

INVESTMENT OBJECTIVE

The Tax-Managed US Small Cap Portfolio is a no-load mutual fund designed to capture the returns and diversification benefits of a broad cross-section of US small companies, on a market-cap weighted basis. The Portfolio invests in securities of US companies with market capitalizations within the smallest 10% of the market universe or smaller than the 1,000th largest US company, whichever results in a higher market capitalization break. The market universe is comprised primarily of companies listed on the New York Stock Exchange, American Stock Exchange, and Nasdaq Global Market. The Portfolio seeks to minimize the impact of federal taxes on returns by deferring the realization of net capital gains and minimizing the receipt of dividend income in order to minimize taxable distributions to investors.

PRINCIPAL RISKS

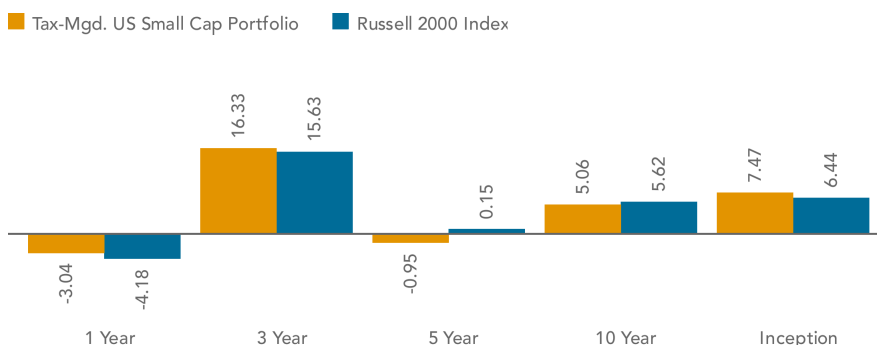
The principal risks associated with this investment are market risk, small company risk, and tax-management strategy risk. Small companies are often less liquid than large companies and thus their value may fluctuate more. These risks are described in the Principal Risks section of the prospectus, available at dimensional.com.

FUND COSTS

Management Fee	0.50%
Total Operating Expense Ratio	0.53%
Net Expense Ratio (to investor)	0.53%

Annual expense ratio as of 10/31/2011. The fund's prospectus contains more complete information on risks, advisory fees, expense reimbursements, and other expenses.

AVERAGE ANNUAL TOTAL RETURNS (%)



Performance data represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance displayed. The investment return and principal value will fluctuate so that an investment's shares, when redeemed, may be worth more or less than their original cost. Visit Dimensional.com for month-end performance information.

GROWTH OF \$100,000



BEST/WORST RETURNS

Since Fund Inception	Best	Worst
Three-Month Total Return	33.63% (12/99-2/00)	-37.37% (9/08-11/08)
One-Year Total Return	71.82% (3/03-2/04)	-47.19% (3/08-2/09)
Three-Year Annualized Average Return	32.37% (4/03-3/06)	-20.64% (3/06-2/09)
Five-Year Annualized Average Return	19.99% (10/02-9/07)	-8.25% (3/04-2/09)

AFTER-TAX RETURNS

Average Annual Total Returns	One Year	Five Years	Since Inception 12/15/1998
After Taxes on Distributions	-3.28%	-1.36%	7.26%
After Taxes on Distributions and Sale of Fund Shares	-1.98%	-0.85%	6.64%

Tax-Mgd. US Small Cap Portfolio

ABOUT DIMENSIONAL

In 1981, Dimensional launched its first strategy based on research documenting the stronger performance of US small cap stocks. Our second strategy, a short-term fixed income portfolio launched in 1983, applies Eugene Fama's term structure research. Later, a comprehensive analysis of prices and other research deepened our strategy repertoire and set a new standard for portfolio design.

PHILOSOPHY

At Dimensional, we see markets as an ally, not an adversary. We believe competition quickly drives stock prices to fair value and that persistent differences in average portfolio returns are explained by differences in average risk. Rather than trying to take advantage of the ways markets are mistaken, we take advantage of the ways markets are right—the ways they compensate investors. Our mission is to deliver the performance of capital markets and increase returns through state-of-the-art portfolio design and trading.

PORTFOLIO CONSTRUCTION

The goal of the Tax-Managed US Small Cap Portfolio is to provide precise yet broadly diversified exposure to smaller companies while minimizing tax liabilities. The portfolio invests in companies whose market capitalization is in the size range of the smallest 10% of the total market universe or below the 1,000th largest company in the investment universe, whichever breakpoint is higher. The portfolio is monitored for cumulative gains and losses. To minimize the realization of capital gains when selling securities, those shares of the specific security with the highest cost are selected. If the highest-cost shares produce short-term capital gains, the highest-cost shares with a long-term holding period are selected instead. Also, securities with capital losses are identified and sold to offset realized capital gains. Additional quantitative screens are applied to minimize the effect of dividend distributions on after-tax returns.

CHARACTERISTICS

	Tax-Mgd. US Small Cap Portfolio	Russell 2000 Index
Number of Securities	2,056	1,965
Weighted Average Total Market Cap (millions)	\$965	\$1,242
Median Total Market Cap (millions)	\$321	\$465
Weighted Average Book-to-Market	0.73	0.64
Median Book-to-Market	0.77	0.64
Price/Earnings (excluding negatives)	14.44	15.71
Annual Turnover (as of 10/31/2011)	22%	–

ASSETS UNDER MANAGEMENT

All Strategies	\$213.7 Billion
Portfolio	\$1.2 Billion

AMSTERDAM
AUSTIN
BERLIN
LONDON
SANTA MONICA
SYDNEY
VANCOUVER

www.dimensional.com

Dimensional Fund Advisors is an investment advisor registered with the Securities and Exchange Commission. 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 (512) 306-7400 or at www.dimensional.com. Mutual funds distributed by DFA Securities LLC.

© 2012 Dimensional Fund Advisors. All rights reserved.

