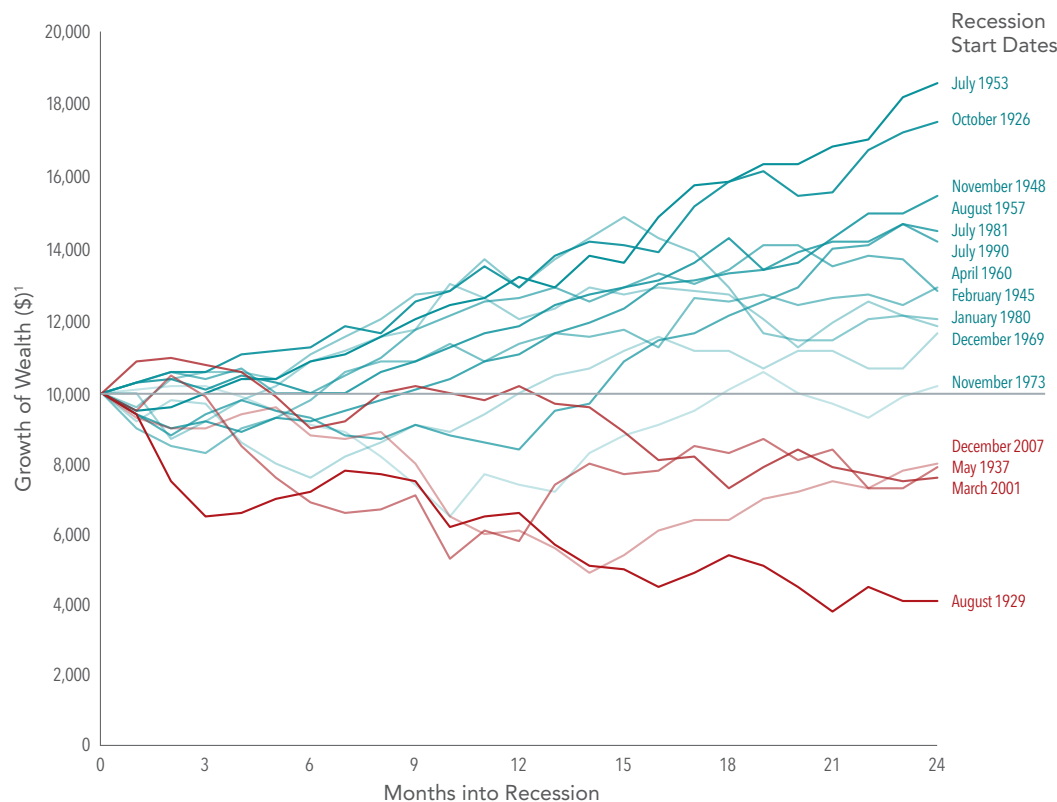


Long-Term Investors, Don't Let a Recession Faze You

PERFORMANCE OF A HYPOTHETICAL \$10,000 INVESTED WHEN A US RECESSION BEGAN



In the past century, there have been 15 recessions in the US. In 11 of those instances, stock returns were positive two years after the recession began.

- Investors may be tempted to abandon equities and go to cash when there is heightened risk of an economic downturn.
- But research has shown that stock prices incorporate expectations of a recession and generally have fallen in value before a recession even begins.
- The average annualised return two years after the onset of these 15 recessions was 7.8%.
- A \$10,000 investment at the peak of the business cycle would have grown to \$11,937, after two years on average.

Recessions understandably trigger worries. But a history of positive average performance following a recession can be a comfort for investors wondering about sticking with stocks.

1. Growth of wealth for the Fama/French Total US Market Research Index.

Past performance, including hypothetical performance, is no guarantee of future results. Investing risks include loss of principal and fluctuating value. There is no guarantee an investment strategy will be successful. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio.

In USD. Performance includes reinvestment of dividends and capital gains.

Growth of wealth shows the growth of a hypothetical investment of \$10,000 in the securities in the Fama/French Total US Market Research Index over the 24 months starting the month after the relevant Recession Start Date. Index data presented in the growth of wealth chart is hypothetical and assumes reinvestment of income and no transaction costs or taxes. Sample includes 15 US recessions as identified by the National Bureau of Economic Research (NBER) from October 1926 to December 2007. NBER defines recessions as starting at the peak of a business cycle. A business cycle is a description of the various stages of economic output.

Fama/French Total US Market Research Index: The value-weighted US market index is constructed every month, using all issues listed on the NYSE, AMEX, or Nasdaq with available outstanding shares and valid prices for that month and the month before. Exclusions: American Depositary Receipts. Sources: CRSP for value-weighted US market return. Rebalancing: Monthly. Dividends: Reinvested in the paying company until the portfolio is rebalanced.

AUSTRALIA: This material is issued by DFA Australia Limited (AFS License No. 238093, ABN 46 065 937 671). This material is provided for information only. No account has been taken of the objectives, financial situation or needs of any particular person. Accordingly, to the extent this material constitutes general financial product advice, investors should, before acting on the advice, consider the appropriateness of the advice, having regard to the investor's objectives, financial situation and needs. Investors should also consider the Product Disclosure Statement (PDS) and the target market determination (TMD) that has been made for each financial product either issued or distributed by DFA Australia Limited prior to acquiring or continuing to hold any investment. Go to dimensional.com/funds to access a copy of the PDS or the relevant TMD. Any opinions expressed in this material reflect our judgement at the date of publication and are subject to change.

NEW ZEALAND: This material is issued by DFA Australia Limited (incorporated in Australia, AFS License No. 238093, ABN 46 065 937 671). This material is provided for information only. This material does not give any recommendation or opinion to acquire any financial product or any financial advice product, and is not financial advice to you or any other person. No account has been taken of the objectives, financial situation or needs of any particular person. Accordingly, investors should, before acting on the advice, consider the appropriateness of the advice, having regard to the investor's objectives, financial situation and needs. Investors should also consider the Product Disclosure Statement (PDS) and for the Dimensional Wholesale Trusts the target market determination (TMD) that has been made for each financial product or financial advice product either issued or distributed by DFA Australia Limited prior to acquiring or continuing to hold any investment. Go to dimensional.com/funds to access a copy of the PDS or the relevant TMD. Any opinions expressed in this material reflect our judgement at the date of publication and are subject to change.

AMERICAS

Austin, Charlotte, Santa Monica, Toronto, Vancouver

EUROPE

Amsterdam, Berlin, Dublin, London

ASIA PACIFIC

Hong Kong, Melbourne, Singapore, Sydney, Tokyo

dimensional.com

