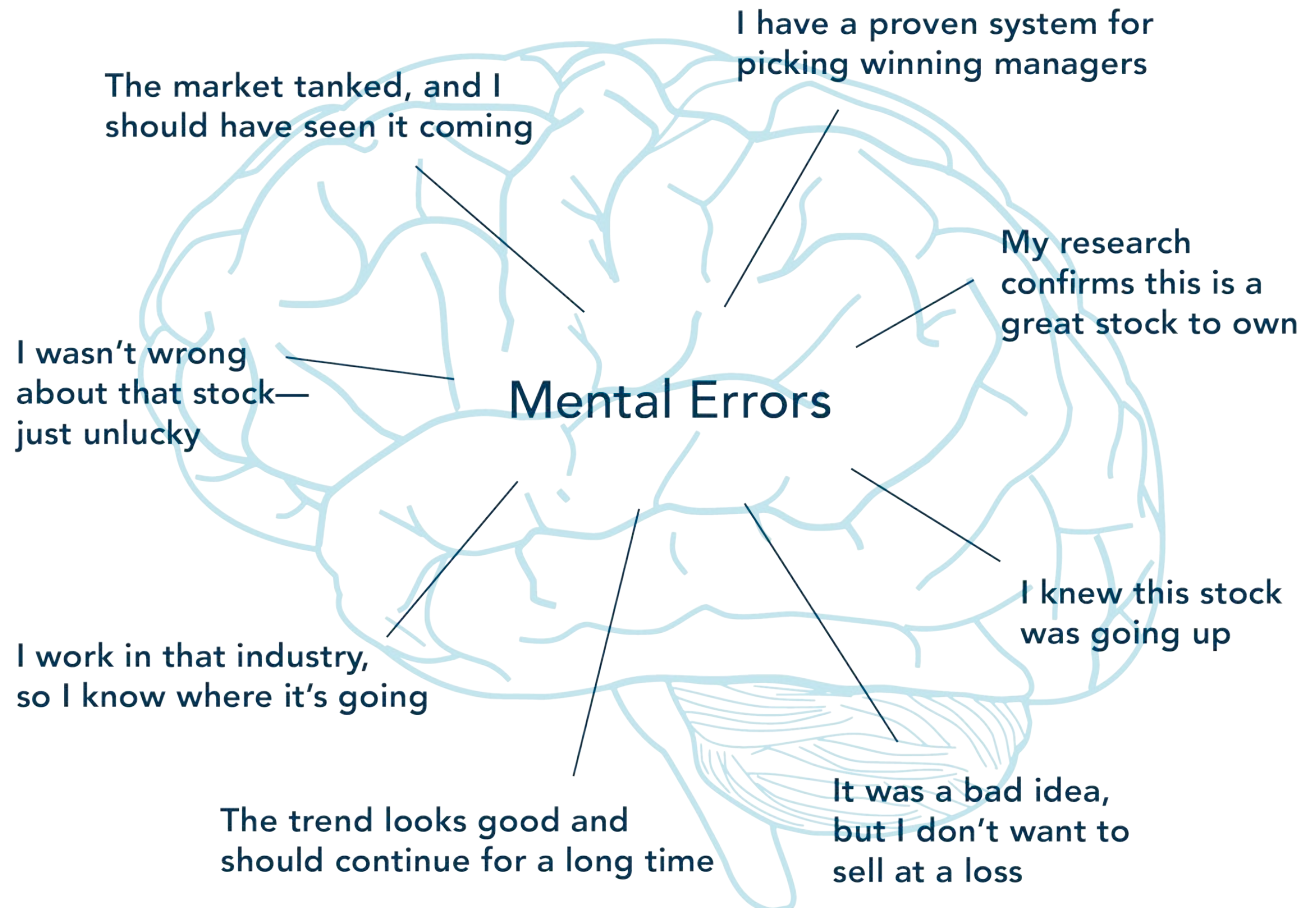
3. Profitability: A measure of a company's current profits. We define this as operating income before depreciation and amortization minus interest expense, scaled by book equity.

Investor Discipline

- I. Humans Are Not Wired for Disciplined Investing
- II. Many Investors Follow Their Emotions
- III. Reacting Can Hurt Performance
- IV. Markets Have Rewarded Discipline
- V. Focus on What You Can Control

Humans Are Not Wired for Disciplined Investing

When people follow their natural instincts, they tend to apply faulty reasoning to investing.



Many Investors Follow Their Emotions

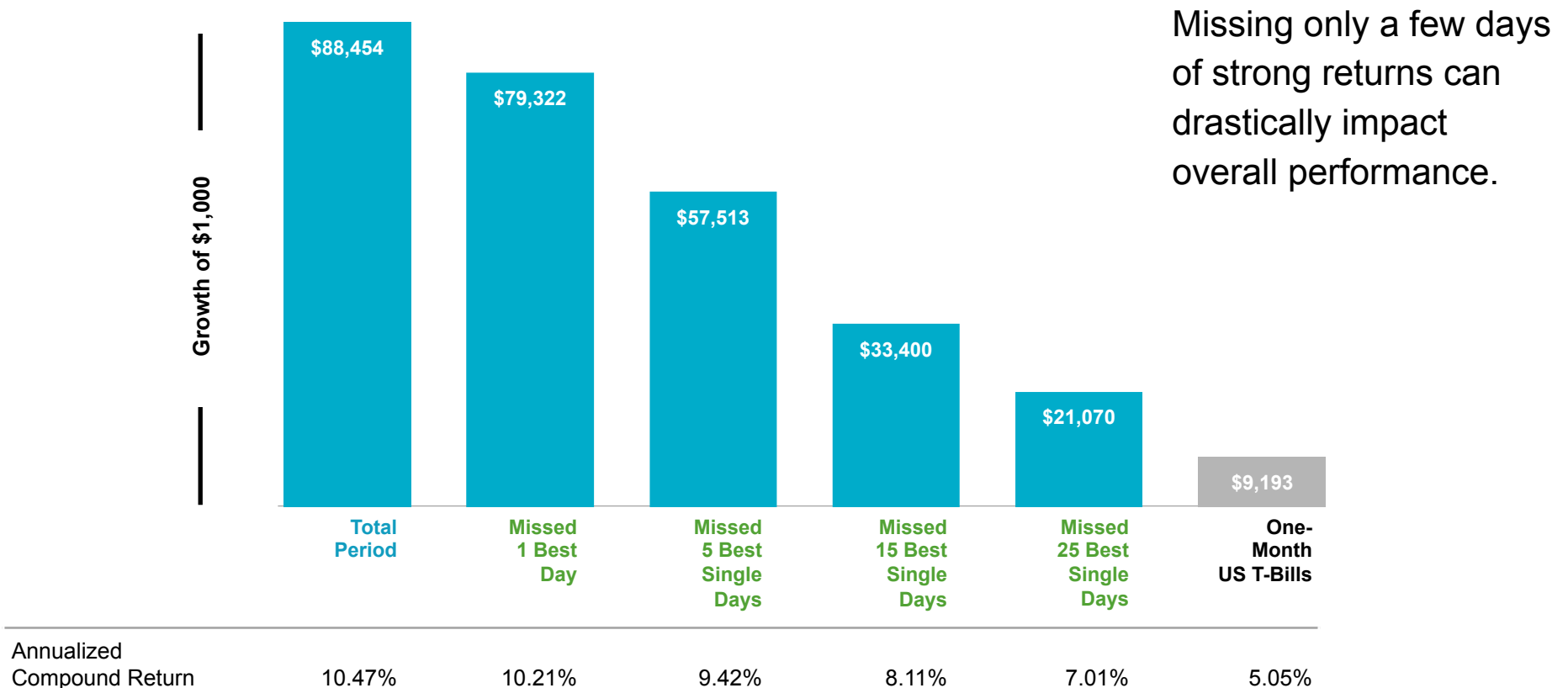


People may struggle to separate their emotions from their investment decisions.

Following a reactive cycle of excessive optimism and fear may lead to poor decisions at the worst times.

Reacting Can Hurt Performance

Performance of the S&P 500 Index, 1970--2014

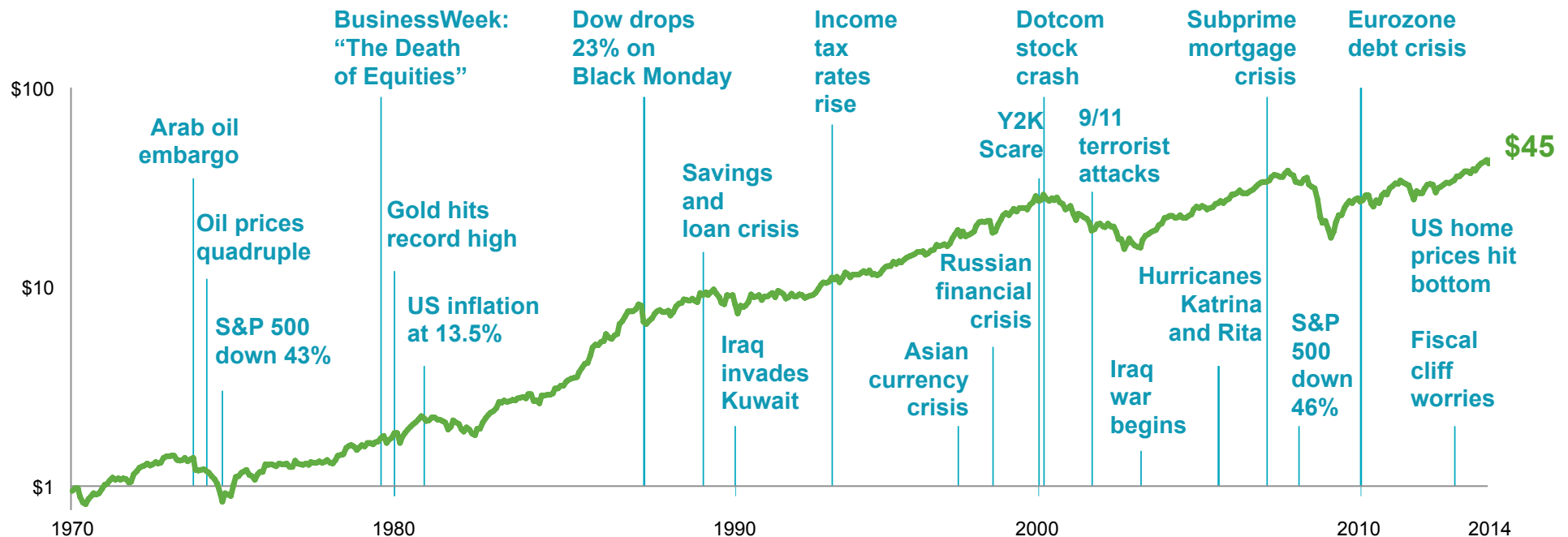


In US dollars. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. **Past performance is not a guarantee of future results.** Performance data for January 1970–August 2008 provided by CRSP; performance data for September 2008–December 2014 provided by Bloomberg. S&P data provided by Standard & Poor's Index Services Group. US bonds and bills data © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld).



Markets Have Rewarded Discipline

Growth of a dollar—MSCI World Index (net dividends), 1970–2014



A disciplined investor looks beyond the concerns of today to the long-term growth potential of markets.

Focus on What You Can Control

No one can reliably forecast the market's direction or predict which stock or investment manager will outperform.

A financial advisor can help you create a plan and focus on actions that add value.



Creating an investment plan to fit your needs and risk tolerance

Structuring a portfolio around dimensions of returns

Diversifying broadly

Reducing expenses and turnover

Minimizing taxes



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Second Opinion Service



Second Opinion Service

In these changing times, you probably know a friend, family member or colleague who may be in a complex situation, or who wonders whether they have the right financial advisor, or who needs help, but doesn't get it. That's not uncommon. Recent studies have shown that over 80 percent of affluent investors would value a second opinion.*

In order to help the people you care about achieve their financial goals, we have created our complimentary **Second Opinion Service**. We're pleased to offer your friends, family and colleagues the same expertise and guidance that you've come to expect as a valued client of Professional Financial.

Professional Financial works with professionals, physicians and retirees, acting as their chief financial officer to help meet their financial challenges—and freeing them from many major concerns. Major concerns include making smart decisions about money, mitigating taxes, transferring wealth to heirs, protecting assets from unjust loss, and for some, making a difference through charitable giving.

We use a consultative wealth management process, and employ a comprehensive planning approach to understand our client's deepest needs, values and goals. We do this working closely with a network of experts in finance, accounting, tax and law.

Founded in 1993 as an independent fee-only advisory firm, evolving into an elite wealth management boutique, Professional Financial has a team of Certified Financial Planners,™ that place client interests first and foremost. Memberships include: Financial Planning Association, American Institute of CPAs, Institute of Chartered Management Accountants, and National Society of Accountants.

WEALTH MANAGEMENT CONSULTING PROCESS

Step 1

Discovery
meeting

Step 2

Investment
planning
meeting

Step 3

Mutual
commitment
meeting

Step 4

Organizational
meeting

Step 5

Regular
process
meetings

*Source: Russ Alan Prince and David A. Geraciotti, *Cultivating the Middle-Class Millionaire*, 2005.



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Working with a team that redefines wealth management

Ask ten investors to define wealth management. Actually, ask ten “wealth managers” to do so. You’ll almost definitely get ten different answers, and most will be heavily focused only on investing. As a client of Professional Financial, however, you benefit from a cutting-edge team that has a clear and comprehensive vision of wealth management.

Our consultative process

At Professional Financial we approach each new engagement with a time-tested, collaborative process. This allows us to have an open dialogue with you so we can learn about your values and goals. This enables us to work with you to tailor a plan that helps you meet those goals. As a valued client, you’ll recognize each of the five steps below. As part of our **Second Opinion Service**, we can offer a portion of our consulting service, complimentary, to your friends, family and colleagues.

What to expect from the Second Opinion Service

We will meet with your friends, family and colleagues for a discovery meeting and then invite them back for an investment planning meeting. Hopefully, we can confirm whether they are on track to meet their values and goals with their current financial providers. If needed, we’ll suggest ways in which we can help, including recommending another CFP® advisor if we’re not a good fit for your friends’ or relatives’ needs. Either way, they’ll receive both a Total Client Profile and personalized analysis of their current financial situation—a value that may be in excess of \$5,000.

SECOND OPINION SERVICE

Step 1

Step 2

Discovery
meeting

Investment
planning
meeting

CONSULTATIVE WEALTH MANAGEMENT

INVESTMENT CONSULTING

- Wealth preservation
- Portfolio structure
- Manager due diligence
- Risk evaluation
- Performance benchmarking
- Goal monitoring

ADVANCED PLANNING

- Wealth enhancement, including cash flow, tax minimization, and liability management

- Wealth transfer
- Wealth protection
- Charitable giving

RELATIONSHIP MANAGEMENT

- Regularly scheduled calls, reviews and in-person meetings
- Team of experts, including legal, tax, insurance and financial specialists



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Let us help you help those you care about. Contact us today.

Professional Financial Strategies, Inc.

Powder Mill Office Park
1159 Pittsford-Victor Road, Suite 120
Pittsford, NY 14534

(585) 218-9080

(585) 218-9292 (direct)
planning@ProfessionalFinancial.com

Paul Byron Hill, CFP®

President | Top Wealth Manager

Kam-Lin "Katherine" Hill, CFP®

Vice President | Wealth Advisor

www.ProfessionalFinancial.com



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Past performance may not be indicative of future results. Indexes used for benchmarking purposes are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. Diversification does not insure a profit or protect against loss in a declining market. Moreover, no investor should assume that future performance of any specific investment, investment strategy, or product directly or indirectly referred to in any general informational materials, will be profitable or equal any corresponding indicated historical performance level(s). Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable for a client's retirement portfolio. Consider carefully investment objectives, risks, charges and expenses of any mutual fund or ETF and read any prospectus completely before making investment decisions.



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Standardized Performance Data & Disclosures

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Disclaimer Required by IRS Circular 230: Unless otherwise expressly approved in advance by the sender, any discussion of Federal tax matters herein is not intended and cannot be used to avoid penalties under the Federal tax laws or to promote, market or recommend to another party any transaction or tax-related matter addressed.

Risks include loss of principal and fluctuating value. Investment value will fluctuate, and shares, when redeemed, may be worth more or less than original cost.

Small and micro cap securities are subject to greater volatility than those in other asset categories.

International and emerging markets investing involves special risks such as currency fluctuation and political instability. Investing in **emerging markets** may accentuate these risks.

Sector-specific investments focus on a specific segment of the market, which can increase investment risks.

Fixed income securities are subject to increased loss of principal during periods of rising interest rates. Fixed-income investments are subject to various other risks, including changes in credit quality, liquidity, prepayments, call risk and other factors. **Municipal securities** are subject to the risks of adverse economic and regulatory changes in their issuing states.

Real estate investment risks include changes in real estate values and property taxes, interest rates, cash flow of underlying real estate assets, supply and demand, and the management skill and creditworthiness of the issuer.

Sustainability funds use environmental and social screens that may limit investment opportunities for the fund.

Commodities include increased risks, such as political, economic, and currency instability, and may not be suitable for all investors. The Portfolio may be more volatile than a diversified fund because the Portfolio invests in a smaller number of issuers and commodity sectors.

The fund prospectuses contain more information about investment risks.



Dimensional US Small Low Profitability Index was created by Dimensional in January 2013 and represents an index consisting of US small cap companies. It is compiled by Dimensional. Small is defined as the bottom 10% of the US total market capitalization. Within small cap companies, Dimensional sorts stocks into three profitability groups from high to low. Each group represents 1/3 of the market cap of small caps. The index represents the returns of the low profitability group. It is rebalanced once per year.

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Dimensional US Large Low Profitability Index was created by Dimensional in January 2013 and represents an index consisting of US large cap companies. It is compiled by Dimensional. Large is defined as the top 90% of the US total market capitalization. Within large cap companies, Dimensional sorts stocks into three profitability groups from high to low. Each group represents 1/3 of the market cap of large caps. The index represents the returns of the low profitability group. It is rebalanced once per year.

Dimensional US Large High Profitability Index was created by Dimensional in January 2013 and represents an index consisting of US large cap companies. It is compiled by Dimensional. Large is defined as the top 90% of the US total market capitalization. Within large cap companies, Dimensional sorts stocks into three profitability groups from high to low. Each group represents 1/3 of the market cap of large caps. The index represents the returns of the high profitability group. It is rebalanced once per year.

Dimensional International Small Cap Index was created in 2004 and is compiled by Dimensional. The bottom 10% of market capitalization is included from each Country. Countries are market cap weighted subject to a 50% cap. Before 1970, the index is 50% UK and 50% Japan.

Dimensional International Low Profitability Index was created by Dimensional in January 2013 and represents a portfolio consisting of non-US Developed companies. It is compiled by Dimensional. Dimensional sorts stocks into three profitability groups from high to low (each representing one-third of the market capitalization). The index represents the returns of the low-profitability group. The index is rebalanced twice per year.

Dimensional International High Profitability Index was created by Dimensional in January 2013 and represents a portfolio consisting of non-US Developed companies. It is compiled by Dimensional. Dimensional sorts stocks into three profitability groups from high to low (each representing one-third of the market capitalization). The index represents the returns of the high-profitability group. The index is rebalanced twice per year.

Dimensional Emerging Markets Low Profitability Index was created by Dimensional in April 2013 and represents a portfolio consisting of emerging markets companies and is compiled by Dimensional. Dimensional sorts stocks into three profitability groups from high to low (each representing one-third of the market capitalization). The index represents the returns of the low profitability group. It is rebalanced twice per year.

Dimensional Emerging Markets High Profitability Index was created by Dimensional in April 2013 and represents a portfolio consisting of emerging markets companies and is compiled by Dimensional. Dimensional sorts stocks into three profitability groups from high to low (each representing one-third of the market capitalization). The index represents the returns of the high profitability group. It is rebalanced twice per year.

The Dimensional Indices have been retrospectively calculated by Dimensional Fund Advisors LP and did not exist prior to their index inception dates. Accordingly, the results shown during the periods prior to each Index's index inception date do not represent actual returns of the Index. Other periods selected may have different results, including losses. Backtested index performance is hypothetical and is provided for informational purposes only to indicate historical performance had the index been calculated over the relevant time periods. Backtested performance results assume the reinvestment of dividends and capital gains.

Methodology used for computing profitability premiums: Dimensional controls for relative price (BtM) and size (market cap) when computing the annualized compound returns for high and low profitability stocks in US and non-US developed markets and controls only for relative price in emerging markets. Profitability is measured as operating income before depreciation and amortization minus interest expense, scaled by book. Dimensional Index Data compiled by Dimensional from CRSP, Compustat, and Bloomberg.



International Small Cap Market Index was created by Dimensional in July 2013 and represents a portfolio of small cap companies in non-US developed markets and is compiled by Dimensional from Bloomberg securities data. Small cap companies are generally defined as the bottom 10-15% of the eligible market in each eligible country. The index excludes REIT-like securities.

International Small Cap Market with Profitability Index was created by Dimensional in July 2013 and represents an index similar to the International Small Cap Market Index, but it excludes high relative price stocks with the lowest profitability. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book.

International Large Cap Low Relative Price Index was created by Dimensional in July 2013 and represents a portfolio of large cap companies with low relative price in non-US developed markets and is compiled by Dimensional from Bloomberg securities data. Large cap companies are generally defined as the top 85-90% of the eligible market in each eligible country. Value breaks are formed by eligible country on the bottom 25% of large companies ranked on relative price after the exclusion of utilities, companies lacking financial data, and companies with negative relative price. The index excludes REIT-like securities and utilities.

International Large Cap Low Relative Price with Profitability Index was created by Dimensional in July 2013 and represents an index similar to the International Large Cap Low Relative Price Index, but it emphasizes companies with higher profitability, lower relative price, and lower capitalization. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. Value breaks are formed by eligible country on the bottom 30% of large companies ranked on relative price after the exclusion of utilities, companies lacking financial data, and companies with negative relative price.

International Small Cap Low Relative Price Index was created by Dimensional in July 2013 and represents a portfolio of small cap companies with low relative price in non-US developed markets and is compiled by Dimensional from Bloomberg securities data. Small cap companies are generally defined as the bottom 10-15% of the eligible market in each eligible country. Value breaks are formed by eligible country on the bottom 25%

of small companies ranked on relative price after the exclusion of utilities, companies lacking financial data, and companies with negative relative price. The index excludes REIT-like securities and utilities.

International Small Cap Low Relative Price with Profitability Index was created by Dimensional in July 2013 and represents an index similar to the International Small Cap Low Relative Price Index, but it excludes high relative price stocks with the lowest profitability. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. Value breaks are formed by eligible country on the bottom 35% of small companies ranked on relative price after the exclusion of utilities, companies lacking financial data, and companies with negative relative price.

Emerging Total Market Index was created by Dimensional in July 2013 and represents a portfolio consisting of emerging markets companies with an emphasis on companies with smaller capitalization and lower relative price and is compiled by Dimensional from Bloomberg securities data. The index excludes REIT-like securities.

Emerging Total Market with Profitability Index was created by Dimensional in July 2013 and represents an index consisting of the Emerging Total Market Index with the addition of a profitability overlay, which overweights companies with higher profitability and underweights companies with lower profitability. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book.

International Total Market Index was created by Dimensional in July 2013 and represents a portfolio consisting of companies in non-US developed markets with an emphasis on companies with smaller capitalization and lower relative price and is compiled by Dimensional from Bloomberg securities data. The index excludes REIT-like securities.

International Total Market with Profitability Index was created by Dimensional in July 2013 and represents an index consisting of the International Total Market Index with the addition of a profitability overlay, which overweights companies with higher profitability and underweights companies with lower profitability. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book.

The indices are rebalanced semiannually and backtested performance results assume reinvestment of dividends and capital gains. Filters were applied to data retroactively and with the benefit of hindsight. Returns are not representative of actual portfolios and do not reflect costs and fees associated with an actual investment. Actual returns may be lower. It is not possible to invest directly in an index, which is unmanaged.



Sources and Description of Data

All Dimensional portfolio returns are net of all fees unless otherwise indicated. All Dimensional trust returns are net of administrative fees only unless otherwise indicated. Prior to April 2002, certain international equity portfolios charged a reimbursement fee to the purchasers of shares of those portfolios.

Performance data shown represents past performance. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. To obtain performance data current to the most recent month-end access our website at www.dimensionalfund.com. Average annual total returns include reinvestment of dividends and capital gains. DFA is an investment advisor registered with the SEC. Consider the investment objectives, risks, and charges and expenses of the Dimensional funds carefully before investing. For this and other information about the Dimensional funds, please read the prospectus carefully before investing. Prospectuses are available by calling Dimensional Fund Advisors collect at (310) 395-8005; on the Internet at www.dimensionalfund.com; or, by mail, DFA Securities Inc., c/o Dimensional Fund Advisors, 1299 Ocean Avenue, Santa Monica, CA 90401. Mutual funds distributed by DFA Securities Inc.

Prior to April 1, 2002, the following reimbursement fees may have been charged to purchasers of the respective portfolios: International Small Company Portfolio 0.675%; Continental Small Company Portfolio 1.00%; Japanese Small Company Portfolio 0.50%; Pacific Rim Small Company Portfolio 1.00%; International Small Cap Value Portfolio 0.675%; Emerging Markets Small Cap Portfolio 1.00%; Emerging Markets Value Portfolio 0.50%; Emerging Markets Portfolio 0.50%. Prior to April 1998, the reimbursement fee for the International Small Company Portfolio was 0.70% and the reimbursement fee for the International Small Cap Value Portfolio was 0.70%. Prior to July 1995, the reimbursement fees were as follows: International Small Cap Value Portfolio 1.00%; Continental Small Company Portfolio 1.50%; Japanese Small Company Portfolio 1.00%; Pacific Rim Small Company Portfolio 1.50%; UK Small Company Portfolio 1.50%; Emerging Markets Portfolio 1.50%. Returns for these portfolios are presented net of these reimbursement fees.

All reimbursement fees are based on the net asset value of the shares purchased. The standardized returns presented reflect deduction, where applicable, of the reimbursement fees for the portfolios. Non-standardized performance data reported by Dimensional Fund Advisors Inc. does not reflect deduction of the reimbursement fee. If reflected, the fee would reduce the performance quoted.

Principal Risks The principal risks of investing in the Dimensional funds may include one or more of the following: market risk, small companies risk, risk of concentrating in the real estate industry, foreign securities and currencies risk, emerging markets risk, banking concentration risk, interest rate risk, risk of investing for inflation protection, risk of municipal securities, and/or fund of funds risk. To more fully understand the risks related to an investment in the funds, investors should carefully read each fund's prospectus.

Investments in foreign issuers are subject to certain considerations that are not associated with investments in US public companies. Investments of the International Equity, Emerging Markets Equity and the Global Fixed Income Portfolios will be denominated in foreign currencies. Changes in the relative values of these foreign currencies and the US dollar, therefore, will affect the value of investments in the Portfolios. However, the Global Fixed Income Portfolios will utilize forward currency contracts to minimize these changes. Further, foreign issuers are not generally subject to uniform accounting, auditing, and financial reporting standards comparable to those of US public corporations and there may be less publicly available information about such companies than comparable US companies. Also, legal, political, or diplomatic actions of foreign governments, including expropriation, confiscatory taxation, and limitations on the removal of securities, property, or other assets of the Portfolios, could adversely affect the value of the assets of these Portfolios.

Securities of small companies are often less liquid than those of large companies. As a result, small company stock and the funds which invest in them may fluctuate relatively more in price. Although securities of larger firms fluctuate relatively less, economic, political and issuer specific events will cause the value of all securities and the funds which invest in them to fluctuate as well.



Additionally:

DFA Real Estate Securities Portfolio is concentrated in the real estate industry. The Portfolio's exclusive focus on the real estate industry may cause its risk to approximate the general risks of direct real estate ownership. Its performance may be materially different from the broad US equity market.

Fixed Income Portfolios:

The net asset value of a fund that invests in fixed income securities will fluctuate when interest rates rise. An investor can lose principal value investing in a fixed income fund during a rising interest rate environment.

Risk of Banking Concentration

Focus on the banking industry would link the performance of the DFA One-Year Fixed Income and/or the Two-Year Global Fixed Income Portfolios to changes in performance of the banking industry generally. For example, a change in the market's perception of the riskiness of banks compared to non-banks would cause the Portfolio's values to fluctuate.

Inflation Protected Securities Portfolio: Inflation-protected securities are expected to be protected from long-term inflationary trends, short-term increases in inflation may lead to a decline in the Portfolio's value. If interest rates rise due to reasons other than inflation, the Portfolio's investment in these securities may not be protected to the extent that the increase is not reflected in the securities' inflation measures. The Portfolio may also suffer a loss during periods of sustained deflation.

Short Term Muni Bond Portfolio: Municipal Bonds may be subject to income risk, which is the risk that falling interest rates will cause the Portfolio's income to decline, and interest rate risk, which is the risk that bond prices overall will decline over short or even long periods because of rising interest rates. The Portfolio may also be affected by: call risk, which 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; credit risk, which is the risk that a bond issuer will fail to pay interest and principal in a timely manner; and tax liability risk, which is the risk of noncompliant conduct by a bond issuer, resulting in distributions by the Portfolio being taxable to share-holders as ordinary income. Finally, there is legislative or regulatory risk, which is the risk that new federal or state legislation may adversely affect the tax-exempt status of securities held by the Portfolio, or that there could be an adverse interpretation by the Internal Revenue Service or by state tax authorities.

Fund of Funds Risk

The investment performance of each Portfolio is affected by the investment performance of the Underlying Funds in which the Portfolio invests. The ability of a Portfolio to achieve its investment objective depends on the ability of the Underlying Funds to meet their investment objectives and on the Advisor's decisions regarding the allocation of the Portfolio's assets among the Underlying Funds. There can be no assurance that the investment objective of any Portfolio or Underlying Fund will be achieved. Through their investments in the Underlying Funds, the Portfolios are subject to the risks of the Underlying Funds investments. The risks of the Underlying Funds may include Market Risk, Small Company Risk, Risks of Concentrating in the Real Estate Industry, Emerging Markets Risk, Interest Rate Risk, Credit Risk, and Risks of Banking Concentration.

Definitions of Statistical Terms

Average Returns (arithmetic mean) is a measure of the "middle performance" of the fund, computed by adding up all the returns and dividing by the number of periods.

Standard Deviation measures how different the actual fund returns are from its average performance (see above). The closer the actual returns are to the average, the smaller the standard deviation. Standard deviation is a measure of volatility, generally associated with the risk of investments.

Correlation measures the degree to which the performance of two funds moves in tandem, and the direction of their association (one goes up, the other goes up as well – positive correlation). Correlation plays an important part in diversification.

Turnover is a measure of the fund's trading activity, and loosely represents the portion of a fund's holdings that have changed over a year. A lower turnover ratio indicates a more passive strategy.

Tracking Error shows how different are each period's returns of a given fund from the returns of a reference "benchmark" (generally commercial indexes). For example, if fund A's returns in two subsequent periods are 10% and 20%, while the benchmark's returns are 5% and 25% for the same periods, the average is the same (15%), but there is tracking error since there was a difference in period by period returns (period 1: 10% versus 5%, period 2: 20% versus 25%).