

# Tax-Managed US Small Cap Value Portfolio

## Assets under Management

\$123 billion (all strategies)

\$32.5 billion (all US value strategies)

\$3.2 billion (Tax-Managed US Small Cap Value Portfolio)

Performance shown is actual returns net of all fees and expenses unless otherwise indicated. 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](http://www.dimensionalfund.com). Average annual total returns include reinvestment of dividends and capital gains.

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After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes and actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

## Risk

The principal risks associated with this equity investment are market risk, small company risk, and tax-management strategy risk. These risks are described in the Principal Risks section of the prospectus.

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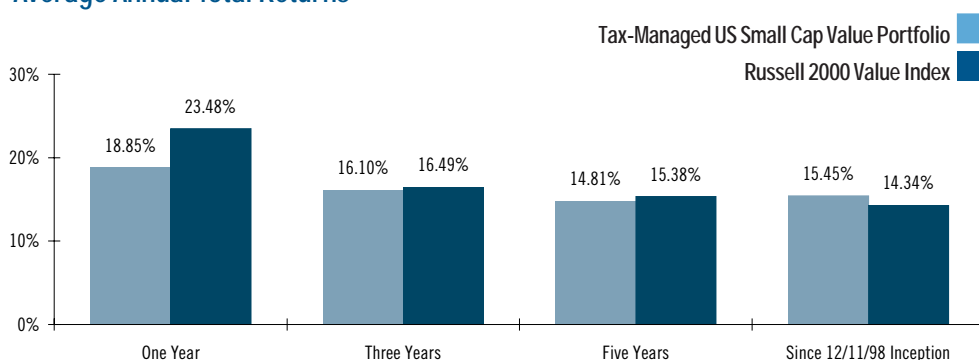


## Investment Objective

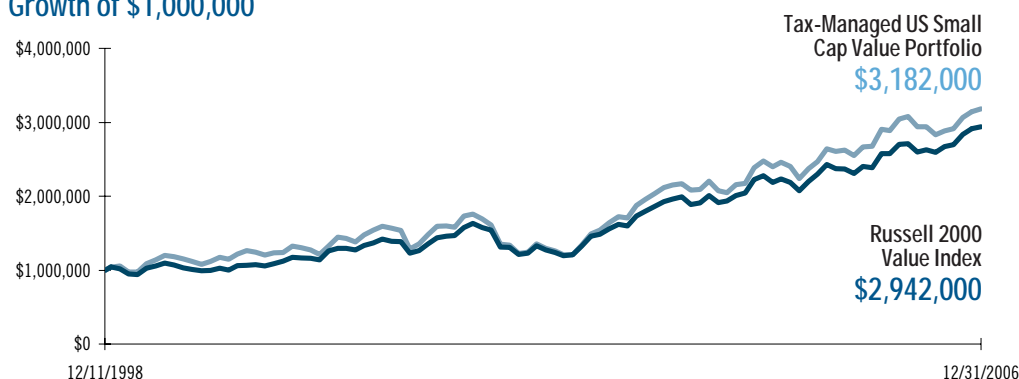
The Tax-Managed US Small Cap Value Portfolio is a no-load mutual fund designed to capture the returns and diversification benefits of a broad cross-section of US small value companies, on a market cap-weighted basis. The Portfolio invests in securities of US companies whose size (based primarily on market capitalization) falls within the smallest 10% of the market universe or below the 1,000th company in the market universe when companies are ranked from largest to smallest, whichever breakpoint is higher. The market universe is comprised of companies listed on the New York Stock Exchange, American Stock Exchange, and NASDAQ National Market System. After identifying the size breakpoint, a value screen is applied to the universe. Securities are considered value stocks primarily because a company's shares have a high book value in relation to their market value (BtM). This BtM sort excludes firms with negative or zero book values. In assessing value, additional factors such as price to cash flow or price to earnings ratios may be considered, as well as economic conditions and developments in the issuer's industry. The criteria for assessing value are subject to change from time to time. The Portfolio seeks to delay and minimize the realization of net capital gains, particularly short-term capital gains, in order to minimize the taxable distributions to investors.

## Average Annual Total Returns

All data as of December 31, 2006.



## Growth of \$1,000,000



## Portfolio Characteristics

Number of Holdings	1,438	Median Book-to-Market	0.6
Average Price/Share	\$21.16	Price/Earnings (excludes negatives)	16.3
Weighted Average Market Cap	\$1,063M	Total Operating Expense Ratio*	0.53%
Median Market Cap	\$329M	Net Expense Ratio (to investor)*	0.53%
Weighted Average Book-to-Market	0.66		

\*Annual, as of 11/30/2006 fiscal year end.

## Standardized Data and Disclosures

Average Annual Total Returns	One Year	Five Years	Since 12/11/1998 Inception
Return before Taxes	18.85	14.81	15.45
Return after Taxes on Distributions	16.95	14.05	14.88
Return after Taxes on Distributions and Sale of Fund Shares	14.32	12.92	13.75