

Q4

Quarterly Market Review

Fourth Quarter 2014

# Important Risk Disclosures

The fast price swings in commodities and currencies will result in significant volatility in an investor's holdings.

**Currency Risk** -because the security invests in stocks denominated in foreign currencies, changes in currency exchange rates may negatively impact the securities return. The values of the foreign currencies may be subject to a high degree of fluctuation due to changes in interest rates, the TS-8 effects of monetary policies issued by the United States, foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments.

International and emerging market investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

Investing in Real Estate Investment Trusts (REITs) involves special risks such as potential illiquidity and may not be suitable for all investors. There is no assurance that the investment objectives of this program will be attained.

Small Cap stocks may be subject to a higher degree of risk than more established companies' securities. The illiquidity of the Small Cap market may adversely affect the value of these investments.

Value investments can perform differently from the market as a whole. They can remain undervalued by the market for long periods of time.

Municipal bonds are subject to availability, price, and to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rate rise. Interest income may be subject to the alternative minimum tax. Federally tax-free but other state and local taxes may apply.

High yield/junk bonds (grade BB or below) are not investment grade securities, and are subject to higher interest rate, credit, and liquidity risks than those graded BBB and above. They generally should be part of a diversified portfolio for sophisticated investors.

Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.

**Credit Quality** is one of the principal criteria for judging the investment quality of a bond or bond mutual fund. As the term implies, credit quality informs investors of a bond or bond portfolio's credit worthiness, or risk of default.

There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not ensure against market risk.

# Quarterly Market Review

Fourth Quarter 2014

This report features world capital market performance and a timeline of events for the last quarter. It begins with a global overview, then features the returns of stock and bond asset classes in the US and international markets.

The report also illustrates the performance of globally diversified portfolios and features a quarterly topic.

## Overview:

Market Summary

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World Asset Classes

US Stocks

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Emerging Markets Stocks

Select Country Performance

Real Estate Investment Trusts (REITs)

Commodities

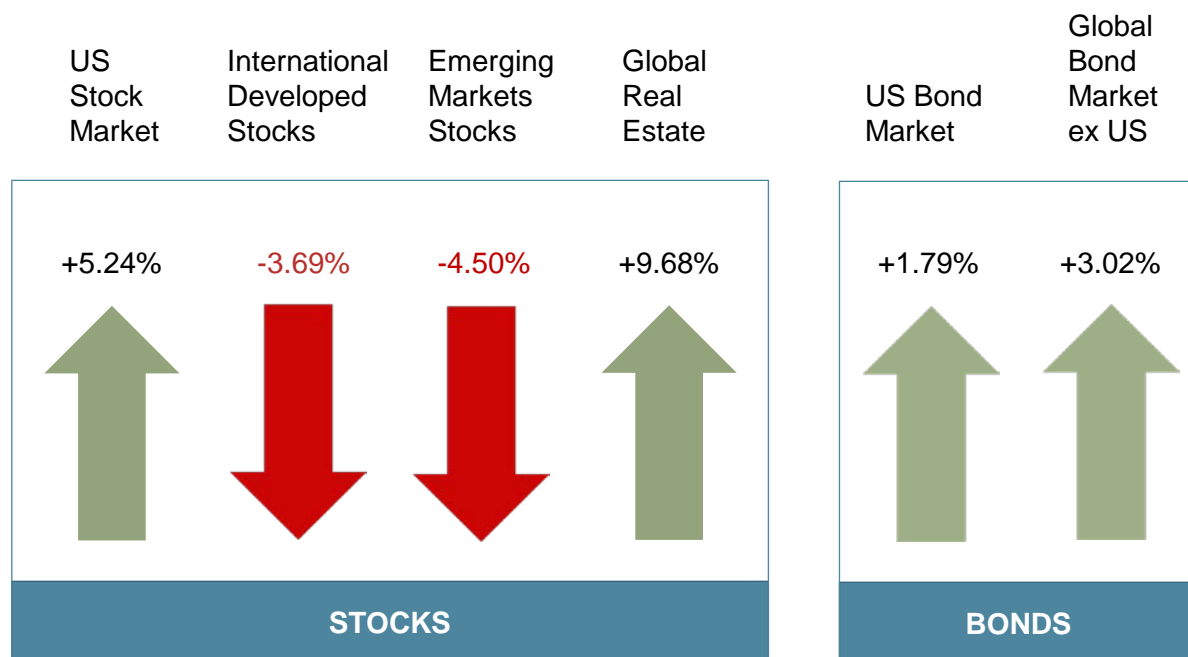
Fixed Income

Global Diversification

Quarterly Topic: Living with Volatility,  
Again

# Market Summary

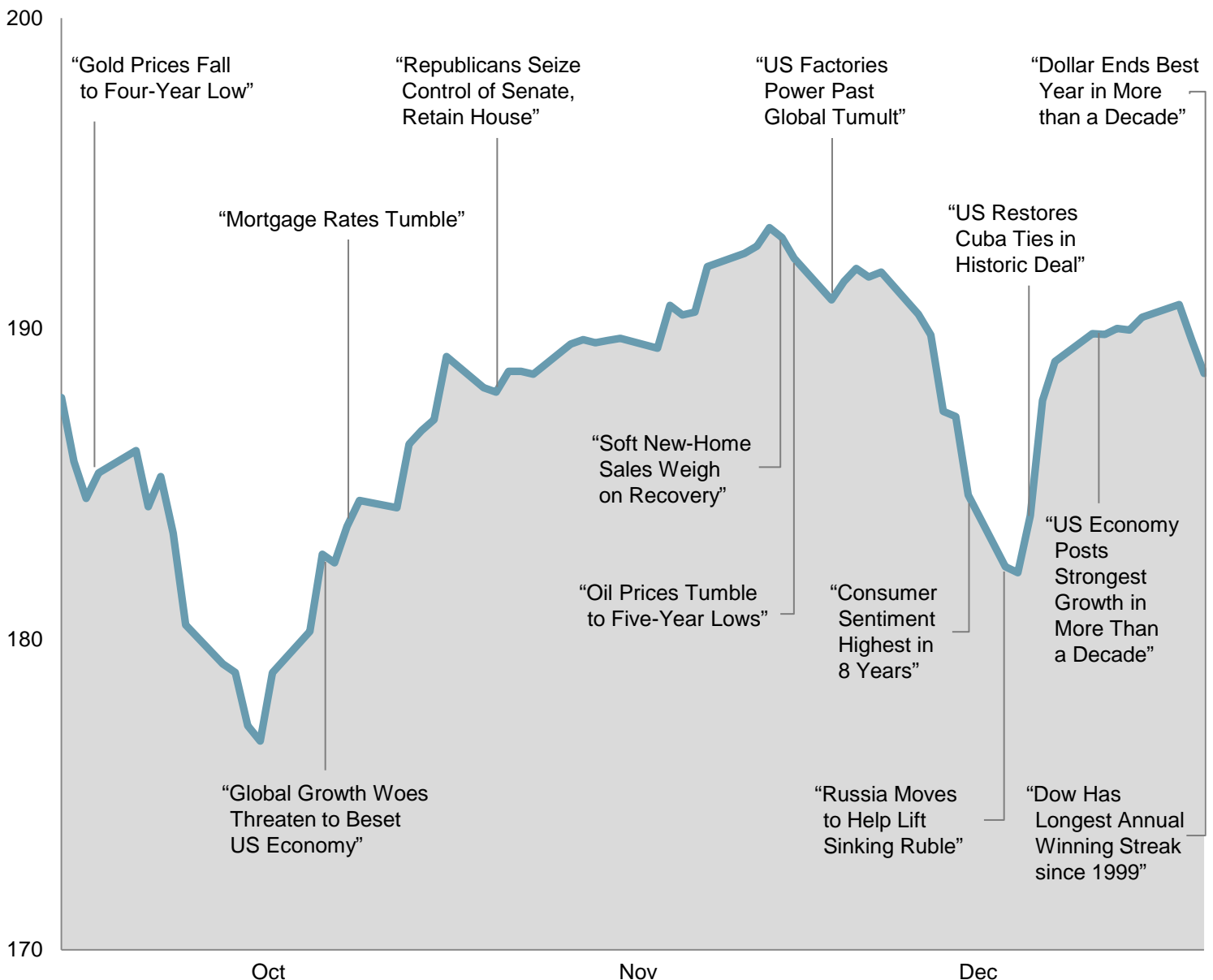
## Fourth Quarter 2014 Index Returns



Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index), US Bond Market (Barclays US Aggregate Bond Index), and Global Bond ex US Market (Citigroup WGBI ex USA 1-30 Years [Hedged to USD]). The S&P data are provided by Standard & Poor's Index Services Group. Russell data © Russell Investment Group 1995-2015, all rights reserved. MSCI data © MSCI 2015, all rights reserved. Barclays data provided by Barclays Bank PLC. Citigroup bond indices © 2014 by Citigroup.

# World Stock Market Performance

MSCI All Country World Index with selected headlines from Q4 2014



These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

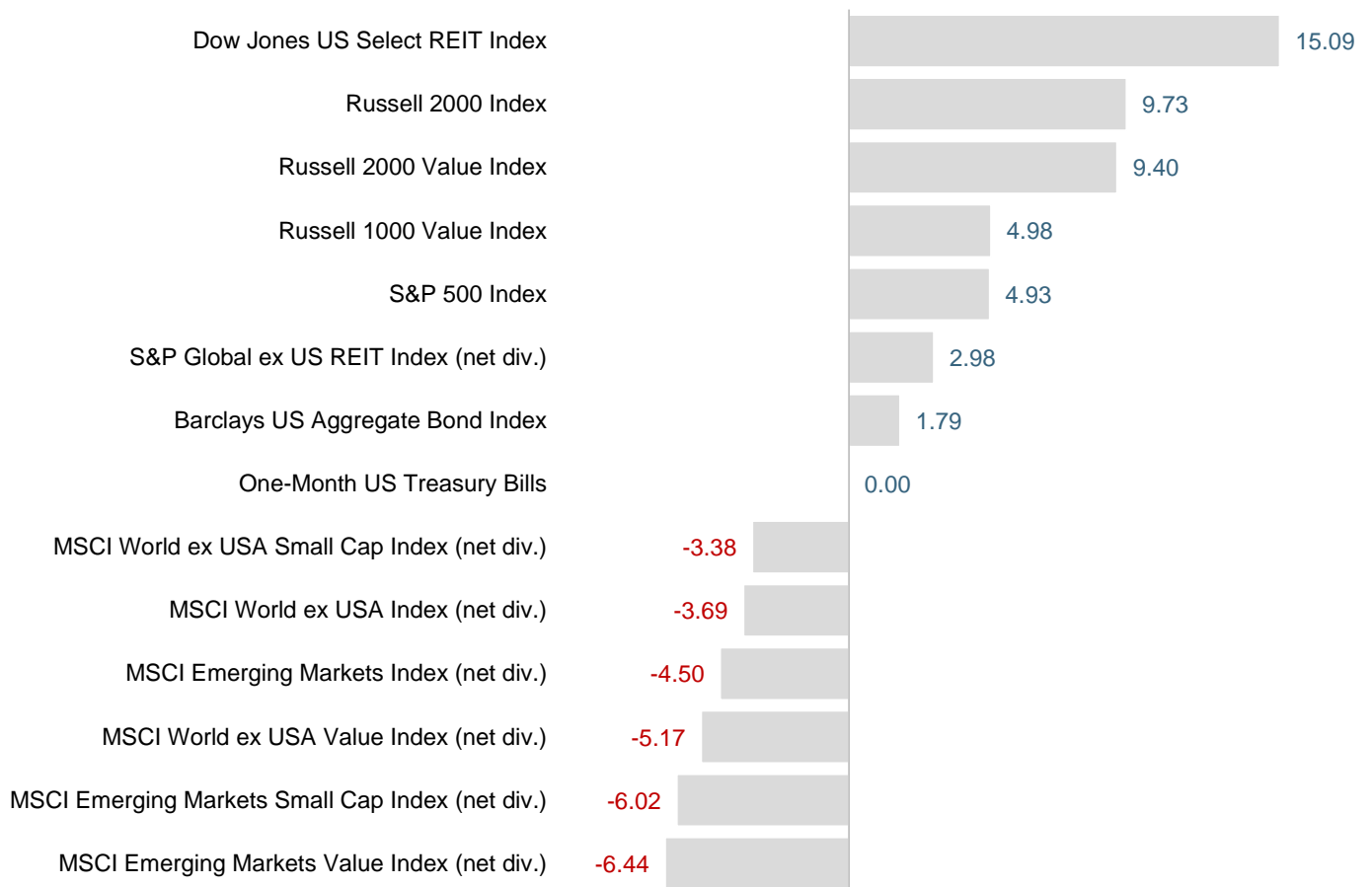
Graph Source: MSCI ACWI Index. MSCI data © MSCI 2015, all rights reserved.

It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. Past performance is not a guarantee of future results.

# World Asset Classes

## Fourth Quarter 2014 Index Returns

REITs, particularly in the US, had higher returns than most asset classes in the fourth quarter, outperforming equity indices. US equities performed better than non-US developed and emerging markets. Many equity markets outside the US declined in US dollar terms. Currency movements played a role; the dollar appreciated against most currencies. Small caps outperformed large caps in the US. In developed markets outside the US, small caps slightly outperformed large caps but underperformed in emerging markets. Broad market value indices outperformed growth indices in the US but underperformed in developed markets outside the US and in emerging markets. The results were mixed across size ranges in the various markets.



Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. The S&P data is provided by Standard & Poor's Index Services Group. Russell data © Russell Investment Group 1995–2015, all rights reserved. MSCI data © MSCI 2015, all rights reserved. Dow Jones data (formerly Dow Jones Wilshire) provided by Dow Jones Indexes. Barclays data provided by Barclays Bank PLC.

# US Stocks

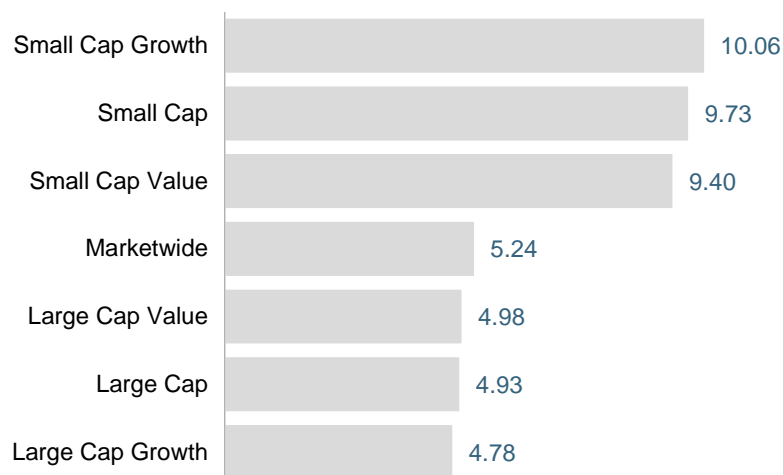
## Fourth Quarter 2014 Index Returns

The US equity market performed better than most other markets for the quarter. Small cap indices outperformed large cap indices.

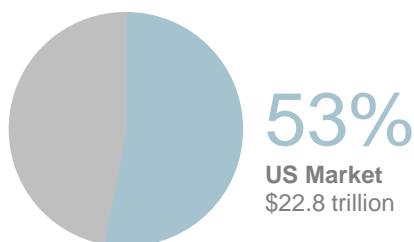
Marketwide value indices outperformed growth indices, and large and mid-cap value indices outperformed their growth counterparts. However, value underperformed growth among both small and micro cap stocks.

REITs, which are included to varying degrees in many benchmarks, boosted index returns.

### Ranked Returns for the Quarter (%)



### World Market Capitalization—US



### Period Returns (%)

Asset Class	YTD	1 Year	3 Years*	5 Years*	10 Years*
Marketwide	12.56	12.56	20.51	15.63	7.94
Large Cap	13.69	13.69	20.41	15.45	7.67
Large Cap Value	13.45	13.45	20.89	15.42	7.30
Large Cap Growth	13.05	13.05	20.26	15.81	8.49
Small Cap	4.89	4.89	19.21	15.55	7.77
Small Cap Value	4.22	4.22	18.29	14.26	6.89
Small Cap Growth	5.60	5.60	20.14	16.80	8.54

\* Annualized

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Marketwide (Russell 3000 Index), Large Cap (S&P 500 Index), Large Cap Value (Russell 1000 Value Index), Large Cap Growth (Russell 1000 Growth Index), Small Cap (Russell 2000 Index), Small Cap Value (Russell 2000 Value Index), and Small Cap Growth (Russell 2000 Growth Index). World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. Russell 3000 Index is used as the proxy for the US market. Russell data © Russell Investment Group 1995–2015, all rights reserved. The S&P data are provided by Standard & Poor's Index Services Group.

# International Developed Stocks

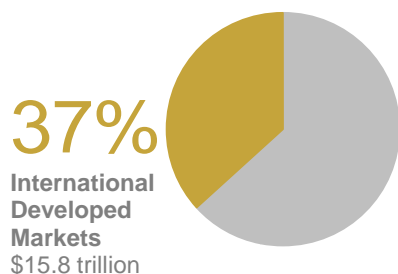
## Fourth Quarter 2014 Index Returns

International developed broad market indices measured in US dollars underperformed the US indices but outperformed emerging markets as a group. Small caps slightly outperformed large caps.

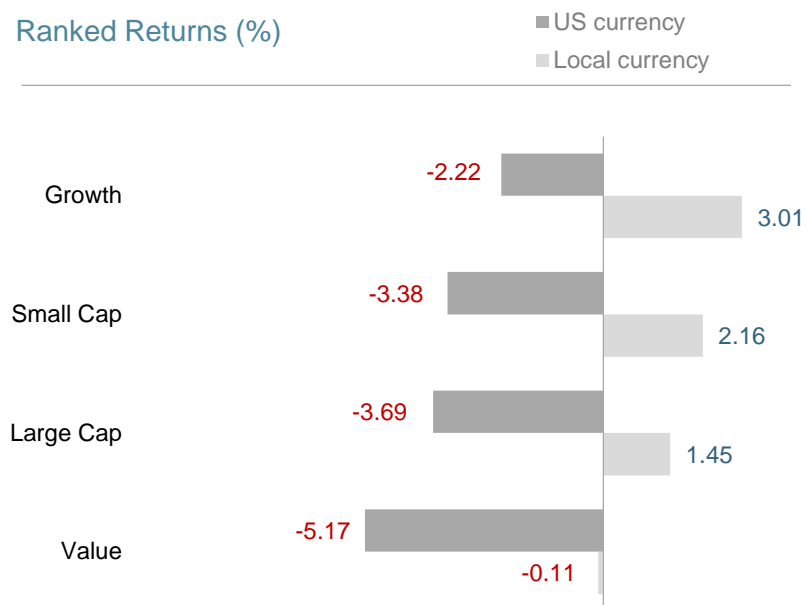
Value underperformed growth across all size segments.

The US dollar strengthened against most currencies during the quarter.

### World Market Capitalization— International Developed



### Ranked Returns (%)



### Period Returns (%)

Asset Class	YTD	1 Year	3 Years*	5 Years*	10 Years*
Large Cap	-4.32	-4.32	10.47	5.21	4.64
Small Cap	-5.35	-5.35	11.77	7.91	5.87
Value	-5.41	-5.41	10.46	4.52	4.18
Growth	-3.26	-3.26	10.43	5.85	5.04

\* Annualized

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Large Cap (MSCI World ex USA Index), Small Cap (MSCI World ex USA Small Cap Index), Value (MSCI World ex USA Value Index), and Growth (MSCI World ex USA Growth). All index returns are net of withholding tax on dividends. World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. MSCI World ex USA IMI Index used as the proxy for the International Developed market. MSCI data © MSCI 2015, all rights reserved.



# Emerging Markets Stocks

## Fourth Quarter 2014 Index Returns

Broad market emerging markets indices underperformed developed markets, including the US.

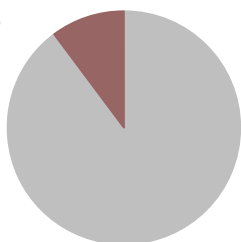
Small cap indices underperformed large cap indices for the quarter. Value indices underperformed growth indices in large caps and mid-caps but outperformed in small caps.

The US dollar strengthened against most currencies during the quarter.

### World Market Capitalization— Emerging Markets

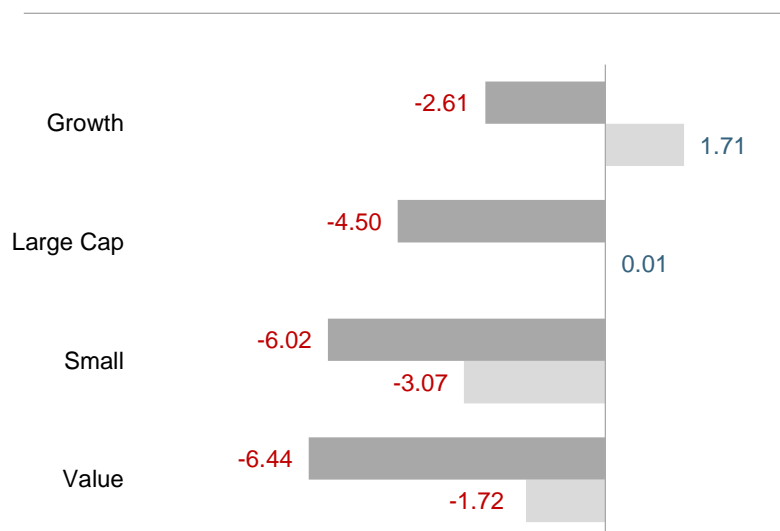
10%

Emerging  
Markets  
\$4.4 trillion



### Ranked Returns (%)

■ US currency



### Period Returns (%)

Asset Class	YTD	1 Year	3 Years*	5 Years*	10 Years*
Large Cap	-2.19	-2.19	4.04	1.78	8.43
Small Cap	1.01	1.01	7.65	2.93	9.63
Value	-4.08	-4.08	1.79	0.51	8.59
Growth	-0.35	-0.35	6.24	3.00	8.22

\* Annualized

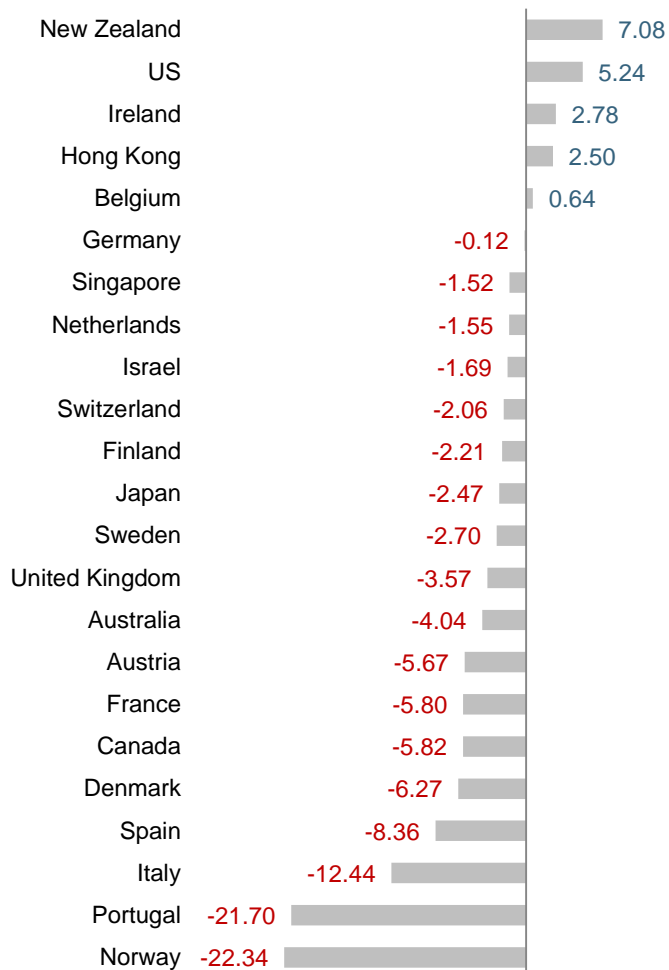
Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Large Cap (MSCI Emerging Markets Index), Small Cap (MSCI Emerging Markets Small Cap Index), Value (MSCI Emerging Markets Value Index), and Growth (MSCI Emerging Markets Growth Index). All index returns are net of withholding tax on dividends. World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. MSCI Emerging Markets IMI Index used as the proxy for the emerging market portion of the market. MSCI data © MSCI 2015, all rights reserved.

# Select Country Performance

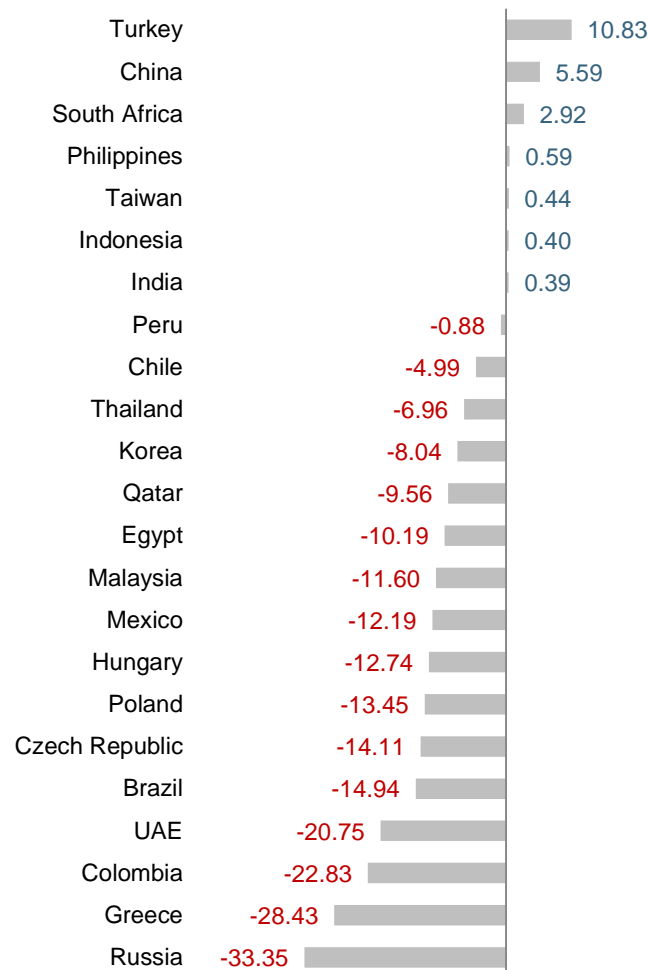
## Fourth Quarter 2014 Index Returns

In US dollar terms, New Zealand was the best performer in developed markets during the fourth quarter. The fall in commodity prices, in particular the decline in the price of oil, contributed to the lower performance of commodity-dominated countries such as Norway and Russia. Turkey and China recorded the highest performance among emerging markets.

### Ranked Developed Markets Returns (%)



### Ranked Emerging Markets Returns (%)



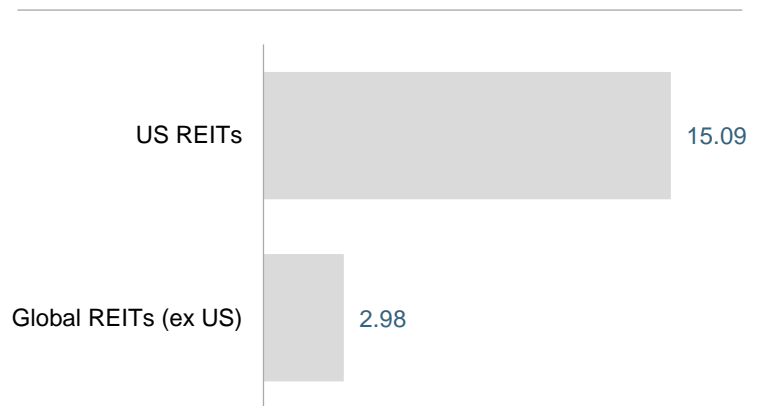
Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Country performance based on respective indices in the MSCI World ex US IMI Index (for developed markets), Russell 3000 Index (for US), and MSCI Emerging Markets IMI Index. All returns in USD and net of withholding tax on dividends. MSCI data © MSCI 2015, all rights reserved. Russell data © Russell Investment Group 1995–2015, all rights reserved. UAE and Qatar have been reclassified as emerging markets by MSCI, effective May 2014.

# Real Estate Investment Trusts (REITs)

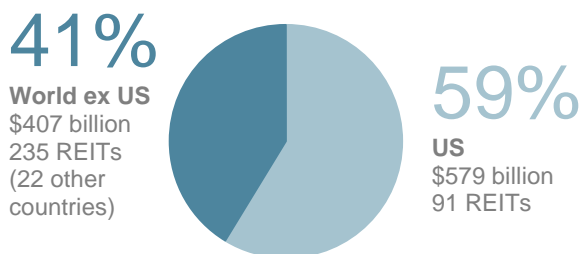
## Fourth Quarter 2014 Index Returns

REITs outperformed the broad equity market for the quarter. REIT indices in developed markets outside the US outperformed broad market equity indices.

### Ranked Returns (%)



### Total Value of REIT Stocks



### Period Returns (%)

Asset Class	YTD	1 Year	3 Years*	5 Years*	10 Years*
US REITs	32.00	32.00	16.10	16.99	8.13
Global REITs (ex US)	10.94	10.94	14.42	9.86	4.29

\* Annualized

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Number of REIT stocks and total value based on the two indices. All index returns are net of withholding tax on dividends. Total value of REIT stocks represented by Dow Jones US Select REIT Index and the S&P Global ex US REIT Index. Dow Jones US Select REIT Index used as proxy for the US market and S&P Global ex US REIT Index used as proxy for the World ex US market. Dow Jones US Select REIT Index data provided by Dow Jones ©. S&P Global ex US REIT Index data provided by Standard and Poor's Index Services Group © 2014.

# Commodities

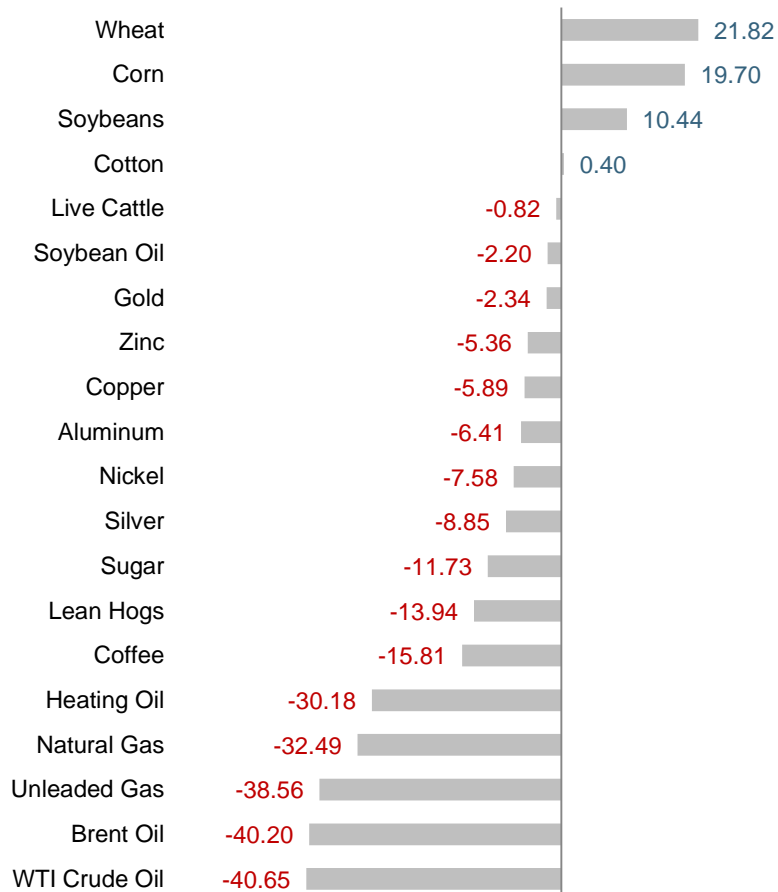
## Fourth Quarter 2014 Index Returns

Commodities were broadly negative during the fourth quarter. The Bloomberg Commodity Index fell 12.10%. Energy led the decline with WTI crude oil and natural gas returning -40.65% and -32.49%, respectively.

Wheat was the best performer with a gain of 21.82%.

After experiencing negative returns in the third quarter, corn and soybeans gained a respective 19.70% and 10.44% in the fourth quarter.

### Ranked Returns for Individual Commodities (%)



### Period Returns (%)

Asset Class	YTD	Q4	1 Year	3 Years*	5 Years*	10 Years*
Commodities	-17.01	-12.10	-17.01	-9.43	-5.53	-1.86

\* Annualized

# Fixed Income

## Fourth Quarter 2014 Index Returns

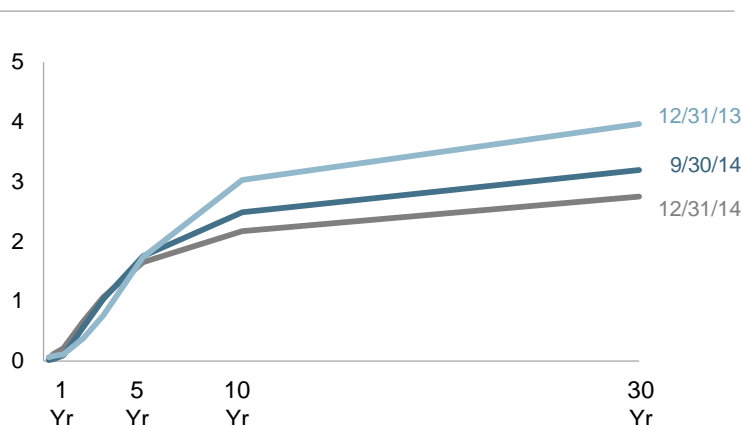
Interest rates across US fixed income markets generally declined during the quarter. The yield on the 10-year Treasury note ended at 2.17%, a dip of 34 basis points. (One basis point equals one-hundredth of a percentage point.) Long-term US Treasury bonds gained 27% in 2014.

While intermediate- and long-term rates declined, short-term rates increased. The two-year Treasury note was up 10 bps to 0.68%.

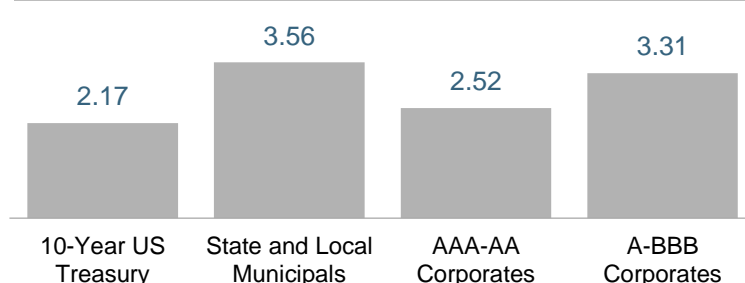
Long-term corporate bonds returned 3.98% for the quarter and 15.73% for the year. Intermediate-term corporates gained 85 bps for the quarter and 4.35% for the year.

Municipal revenue bonds (+1.54%) again slightly outpaced municipal general obligation bonds (+1.11%) for the quarter. Long-term munis continued to outperform all other areas of the curve.

### US Treasury Yield Curve



### Bond Yields across Issuers



### Period Returns (%)

\* Annualized

Asset Class	YTD	1 Year	3 Years*	5 Years*	10 Years*
BofA Merrill Lynch Three-Month US Treasury Bill Index	0.04	0.04	0.07	0.09	1.54
BofA Merrill Lynch 1-Year US Treasury Note Index	0.18	0.18	0.23	0.41	2.00
Citigroup WGBI 1-5 Years (hedged to USD)	1.90	1.90	1.54	1.78	3.11
Long-Term Government Bonds	23.87	23.87	4.29	9.88	7.48
Barclays US Aggregate Bond Index	5.97	5.97	2.66	4.45	4.71
Barclays US Corporate High Yield Index	2.45	2.45	8.43	9.03	7.74
Barclays Municipal Bond Index	9.05	9.05	4.30	5.16	4.74
Barclays US TIPS Index	3.64	3.64	0.44	4.11	4.38

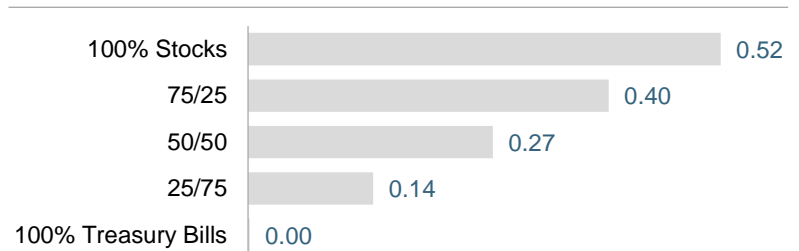
Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Yield curve data from Federal Reserve. State and local bonds are from the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality. AAA-AA Corporates represent the Bank of America Merrill Lynch US Corporates, AA-AAA rated. A-BBB Corporates represent the Bank of America Merrill Lynch US Corporates, BBB-A rated. Barclays data provided by Barclays Bank PLC. US long-term bonds, bills, inflation, and fixed income factor data © Stocks, Bonds, Bills, and Inflation (SBBI) Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld). Citigroup bond indices © 2014 by Citigroup. The BofA Merrill Lynch Indices are used with permission; © 2014 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.

# Global Diversification

## Fourth Quarter 2014 Index Returns

These portfolios illustrate the performance of different global stock/bond mixes and highlight the potential benefits of diversification. Mixes with larger allocations to stocks are considered riskier but have higher expected returns over time.

### Ranked Returns (%)

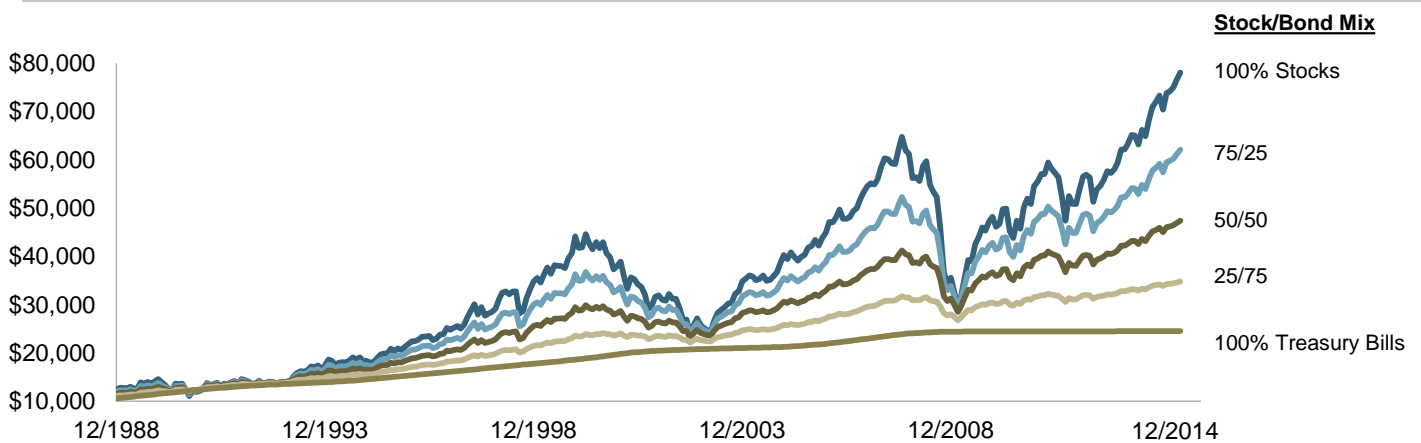


### Period Returns (%)

\* Annualized

Asset Class	YTD	1 Year	3 Years*	5 Years*	10 Years*
100% Stocks	4.71	4.71	14.72	9.74	6.65
75/25	3.58	3.58	10.99	7.45	5.60
50/50	2.43	2.43	7.29	5.07	4.37
25/75	1.24	1.24	3.64	2.60	2.98
100% Treasury Bills	0.02	0.02	0.03	0.05	1.42

## Growth of Wealth: The Relationship between Risk and Return



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. Index performance does not reflect expenses associated with the management an actual portfolio. Asset allocations and the hypothetical index portfolio returns are for illustrative purposes only and do not represent actual performance. Global Stocks represented by MSCI All Country World Index (gross div.) and Treasury Bills represented by US One-Month Treasury Bills. Globally diversified allocations rebalanced monthly, no withdrawals. Data © MSCI 2015, all rights reserved. Treasury bills © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld).

# Living with Volatility, Again

Fourth Quarter 2014

**Volatility is back.** Just as many people were starting to think markets only ever move in one direction, the pendulum has swung the other way. Anxiety is a completely natural response to these events. Acting on those emotions, though, can end up doing us more harm than good.

There are a number of tidy-sounding theories about why markets have become more volatile. Among the issues frequently splashed across newspaper front pages: global growth fears, policy uncertainty, geopolitical risk, and even the Ebola virus.

In many cases, these issues are not new. The US Federal Reserve gave notice it was contemplating its exit from quantitative easing (an unconventional monetary policy used by central banks to stimulate the economy when standard monetary policy has become ineffective). Much of Europe has been struggling with sluggish growth or recession for years, and there are always geopolitical tensions somewhere.

In some ways, the increase in volatility could be just as much a reflection of the fact that volatility has been very low for some time.

Markets do not move in one direction. If they did, there would be no return from investing in stocks and bonds. And if volatility remained low forever, there would probably be more reason to worry.

Adapted from "Living with Volatility, Again" by Jim Parker, Outside the Flags column on Dimensional's website, October 2014. Dimensional Fund Advisors LP ("Dimensional") is an investment advisor registered with the Securities and Exchange Commission. Diversification does not eliminate the risk of market loss. There is no guarantee investment strategies will be successful. The S&P 500 Index is not available for direct investment and does not reflect the expenses associated with the management of an actual portfolio. Past performance is no guarantee of future results. All expressions of opinion are subject to change without notice in reaction to shifting market conditions. This content is provided for informational purposes, and it is not to be construed as an offer, solicitation, recommendation, or endorsement of any particular security, products, or services.

**For those still anxious, here are six simple truths to help you live with volatility:**

**1. Don't make presumptions.**

Remember that markets are unpredictable and do not always react the way the experts predict they will. When central banks relaxed monetary policy during the crisis of 2008-09, many analysts warned of an inflation breakout. If anything, the reverse has been the case with central banks fretting about deflation.

**2. Someone is buying.**

While prices have been discounted to reflect higher risk, that's another way of saying expected returns may be higher. And while the media headlines proclaim that "investors are dumping stocks," remember someone is buying them. Those people are often the long-term investors.

**3. Market timing is hard.**

Recoveries can come just as quickly and just as violently as the prior correction. For instance, in March 2009—when market sentiment was at its worst—the S&P 500 turned and put in seven consecutive months of gains totalling almost 80%. This is a reminder of the dangers for long-term investors of turning paper

losses into real ones and paying for the risk without waiting around

for the recovery.

**4. Never forget the power of diversification.**

While equity markets have turned rocky again, highly rated government bonds have flourished. This helps limit the damage to balanced investors. So diversification potentially spreads risk and can lessen the bumps in the road.

**5. Nothing lasts forever.**

Just as loading up on risk when prices are high can leave you exposed to a correction, dumping risk altogether when prices are low means you can miss the turn when it comes. As always in life, moderation is a good policy.

**6. Discipline is rewarded.**

The market volatility is worrisome, no doubt. But through discipline, diversification, and understanding how markets work, the ride can be made bearable. At some point, value re-emerges, risk appetites reawaken, and for those who acknowledged their emotions without acting on them, relief replaces anxiety.

# Indexes Definitions

## Index Definition:

An index is a statistical measure that shows changes in the economy or financial markets and serves as a benchmark against which economic and financial performance is measured.

Indices are not available for direct investment; its performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is no guarantee of future results.

### Barclays Capital Municipal Bond Index 3 Years

This is a broad-based market index. To be included in the index, bonds must have a minimum credit rating of Baa. They must have an outstanding par value of at least \$5 million and be issued as part of a transaction of at least \$50 million. The bonds must have a dated-date after December 31, 1990 and must be at least one year from their maturity date.

### Barclay's Capital US Corporate High Yield Index

This index covers the universe of fixed rate, non-investment grade debt. Pay-in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, and 144-As are also included.

### Barclays Capital US Government Bond Index Intermediate

The index comprised of all publicly issued non-convertible domestic debt of the U.S. government or any agency thereof, or any quasi-federal corporation and of corporate debt guaranteed by the U.S. government. Only notes and bonds with minimum outstanding principal of \$1 million and minimum maturity of one year and maximum maturity of ten years are included.

### Barclays Capital US Government Bond Index

Market value weighted index of U.S. government and government agency securities (other than mortgage securities) with maturities of one year or more.

### Barclays Capital US Tips Index

The index represents securities that protect against adverse inflation and provide a minimum level of real return. To be included in this index, bonds must have cash flows linked to an inflation index, be sovereign issues denominated in U.S. currency, and have more than one year to maturity, and, as a portion of the index, total a minimum amount outstanding of 100 million U.S. dollars. TIPS stands for Treasury Inflation Protected Securities.

### Citigroup World Government Bond (WGBI) Index

This index is a broad market benchmark measuring the performance of government and foreign bonds. The index includes the 22 government bond markets of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

### Dow Jones US Select REIT Index

Is comprised of all publicly traded real estate investment trusts in the Dow Jones U.S. stock universe (i.e. real estate investment trusts (REITs) and real estate operating companies (REOCs) traded in the U.S). The indexes are designed to serve as proxies for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate. Date of introduction Total Return: January 30, 1987; Price Return: December 31, 1998

### The MSCI ACWI (All Country World Index)

The MSCI ACWI (All Country World Index) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI All Country World Index includes 48 markets. The index has been calculated since 1995

### MSCI EAFE

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The index has been calculated since 31 December 1969. The EAFE acronym stands for Europe, Australasia, and Far East.



# Indexes Definitions

## [MSCI Emerging Markets Index](#)

The MSCI Emerging Markets Index has a base date of December 31, 1987. It is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

## [MSCI Frontier Markets Index](#)

The MSCI Frontier Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of frontier markets. The index has been calculated since 2007.

## [MSCI Small Cap](#)

The objective of the MSCI Small Cap Indices is to represent the business activities of small cap companies across developed markets. MSCI selects the most liquid securities relative to their market capitalization, and targets for index inclusion 40% of the full market capitalization of the eligible small cap universe within each industry group, within each country.

## [MSCI World Index](#)

The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. As of June 2007 the MSCI World Index consisted of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. The index has been calculated since 1995.

The MSCI Indices are maintained by Morgan Stanley Capital International/Barra

## [Russell 1000 Growth Index](#)

Measures the performance of those Russell 1000 companies with higher price-to book ratios and higher forecasted growth values.

## [Russell 1000 Value Index](#)

The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. . The index is a subset of the much larger Russell 3000 Index It is reconstituted annually.

## [Russell 2000 Index](#)

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. It is reconstituted annually and was launched in 1984.

## [Russell 2000 Growth Index](#)

Measures the performance of those Russell 2000 companies with higher price-to book ratios and higher forecasted growth values.

## [Russell 3000 Index](#)

The Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. The U.S.-based requirement disqualifies many large international firms from inclusion into the index. It is reconstituted annually and was started in 1984.

The Russell indices are owned and maintained by Russell Investments.

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