DIMENSIONAL FUND ADVISORS

# Tax-Mgd. US Targeted Value Portfolio

| | |
|---|---|
| As of | March 31, 2012 |
| Symbol | DTMVX |
| CUSIP | 233-203-579 |
| Inception Date | 12/11/1998 |

## INVESTMENT STRATEGY

The Tax-Managed US Targeted Value Portfolio is a no-load mutual fund designed to capture the returns and diversification benefits of a broad cross-section of US small and mid cap value companies, on a market-cap weighted basis. The Portfolio invests in securities of US companies smaller than the 500th largest company in the market universe based upon market capitalization. The market universe is comprised primarily of companies listed on the New York Stock Exchange, American Stock Exchange, and Nasdaq Global Market. 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. The criteria for assessing value are subject to change from time to time. The Portfolio seeks to maximize the after tax value of an investment by managing its portfolio in a manner that will defer the realization of net capital gains where possible and may attempt to reduce dividend income.

## PRINCIPAL RISKS

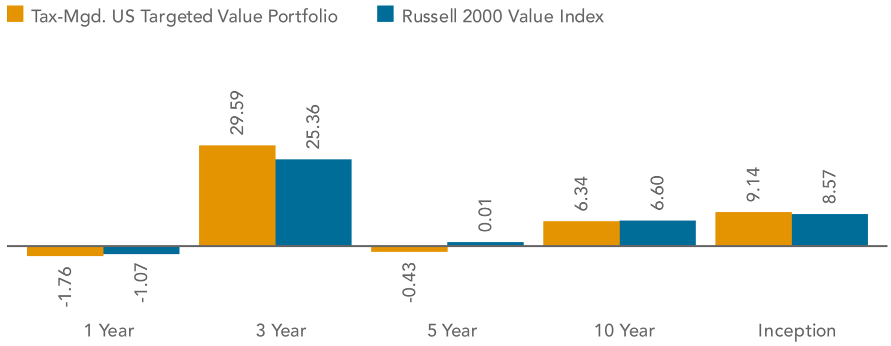
The principal risks associated with this investment are market risk, small company risk, and tax-management strategy risk. Small companies are often less liquid than large companies and thus their value may fluctuate more. These risks are described in the Principal Risks section of the prospectus, available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

## FUND COSTS

| | |
|---|---|
| Management Fee | 0.42% |
| Total Operating Expense Ratio | 0.44% |
| Net Expense Ratio (to investor) | 0.44% |

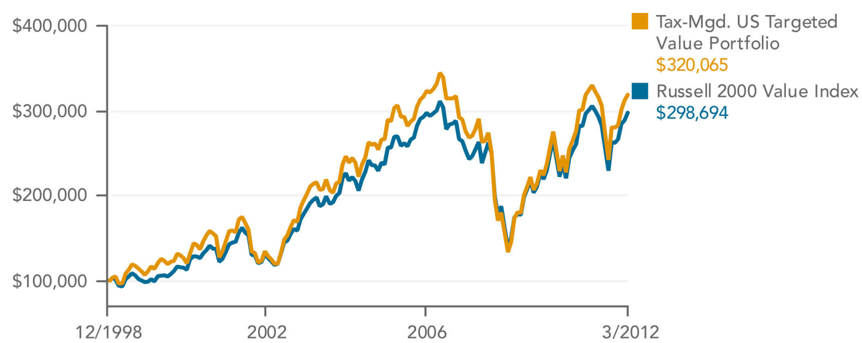
Annual expense ratio as of 10/31/2011. The fund's prospectus contains more complete information on risks, advisory fees, expense reimbursements, and other expenses.

## 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 | 34.77% (3/09-5/09) | -37.63% (9/08-11/08) |
| One-Year Total Return | 79.33% (4/03-3/04) | -49.99% (3/08-2/09) |
| Three-Year Annualized Average Return | 36.06% (4/03-3/06) | -22.44% (3/06-2/09) |
| Five-Year Annualized Average Return | 20.85% (10/02-9/07) | -8.90% (3/04-2/09) |

## AFTER-TAX RETURNS

| Average Annual Total Returns | One Year | Five Years | Since Inception 12/11/1998 |
|---|---|---|---|
| After Taxes on Distributions | -1.86% | -0.76% | 8.69% |
| After Taxes on Distributions and Sale of Fund Shares | -1.03% | -0.41% | 8.15% |

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AS OF MARCH 31, 2012

# Tax-Mgd. US Targeted Value 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 Targeted Value Portfolio is to provide precise yet broadly diversified exposure to smaller companies with value characteristics while minimizing tax liabilities. The portfolio invests in companies whose market capitalization is lower than the 500th largest company in the total US market universe. After identifying the eligible universe by size, two value screens are then applied. For inclusion in the portfolio, the stocks of the 501st to 1,000th largest companies must have BtM ratios in the upper 25th percentile of the value-weighted universe ranked by BtM. The stocks of companies with lower market capitalizations must have BtM ratios in the upper 50th percentile of the value-weighted universe ranked by BtM. This BtM sort excludes firms with negative or zero book values.

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 Targeted Value Portfolio | Russell 2000 Value Index |
|---|---|---|
| Number of Securities | 1,523 | 1,339 |
| Weighted Average Total Market Cap (millions) | $1,875 | $1,189 |
| Median Total Market Cap (millions) | $291 | $466 |
| Weighted Average Book-to-Market | 0.96 | 0.82 |
| Median Book-to-Market | 0.89 | 0.75 |
| Price/Earnings (excluding negatives) | 14.13 | 15.49 |
| Annual Turnover (as of 10/31/2011) | 21% | – |

## ASSETS UNDER MANAGEMENT

| | |
|---|---|
| All Strategies | $245.1 Billion |
| Portfolio | $2.4 Billion |





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