MPM Wealth Advisors

Global Diversification

Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission.
Investments involve risks including potential loss of principal and fluctuating value. Diversification neither assures a profit nor guarantees against loss in a declining market.

Investment products: • Not FDIC Insured • Not Bank Guaranteed • May Lose Value
Dimensional Fund Advisors does not have any bank affiliates.

Small and micro cap securities are subject to greater volatility than those in other asset categories.

International and emerging markets investing involves special risks such as currency fluctuation and political instability. Investing in emerging markets may accentuate these risks.

Fixed income securities are subject to increased loss of principal during periods of rising interest rates. Fixed income investments are subject to various other risks, including changes in credit quality, liquidity, prepayments, call risk, and other factors. Municipal securities are subject to the risks of adverse economic and regulatory changes in their issuing states.

Real estate investment risks include changes in real estate values and property taxes, interest rates, cash flow of underlying real estate assets, supply and demand, and the management skill and creditworthiness of the issuer.

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Diversification Helps Take the Guesswork Out of Investing

Annual returns (%): 2011–2025

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Higher Return	9.4	18.6	38.8	32.0	5.8	21.3	37.8	2.1	31.5	20.0	45.9	-1.0	26.3	25.0	34.7
	3.4	17.9	32.4	13.7	4.5	12.0	31.5	1.9	25.9	18.7	28.7	-4.5	16.9	11.5	34.4
	2.3	17.1	26.0	4.9	1.4	11.6	21.8	1.5	25.5	18.4	14.8	-5.5	14.0	8.1	17.9
	2.1	16.3	1.2	1.9	1.0	6.7	14.6	-4.2	23.1	13.2	11.5	-18.1	13.2	8.1	12.8
	0.6	16.0	0.6	1.2	0.9	4.7	3.8	-4.4	18.9	4.4	-0.1	-20.2	10.3	4.7	5.8
	-4.2	2.1	0.3	0.2	0.2	1.5	1.1	-11.0	4.2	3.2	-0.8	-19.7	5.3	4.3	5.1
	-15.5	0.9	-0.1	-1.8	-4.4	1.0	0.7	-14.2	3.9	1.8	-1.2	-20.4	4.7	3.3	4.1
Lower Return	-18.2	0.2	-2.3	-5.0	-14.6	0.8	0.6	-17.8	2.9	-11.2	-2.2	-26.0	4.4	3.3	3.7

- S&P 500 Index
- Russell 2000 Index
- Dow Jones U.S. Select REIT Index
- MSCI World ex USA Small Cap Index (gross div.)
- MSCI Emerging Markets Index (gross div.)
- ICE BofA 1-Year US Treasury Note Index
- Bloomberg U.S. Treasury Bond Index 1-5 Years
- FTSE World Government Bond Index 1-5 Years (hedged to USD)

You never know which markets will outperform from year to year.

By holding a globally diversified portfolio, investors are positioned to capture returns wherever they occur.

Past performance is not a guarantee of future results. 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. Source: S&P and Dow Jones data © 2026 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2026, all rights reserved. ICE BofA index data © 2025 ICE Data Indices, LLC. Bloomberg data provided by Bloomberg. FTSE fixed income indices © 2026 FTSE Fixed Income LLC. All rights reserved. Diversification does not eliminate the risk of market loss.

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Equity

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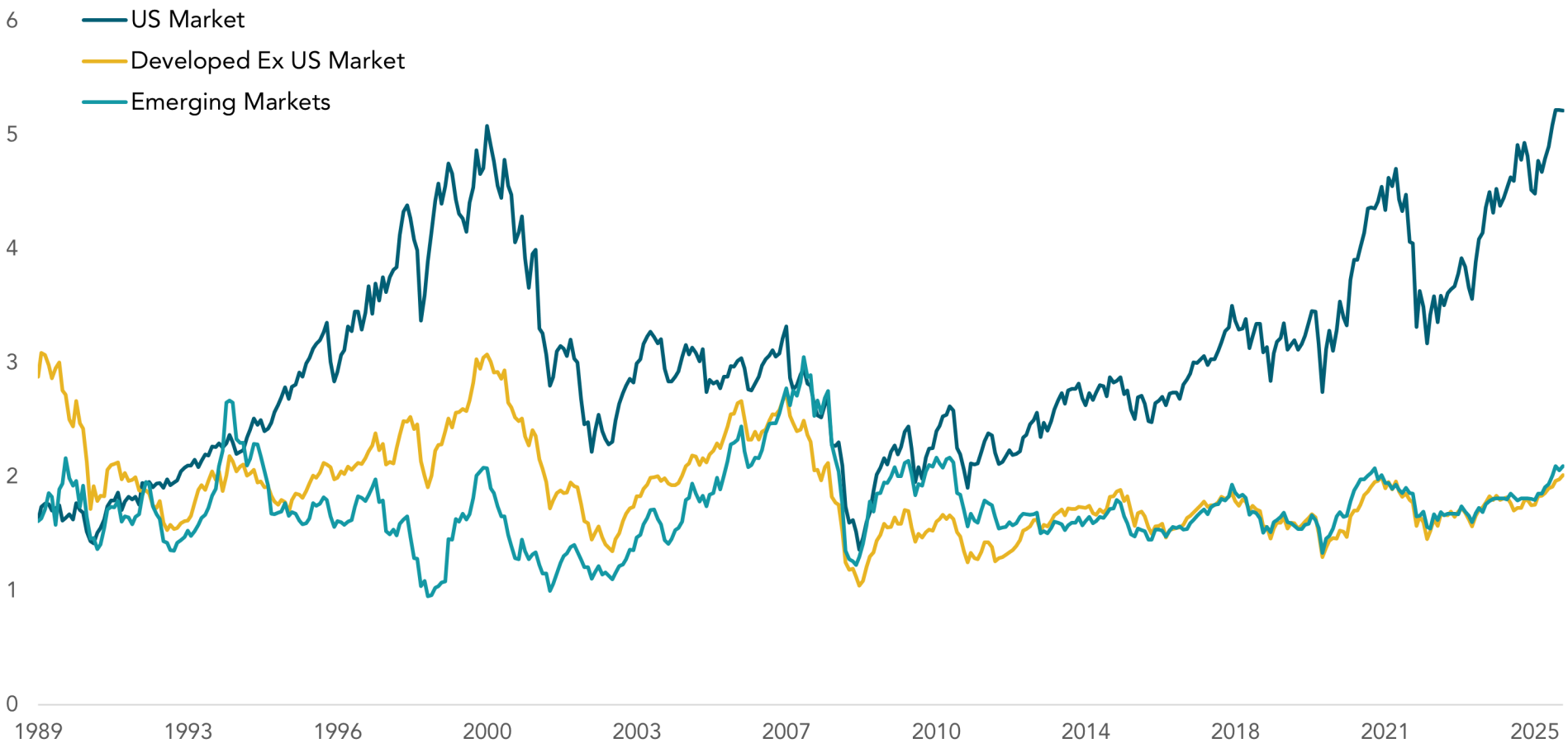
Historical Valuations: Regions

Price-to-book ratio, June 1989–December 2025



In USD. The Fama/French Indices represent academic concepts that may be used in portfolio construction and are not available for direct investment or for use as a benchmark. Source: CRSP and Compustat data calculated by Dimensional. Fama/French data provided by Fama/French. US Market represented by the Fama/French Total US Market Research Index. Developed Ex US Market represented by the Fama/French International Market Research Index. Emerging Markets represented by the Fama/French Emerging Markets Index. Monthly aggregate price-to-book ratios are computed as the inverse of the weighted average book-to-market value as of month-end. Firms with negative book value are excluded. Book-to-market ratios above 10 are winsorized as the cutoff value in non-US Markets. See "Index Descriptions" in the appendix for descriptions of Fama/French index data.

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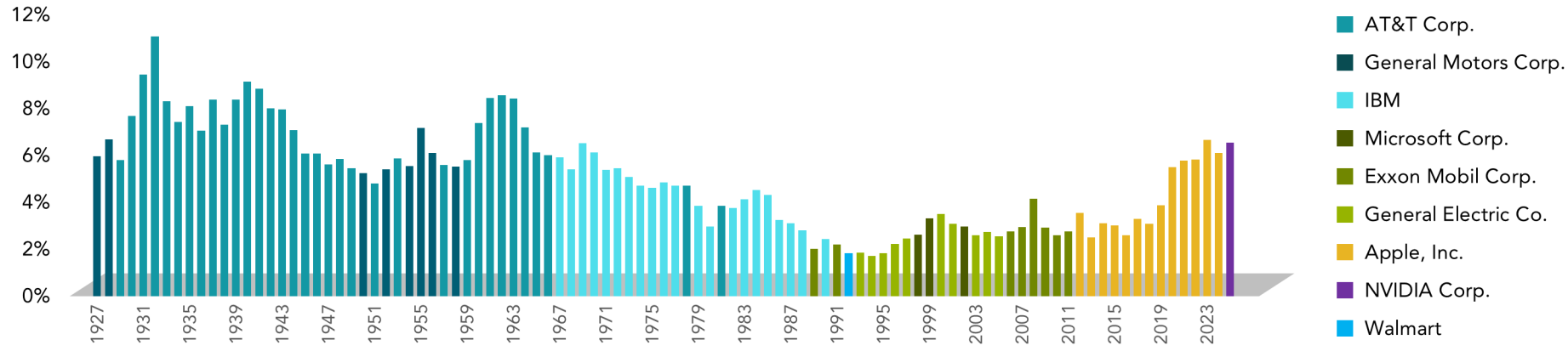
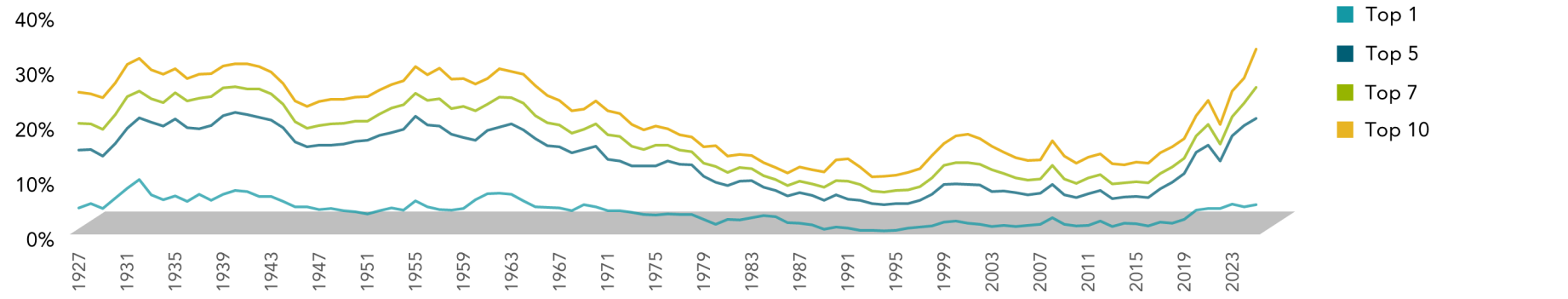
Market Concentration Over Time

US Market, 1927–2025

Portion of Total US Market Capitalization in the Top 1 Stock



Portion of Total US Market Capitalization in the Top 1, 5, 7, and 10 Stocks



Source: CRSP data calculated by Dimensional. Companies ranked by USD market cap as of December of each year. This information is intended for educational purposes and should not be considered a recommendation to buy or sell a particular security. The securities identified do not represent all securities purchased or sold for client accounts. It should not be assumed that an investment in the securities identified was or would be profitable. Named securities may be held in accounts managed by Dimensional.

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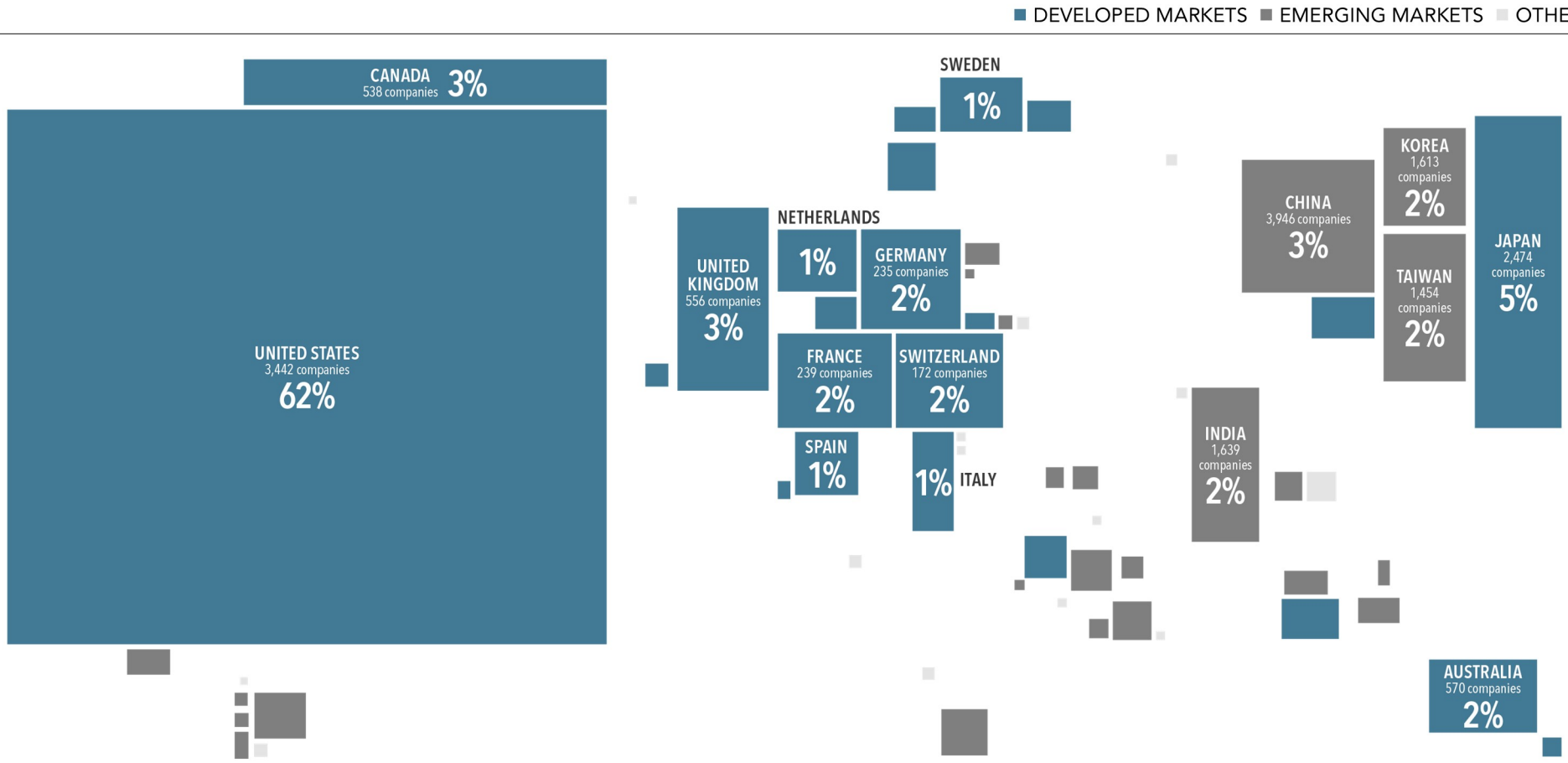
There's a World of Opportunity in Equities

Percent of world market capitalization as of December 31, 2025



Diversification neither assures a profit nor guarantees against loss in a declining market. In USD. Market cap data is free-float adjusted and meets minimum liquidity and listing requirements. Dimensional makes case-by-case determinations about the suitability of investing in each emerging market, making considerations that include local market accessibility, government stability, and property rights before making investments. China A-shares that are available for foreign investors through the Hong Kong Stock Connect program are included in China. 30% foreign ownership limit and 25% inclusion factor are applied to China A-shares. Many nations not displayed. Totals may not equal 100% due to rounding. For educational purposes; should not be used as investment advice. Bloomberg data provided by Bloomberg.
Free float: In general, describes the number of publicly traded shares of a company.

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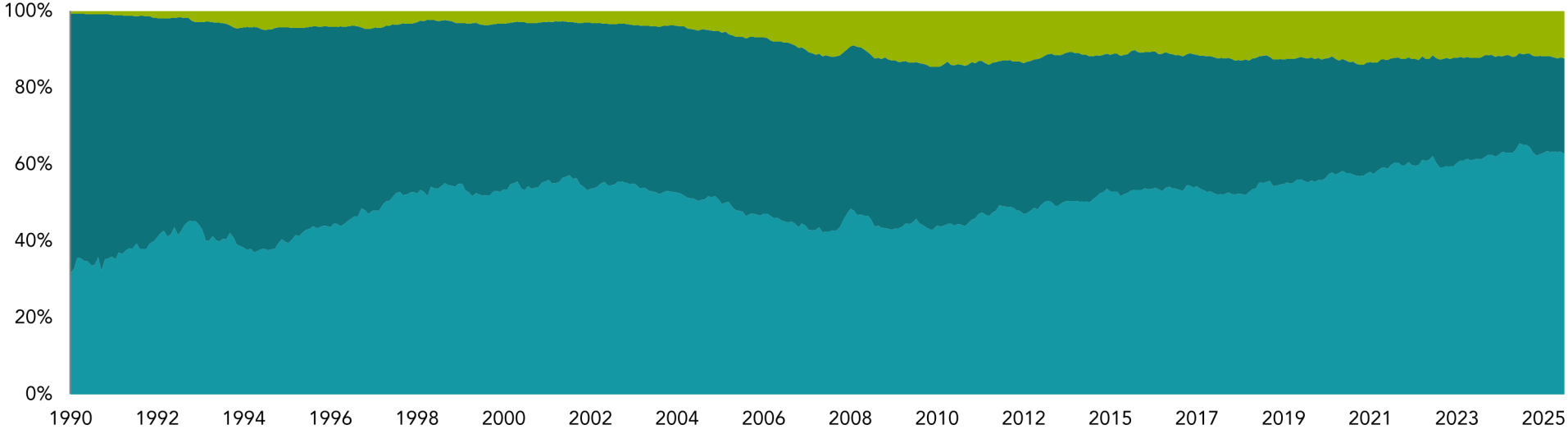
Market Capitalization of Global Stock Markets

January 1990–December 2025

	Number of Countries	Number of Stocks	Total Value	Weights: December 31, 2025	Weights: Change from Previous Year	Weights: 01/90–12/25 Average
US	1	3,442	70.47 Trillion	62.63%	▼ -2.52%	50.15%
Developed Markets ex US	22	6,649	28.1 Trillion	24.97%	▲ 1.50%	41.81%
Emerging Markets	24	11,227	13.95 Trillion	12.40%	▲ 1.02%	8.03%
Total	**47**	**21,318**	**112.52 Trillion**	**100.00%**		



In USD. Market cap data is free-float adjusted. 30% foreign ownership limit and 25% inclusion factor are applied to China A-shares. Eligible stocks are required to meet a minimum market capitalization requirement of 50,000,000 USD and liquidity screen of 50,000 USD in median trading volume amount. Data provided by Bloomberg. Developed markets ex US (as of December 31, 2025) : Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the UK. Emerging markets (as of December 31, 2025) : Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey, and the UAE.
Free float: In general, describes the number of publicly traded shares of a company.

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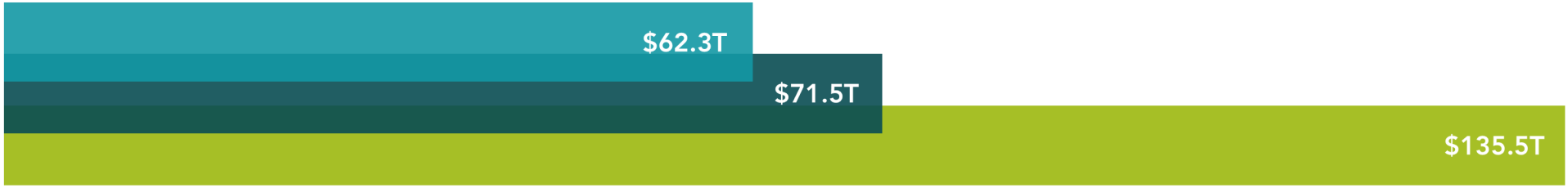
Beyond the S&P 500

Total market cap, as of December 31, 2025



S&P 500 Index

$62.3T
Total Market Cap

500
Companies

Nvidia ($4,532B)
Apple ($4,017B)
Alphabet ($3,782B)
Microsoft ($3,594B)
Amazon ($2,468B)
Meta ($1,664B)

Russell 3000 Index

$71.5T
Total Market Cap

2,945
Companies

Spotify ($121B)
NuBank ($81B)
Snowflake ($75B)
Marvell Technology ($72B)
Cloudflare ($69B)
Vertiv ($62B)

MSCI All Country World IMI Index

$135.5T
Total Market Cap

8,130
Companies

Taiwan Semiconductor Manufacturing ($1,279B)
Tencent ($703B)
Samsung (495B)
ASML ($420B)
Industrial & Commercial Bank of China ($376B)
Agricultural Bank of China ($374B)

In USD. Securities shown are examples of securities held within the index that are not included in the index listed prior. Listed securities selected as the largest six names based on total market capitalization as of December 31, 2025. Indices are not available for direct investment. This information is intended for educational purposes and should not be considered a recommendation to buy or sell a particular security. Named securities may be held in accounts managed by Dimensional. S&P data © 2026 S&P Dow Jones Indices LLC, a division of S&P Global. MSCI data © MSCI 2026, all rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes.

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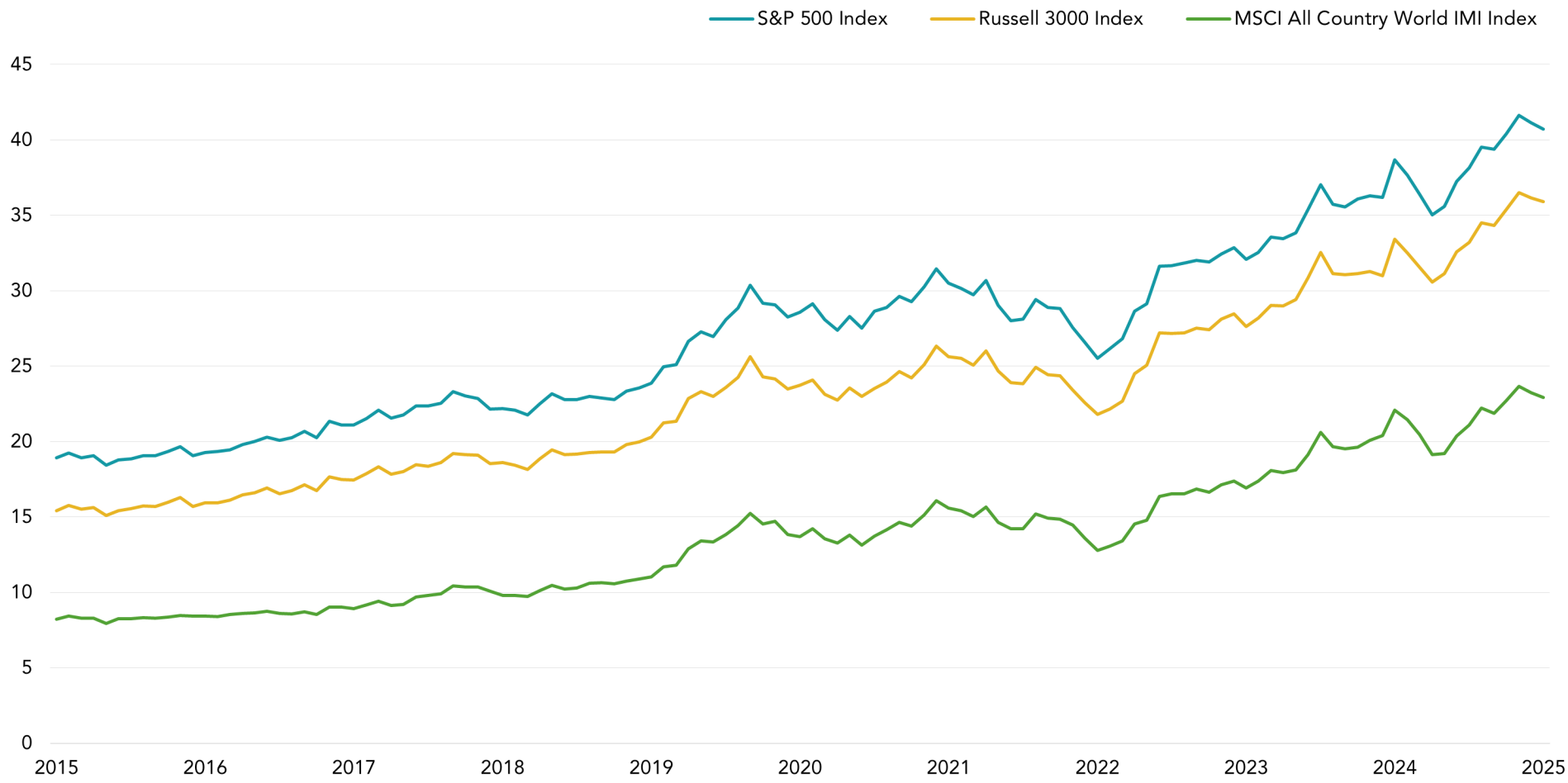
Market Concentration

Weight in top 10 holdings by company (%), December 2015–December 2025



Diversification neither assures a profit nor guarantees against loss in a declining market. Source: Dimensional. Weight determined by constituent percentage of each respective index at the issuer level. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. S&P data © 2026 S&P Dow Jones Indices LLC, a division of S&P Global. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2026, all rights reserved. Holdings are subject to change.

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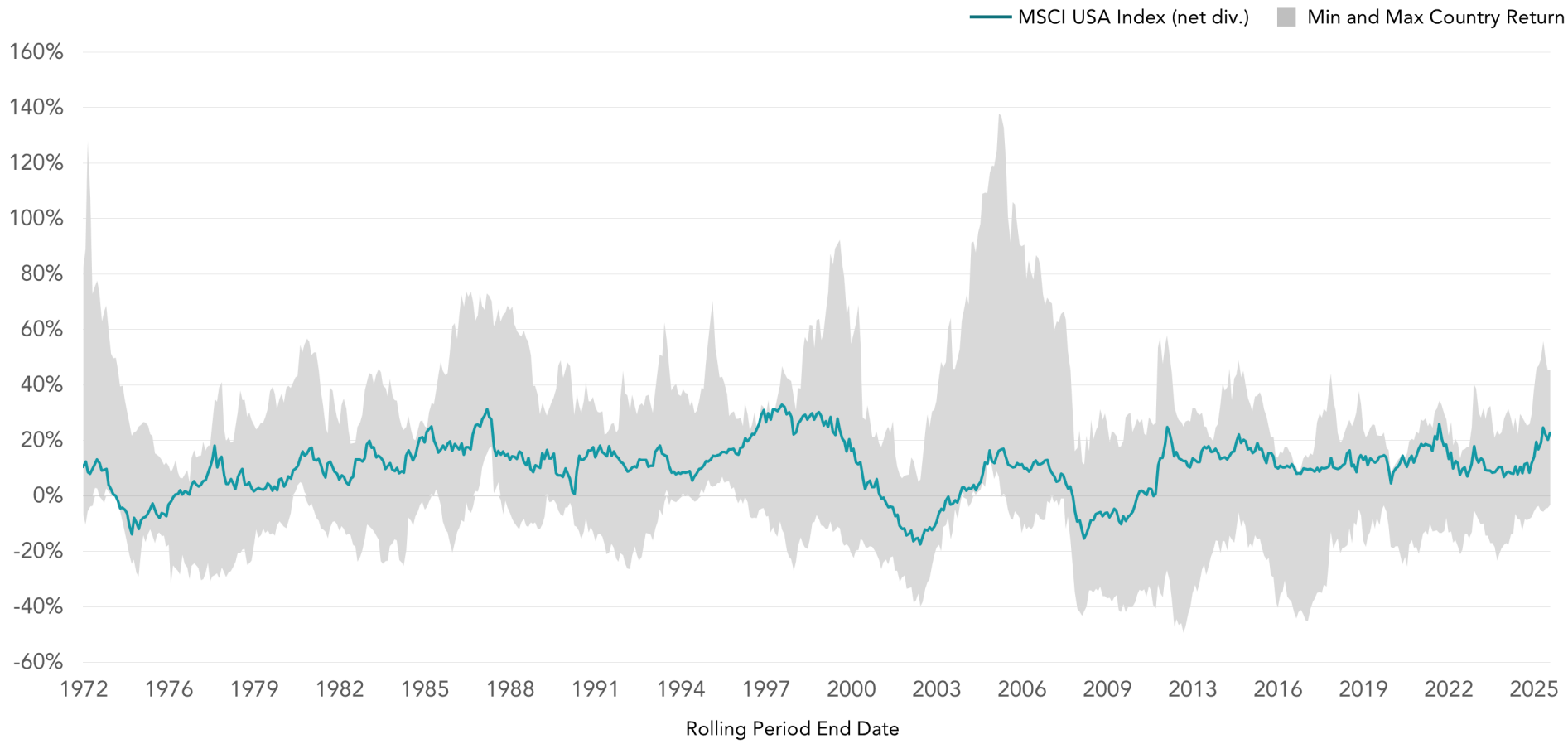
The US Has Rarely Been the Top Performing Country

Country return distributions, monthly rolling 3-year annualized returns, January 1970–December 2025



In USD.

Past performance is no guarantee of future results.

Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Index returns are not representative of actual portfolios and do not reflect costs and fees associated with an actual investment. Country returns are those of the respective MSCI country Index (net div.). Countries included are those that are currently included under MSCI Developed and Emerging Market regional classifications. Country returns are added when first available. MSCI data © MSCI 2026, all rights reserved.

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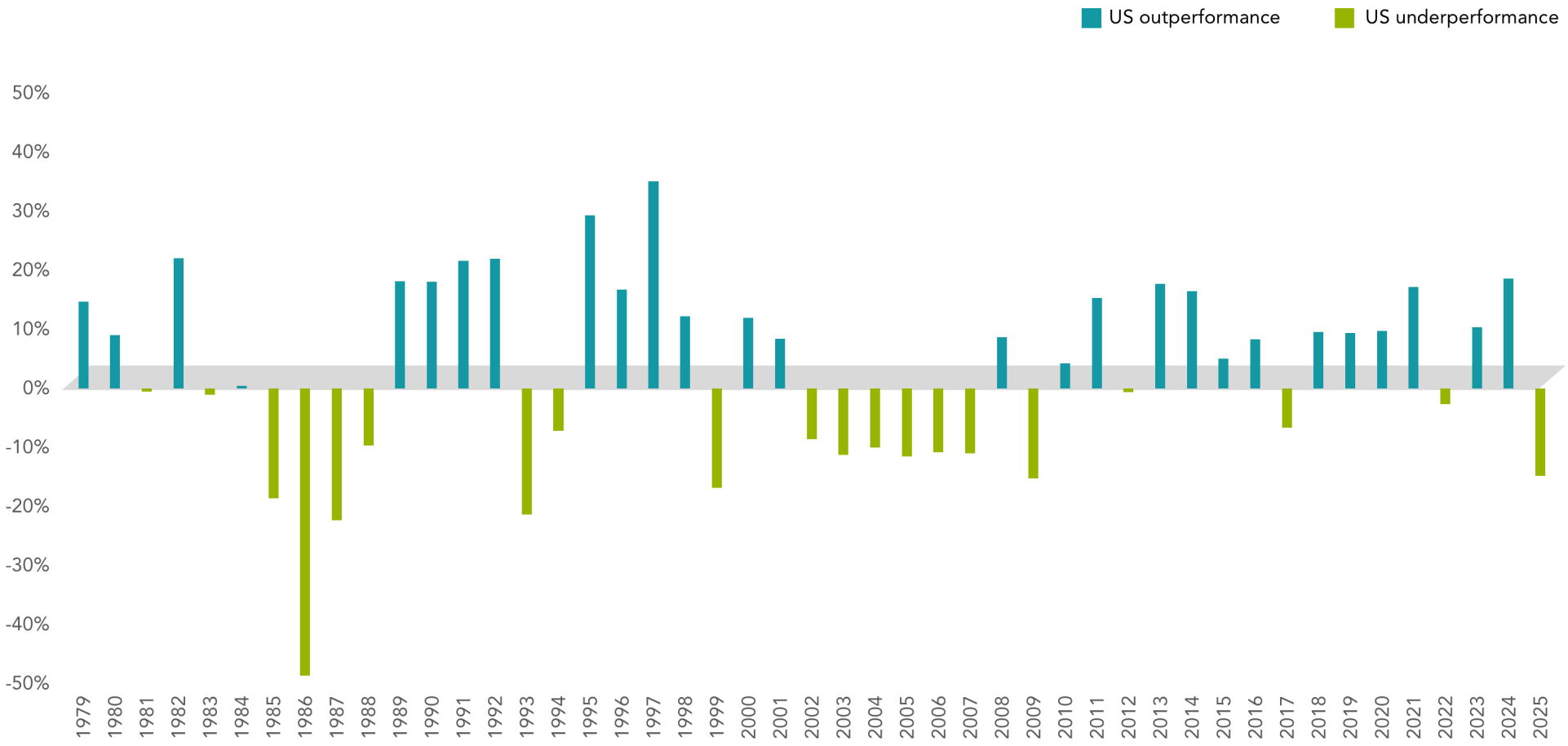
Global Diversification

Relative calendar year returns of US and ex-US markets, 1979–2025



Past performance is no guarantee of future results.

US market as represented by the Russell 3000 Index. Due to data availability, ex-US markets as represented by the MSCI All Country World ex USA IMI Index (net div.) after 1994. From 1979-1994, ex-US markets are represented by the MSCI World ex USA Index (net div.). Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2026, all rights reserved. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio.

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Equity Returns of Developed Markets

Annual return (%)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Highest Return	Spain 49.4	Finland 48.7	Japan -29.2	Norway 87.1	Sweden 33.8	Ireland 13.7	Belgium 39.6	Finland 46.0	US 12.7	Denmark 23.4	Canada 24.6	Austria 58.3	Finland -3.4	NZ 38.2	Denmark 43.7	Austria 41.5	Portugal 0.2	Italy 37.1	Singapore 32.3	Spain 82.4
	Portugal 47.4	HK 41.2	Switz. -30.5	Australia 76.4	Denmark 30.7	NZ 5.5	Denmark 31.3	Ireland 41.2	NZ 7.3	Ireland 16.5	NZ 18.4	HK 36.2	NZ -4.0	Ireland 37.5	Nether. 24.1	Nether. 27.6	HK -4.7	Spain 31.9	US 24.6	Austria 77.6
	Ireland 46.8	Germany 35.2	US -37.6	Singapore 74.0	HK 23.2	US 1.4	Singapore 31.0	US 31.8	Denmark 6.2	Belgium 12.1	Norway 13.3	Singapore 35.6	US -5.0	Switz. 32.3	Sweden 23.9	US 26.5	Denmark -4.8	Denmark 31.2	Austria 18.3	Ireland 57.2
	Singapore 46.7	Norway 31.4	Spain -40.6	Sweden 64.2	Singapore 22.1	UK -2.6	Germany 30.9	Germany 31.4	HK 5.1	Japan 9.6	Australia 11.4	Denmark 34.7	HK -7.8	Nether. 32.1	US 20.7	Canada 26.0	UK -4.8	US 26.5	Ireland 14.0	Finland 57.2
	Norway 45.1	Canada 29.6	France -43.3	HK 60.2	Canada 20.5	Switz. -6.8	NZ 29.3	Spain 31.3	Belgium 4.1	Austria 3.5	Austria 11.3	Nether. 32.2	Norway -8.6	US 30.9	Finland 20.4	Norway 22.0	Australia -5.3	Nether. 25.8	Canada 11.9	Italy 55.5
	Sweden 43.4	Singapore 28.4	Canada -45.5	Belgium 57.5	Japan 15.4	Norway -10.0	HK 28.3	Nether. 31.3	Singapore 3.0	Italy 2.3	US 10.9	France 28.7	Switz. -9.1	Denmark 28.2	NZ 19.9	Sweden 21.9	Norway -7.0	Ireland 24.4	Italy 11.3	Portugal 37.0
	Denmark 38.8	Australia 28.3	Germany -45.9	Canada 56.2	US 14.8	Belgium -10.6	Austria 25.9	Belgium 27.6	Ireland 2.3	Finland 2.0	France 4.9	Italy 28.4	Singapore -9.4	Canada 27.5	Ireland 15.1	France 19.5	Spain -7.3	Sweden 23.9	Germany 10.2	Nether. 36.9
	Belgium 36.7	Denmark 25.6	Singapore -47.4	NZ 50.4	Australia 14.5	Australia -11.0	Australia 22.1	Japan 27.2	Canada 1.5	Nether. 1.3	Nether. 4.8	Norway 28.3	Portugal -11.1	Italy 27.3	Japan 14.5	Switz. 19.3	Singapore -11.0	Germany 23.0	Spain 9.8	Canada 36.5
	Austria 36.5	Portugal 24.0	Denmark -47.6	Spain 43.5	Switz. 11.8	Nether. -12.1	Sweden 22.0	Switz. 26.6	Switz. -0.1	Portugal 0.9	Portugal 3.6	Germany 27.7	Australia -12.0	France 25.7	Portugal 14.4	Denmark 19.0	Belgium -12.5	France 21.4	Belgium 8.5	Sweden 36.5
	Germany 36.0	Spain 24.0	Nether. -48.2	UK 43.3	Norway 10.9	Spain -12.3	France 21.3	France 26.3	Finland -0.7	US 0.7	Germany 2.8	Spain 27.0	France -12.8	Portugal 23.7	Switz. 11.6	UK 18.5	Canada -12.9	Japan 20.3	Japan 8.3	Belgium 36.4
	France 34.5	Nether. 20.6	UK -48.3	Austria 43.2	Finland 10.3	Canada -12.7	Nether. 20.6	Denmark 25.2	Australia -3.4	Switz. 0.4	Japan 2.4	Japan 24.0	Japan -12.9	Australia 22.9	Germany 11.5	Italy 15.0	France -13.3	Austria 17.2	UK 7.5	Germany 36.3
	Italy 32.5	France 13.2	Sweden -49.9	Nether. 42.3	Austria 9.9	Japan -14.3	Switz. 20.4	Sweden 24.5	Nether. -3.5	France -0.1	HK 2.3	Portugal 23.8	Nether. -13.1	Sweden 21.2	Australia 8.7	Australia 9.4	NZ -13.6	Switz. 15.7	Nether. 1.4	UK 35.1
	Nether. 31.4	NZ 8.9	Italy -50.0	Portugal 40.4	UK 8.8	Sweden -16.0	Norway 18.7	UK 20.7	Japan -4.0	HK -0.5	Singapore 1.4	Switz. 22.5	Sweden -13.7	UK 21.0	HK 5.8	Finland 9.0	Italy -14.4	Canada 15.4	Australia 1.2	HK 34.8
	Australia 30.9	UK 8.4	Australia -50.7	Denmark 36.6	Germany 8.4	Denmark -16.0	US 15.3	Italy 20.4	Spain -4.7	Germany -1.9	Sweden 0.6	Finland 22.5	UK -14.2	Germany 20.8	Canada 5.3	Ireland 8.5	Finland -15.3	Australia 14.8	HK 0.1	Norway 34.0
	UK 30.6	Italy 6.1	HK -51.2	France 31.8	NZ 8.3	HK -16.0	UK 15.3	Austria 13.4	UK -5.4	Sweden -5.0	UK -0.1	UK 22.3	Denmark -15.4	Belgium 20.3	France 4.1	Singapore 5.7	Japan -16.6	UK 14.1	NZ -1.5	Switz. 33.5
	HK 30.4	US 5.4	Portugal -52.2	Italy 26.6	Nether. 1.7	France -16.9	Finland 14.6	NZ 11.3	Sweden -7.5	NZ -6.3	Spain -1.0	US 21.2	Spain -16.2	Japan 19.6	Italy 1.8	Germany 5.3	Switz. -18.3	Portugal 7.5	Switz. -2.0	Singapore 32.4
	Finland 29.9	Switz. 5.3	NZ -53.8	US 26.3	Belgium -0.4	Singapore -17.9	Italy 12.5	HK 11.1	Italy -9.5	UK -7.6	Finland -4.7	Sweden 20.6	Canada -17.2	Singapore 15.0	Norway -1.8	Belgium 2.2	US -19.8	NZ 6.1	Sweden -3.7	France 28.4
	Switz. 27.4	Austria 2.2	Finland -55.2	Switz. 25.3	France -4.1	Germany -18.1	Canada 9.1	Portugal 11.0	France -9.9	Australia -10.0	Switz. -4.9	Australia 19.9	Italy -17.8	Austria 14.5	Austria -3.3	Japan 1.7	Germany -22.3	Belgium 5.9	Norway -4.3	Japan 24.6
	Canada 17.8	Sweden 0.6	Norway -64.2	Germany 25.2	Portugal -11.3	Portugal -23.1	Japan 8.2	Norway 9.4	Germany -10.4	Norway -15.0	Ireland -7.1	Belgium 18.6	Germany -22.2	Spain 12.0	Spain -4.8	Spain 1.4	Ireland -26.2	Norway 5.9	France -5.3	US 17.3
	NZ 16.6	Belgium -2.7	Belgium -66.5	Ireland 12.3	Italy -15.0	Italy -23.2	Ireland 5.7	Canada 5.6	Norway -22.0	Spain -15.6	Belgium -7.6	Ireland 18.1	Ireland -25.3	Norway 10.4	Singapore -7.5	Portugal 0.2	Austria -26.4	Singapore 5.3	Finland -7.3	Australia 14.7
	US 14.7	Japan -4.2	Austria -68.4	Finland 11.1	Ireland -18.1	Finland -31.9	Portugal 3.5	Australia 4.2	Austria -29.8	Singapore -17.7	Italy -10.5	Canada 16.1	Belgium -26.9	HK 10.3	Belgium -8.1	HK -3.9	Nether. -27.7	Finland -5.6	Denmark -12.9	NZ -0.5
Lowest Return	Japan 6.2	Ireland -20.1	Ireland -71.9	Japan 6.3	Spain -22.0	Austria -36.4	Spain 3.0	Singapore 1.7	Portugal -38.2	Canada -24.2	Denmark -15.8	NZ 11.7	Austria -27.4	Finland 9.5	UK -10.5	NZ -17.1	Sweden -28.4	HK -14.8	Portugal -25.2	Denmark -13.5

Past performance is no guarantee of future results. 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. MSCI country indices (net dividends) for each country listed. Does not include Israel, which MSCI classified as an emerging market prior to May 2010. MSCI data © MSCI 2026, all rights reserved.

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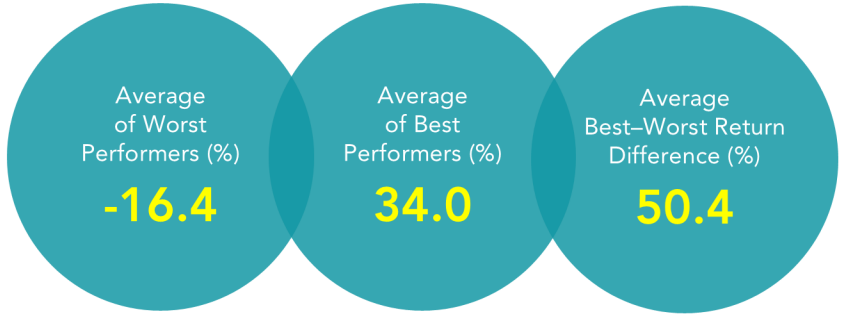
Best Minus Worst Performing Developed Markets

	Worst Performer (%)		Best Performer (%)		Best–Worst Return Difference (%)
2006	Japan	6.2	Spain	49.4	43.2
2007	Ireland	-20.1	Finland	48.7	68.8
2008	Ireland	-71.9	Japan	-29.2	42.7
2009	Japan	6.3	Norway	87.1	80.8
2010	Spain	-22.0	Sweden	33.8	55.8
2011	Austria	-36.4	Ireland	13.7	50.1
2012	Spain	3.0	Belgium	39.6	36.6
2013	Singapore	1.7	Finland	46.0	44.3
2014	Portugal	-38.2	US	12.7	50.9
2015	Canada	-24.2	Denmark	23.4	47.6
2016	Denmark	-15.8	Canada	24.6	40.4
2017	New Zealand	11.7	Austria	58.3	46.6
2018	Austria	-27.4	Finland	-3.4	24.0
2019	Finland	9.5	New Zealand	38.2	28.7
2020	UK	-10.5	Denmark	43.7	54.2
2021	New Zealand	-17.1	Austria	41.5	58.6
2022	Sweden	-28.4	Portugal	0.2	28.6
2023	Hong Kong	-14.8	Italy	37.1	51.9
2024	Portugal	-25.2	Singapore	32.3	57.5
2025	Denmark	-13.5	Spain	82.4	95.9



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Equity Returns of Emerging Markets

Annual return (%)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Highest Return	China 82.9	Peru 94.4	Colombia -25.1	Brazil 128.1	Thailand 55.7	Indonesia 6.0	Turkey 64.2	Taiwan 9.1	Egypt 29.3	Hungary 36.3	Brazil 66.2	Poland 54.7	Peru 1.6	Egypt 41.8	Korea 44.6	Czech Rep. 55.0	Turkey 90.4	Hungary 50.9	Taiwan 34.4	Colombia 112.0
	Indonesia 73.8	Brazil 79.6	Chile -35.8	Indonesia 126.2	Peru 53.3	Malaysia 0.1	Egypt 47.1	Egypt 8.2	Indonesia 26.6	India -6.1	Peru 55.6	China 54.1	Brazil -0.5	Taiwan 36.4	Taiwan 41.0	India 26.2	Chile 19.4	Poland 48.6	Malaysia 20.7	Korea 99.8
	Peru 62.1	Turkey 74.1	S. Africa -37.9	India 102.8	Chile 44.2	Philippines -0.9	Philippines 46.4	Malaysia 7.7	Philippines 25.6	Korea -6.7	Hungary 35.4	Korea 47.3	Czech Rep. -4.4	Colombia 30.8	China 29.5	Taiwan 26.1	Brazil 14.2	Egypt 41.6	China 19.4	Hungary 78.9
	Philippines 58.2	India 73.1	Peru -40.2	Turkey 97.5	Colombia 43.4	Thailand -2.7	Poland 39.2	Korea 3.9	India 23.9	Philippines -6.8	Thailand 26.6	Chile 42.2	Thailand -5.5	Brazil 26.3	India 15.6	Mexico 22.5	Peru 9.4	Mexico 40.9	Turkey 17.8	S. Africa 77.6
	India 51.0	China 66.2	Malaysia -41.2	Chile 85.6	Malaysia 37.0	Colombia -5.0	Colombia 35.9	China 3.6	Turkey 18.7	China -7.8	Colombia 26.5	Hungary 39.9	Malaysia -6.0	China 23.5	Malaysia 3.7	Hungary 12.1	Thailand 5.0	Peru 36.6	Peru 15.8	Poland 74.6
	Brazil 45.3	Egypt 58.4	Mexico -42.9	Colombia 84.3	S. Africa 34.2	Czech Rep. -6.0	Thailand 34.5	Poland 2.6	Thailand 16.5	Taiwan -11.7	Taiwan 18.5	India 38.8	Hungary -6.1	Hungary 19.4	Mexico -1.9	Poland 8.5	Indonesia 3.6	Czech Rep. 33.2	Hungary 14.0	Peru 73.6
	Mexico 41.4	Czech Rep. 55.3	Czech Rep. -43.1	Taiwan 79.2	Indonesia 33.9	Korea -12.0	Mexico 29.1	Mexico 0.2	Peru 10.5	Mexico -14.4	S. Africa 17.9	Peru 38.4	India -7.3	Korea 12.5	Philippines -3.4	Egypt 7.5	Mexico -2.0	Brazil 32.7	India 11.2	Chile 71.2
	Poland 40.7	Indonesia 54.2	Taiwan -46.5	Hungary 77.6	Philippines 33.9	Mexico -12.1	India 26.0	Philippines -2.7	Taiwan 9.4	Chile -17.7	Indonesia 17.0	Turkey 38.4	Taiwan -8.9	Mexico 11.4	S. Africa -4.0	S. Africa 3.6	S. Africa -3.9	Taiwan 30.4	Colombia 7.9	Czech Rep. 70.8
	Malaysia 37.1	Malaysia 46.1	Thailand -48.5	Thailand 76.6	Mexico 27.6	S. Africa -14.4	Hungary 22.8	India -3.8	China 8.0	Czech Rep. -18.4	Chile 15.6	S. Africa 36.1	Indonesia -9.2	Turkey 11.1	Czech Rep. -4.0	Indonesia 2.1	Malaysia -5.8	Korea 23.2	S. Africa 6.7	Mexico 56.1
	Czech Rep. 33.9	Thailand 46.0	China -50.8	Peru 71.9	Korea 26.7	China -18.4	China 22.7	Hungary -5.8	S. Africa 5.2	Indonesia -19.5	Korea 8.7	Czech Rep. 35.5	Colombia -11.5	Philippines 10.5	Peru -4.7	Thailand -1.4	Colombia -6.0	India 20.8	Czech Rep. 4.0	Egypt 54.8
	Hungary 33.7	Philippines 40.4	Egypt -52.4	Korea 71.3	Taiwan 21.8	Chile -20.4	Korea 21.2	S. Africa -6.2	Czech Rep. -4.4	Malaysia -20.1	China 0.9	Thailand 34.5	Poland -12.9	S. Africa 10.0	Chile -5.6	Philippines -3.9	India -8.0	Colombia 12.4	Thailand 1.3	Brazil 49.7
	Chile 28.7	Korea 31.9	Philippines -52.6	Philippines 65.6	India 20.9	Taiwan -20.9	Peru 20.2	Czech Rep. -10.5	Mexico -9.3	Thailand -23.5	Poland 0.1	Taiwan 27.5	Egypt -14.0	Thailand 9.5	Indonesia -8.1	Malaysia -6.2	Philippines -13.9	Indonesia 7.3	Philippines -0.7	Taiwan 39.1
	S. Africa 20.5	Poland 25.2	Poland -54.8	China 62.3	Turkey 20.8	Peru -21.4	S. Africa 18.7	Thailand -14.6	Malaysia -10.7	Egypt -23.7	India -1.4	Malaysia 25.1	Mexico -15.5	Indonesia 9.1	Turkey -8.8	Korea -8.4	Czech Rep. -14.4	Chile 3.7	Poland -6.7	China 31.2
	Taiwan 20.0	Chile 23.0	Korea -55.3	S. Africa 57.8	Poland 15.2	Brazil -21.8	Taiwan 16.7	Brazil -16.0	Korea -11.1	Poland -25.4	Malaysia -3.9	Philippines 24.6	Philippines -16.5	India 7.6	Poland -11.4	Colombia -13.8	China -21.9	Philippines 3.5	Chile -7.5	Malaysia 15.4
	Egypt 17.1	S. Africa 18.1	Brazil -56.2	Mexico 56.6	Egypt 12.4	Poland -30.1	Malaysia 14.3	Colombia -21.1	Chile -13.0	S. Africa -25.5	Czech Rep. -5.0	Indonesia 24.2	China -18.9	Peru 4.8	Hungary -11.7	Chile -17.3	Egypt -22.6	S. Africa 1.5	Indonesia -12.9	Thailand 6.8
	Colombia 13.6	Hungary 16.8	Indonesia -56.5	Malaysia 52.1	Brazil 6.5	Hungary -33.6	Chile 7.8	Chile -22.0	Brazil -14.0	Peru -31.7	Philippines -6.6	Brazil 24.1	Chile -19.7	Czech Rep. 4.2	Thailand -11.7	Brazil -17.4	Poland -27.2	Malaysia -3.5	Korea -23.4	India 2.6
	Korea 12.6	Colombia 15.0	Hungary -61.5	Poland 41.5	China 4.6	Turkey -35.4	Indonesia 4.6	Indonesia -23.5	Poland -14.2	Turkey -31.9	Turkey -8.5	Colombia 16.3	Korea -20.9	Malaysia -2.0	Colombia -19.0	Peru -19.9	Korea -29.4	Turkey -5.7	Mexico -27.1	Philippines -0.3
	Thailand 11.1	Mexico 12.2	Turkey -62.3	Egypt 39.7	Czech Rep. -2.5	India -37.2	Czech Rep. 2.5	Turkey -26.8	Colombia -19.8	Brazil -41.4	Mexico -9.2	Mexico 16.0	S. Africa -24.8	Poland -5.9	Brazil -19.0	China -21.7	Taiwan -29.8	Thailand -10.5	Brazil -29.8	Turkey -2.3
Lowest Return	Turkey -7.2	Taiwan 8.4	India -64.6	Czech Rep. 26.5	Hungary -9.6	Egypt -46.9	Brazil 0.0	Peru -29.8	Hungary -27.4	Colombia -41.8	Egypt -11.5	Egypt 5.1	Turkey -41.4	Chile -16.9	Egypt -22.5	Turkey -28.4	Hungary -31.1	China -11.2	Egypt -31.2	Indonesia -2.8

Past performance is no guarantee of future results. 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. MSCI country indices (net dividends) for each country listed. Does not include Greece, which MSCI classified as a developed market prior to November 2013, or Russia, which MSCI classifies as a standalone market as of March 2022. Additional countries excluded due to data availability or due to downgrades by MSCI from emerging to frontier market. MSCI data © MSCI 2026, all rights reserved.

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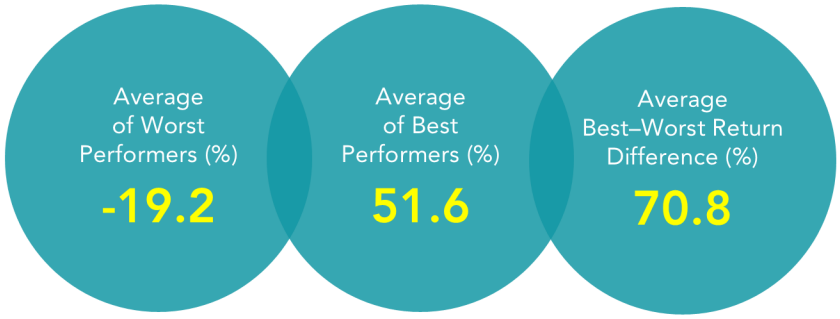
Best Minus Worst Performing Emerging Markets

	Worst Performer (%)		Best Performer (%)		Best–Worst Return Difference (%)
2006	Turkey	-7.2	China	82.9	90.1
2007	Taiwan	8.4	Peru	94.4	86.0
2008	India	-64.6	Colombia	-25.1	39.5
2009	Czech Republic	26.5	Brazil	128.1	101.6
2010	Hungary	-9.6	Thailand	55.7	65.3
2011	Egypt	-46.9	Indonesia	6.0	52.9
2012	Brazil	0.0	Turkey	64.2	64.2
2013	Peru	-29.8	Taiwan	9.1	38.9
2014	Hungary	-27.4	Egypt	29.3	56.7
2015	Colombia	-41.8	Hungary	36.3	78.1
2016	Egypt	-11.5	Brazil	66.2	77.7
2017	Egypt	5.1	Poland	54.7	49.6
2018	Turkey	-41.4	Peru	1.6	43.0
2019	Chile	-16.9	Egypt	41.8	58.7
2020	Egypt	-22.5	Korea	44.6	67.1
2021	Turkey	-28.4	Czech Republic	55.0	83.4
2022	Hungary	-31.1	Turkey	90.4	121.5
2023	China	-11.2	Hungary	50.9	62.1
2024	Egypt	-31.2	Taiwan	34.4	65.6
2025	Indonesia	-2.8	Colombia	112.0	114.8



Past performance is no guarantee of future results. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. Diversification neither assures a profit nor guarantees against loss in a declining market. In USD. MSCI country indices (net dividends) for each country listed. Does not include Greece, which MSCI classified as a developed market prior to November 2013, or Russia, which MSCI classified as a standalone market as of March 2022. Additional countries excluded due to data availability or due to downgrades by MSCI from emerging to frontier market. MSCI data © MSCI 2026, all rights reserved.

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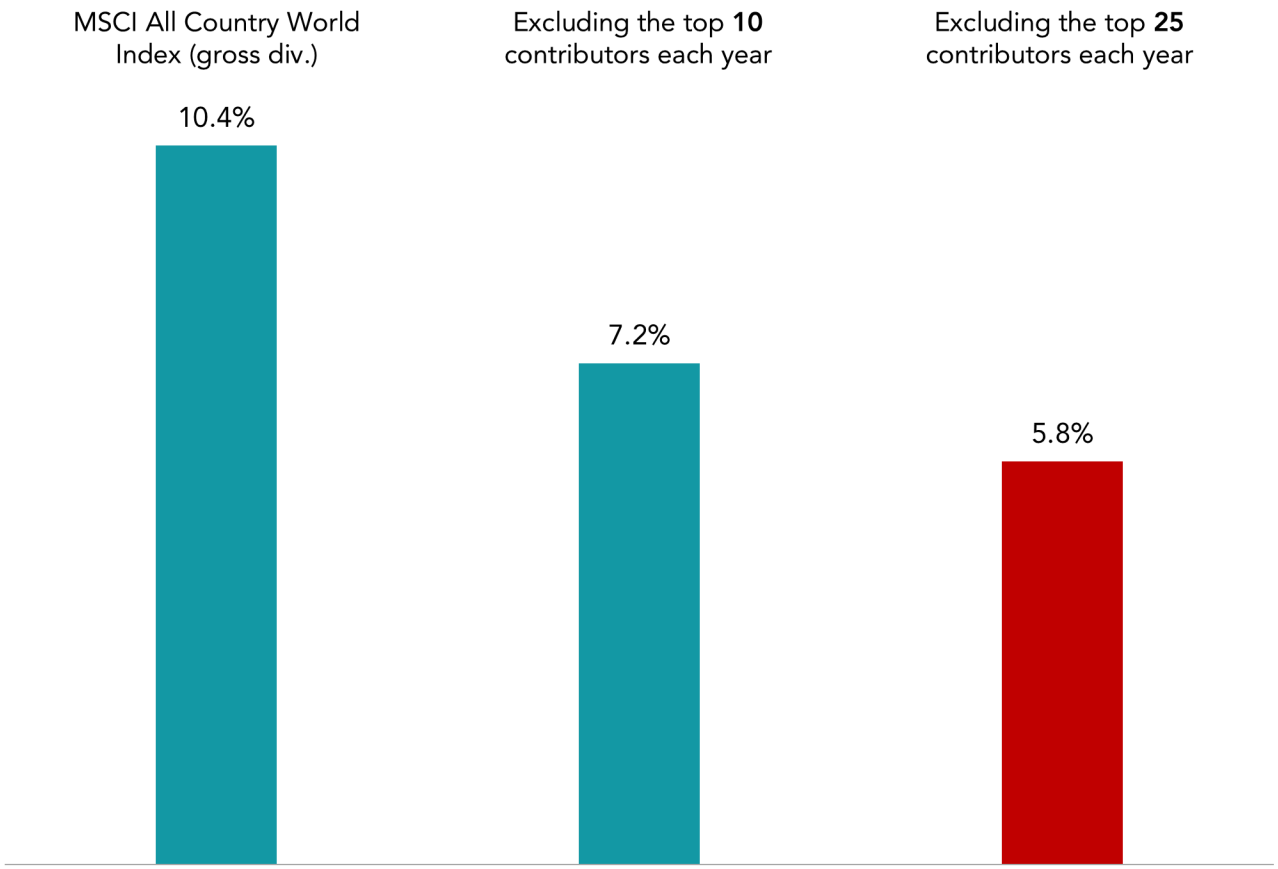
Benefits of Diversification

Compound average annual returns: 2011–2025



Research shows there is no reliable way to predict top performers.

Broad diversification helps reduce unnecessary idiosyncratic risk.[1]

1. Idiosyncratic risk is unsystematic (diversifiable) risk associated with exposure to a single stock, sector, or country.

Past performance is no guarantee of future results. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. Diversification neither assures a profit nor guarantees against loss in a declining market.

In USD. "Excluding the top 10" and "Excluding the top 25" exclude the respective stocks in the MSCI All Country World Index (gross div.) with the highest contribution to the overall index return each year. Source: Dimensional, using data from Bloomberg LP. MSCI data © MSCI 2026, all rights reserved.

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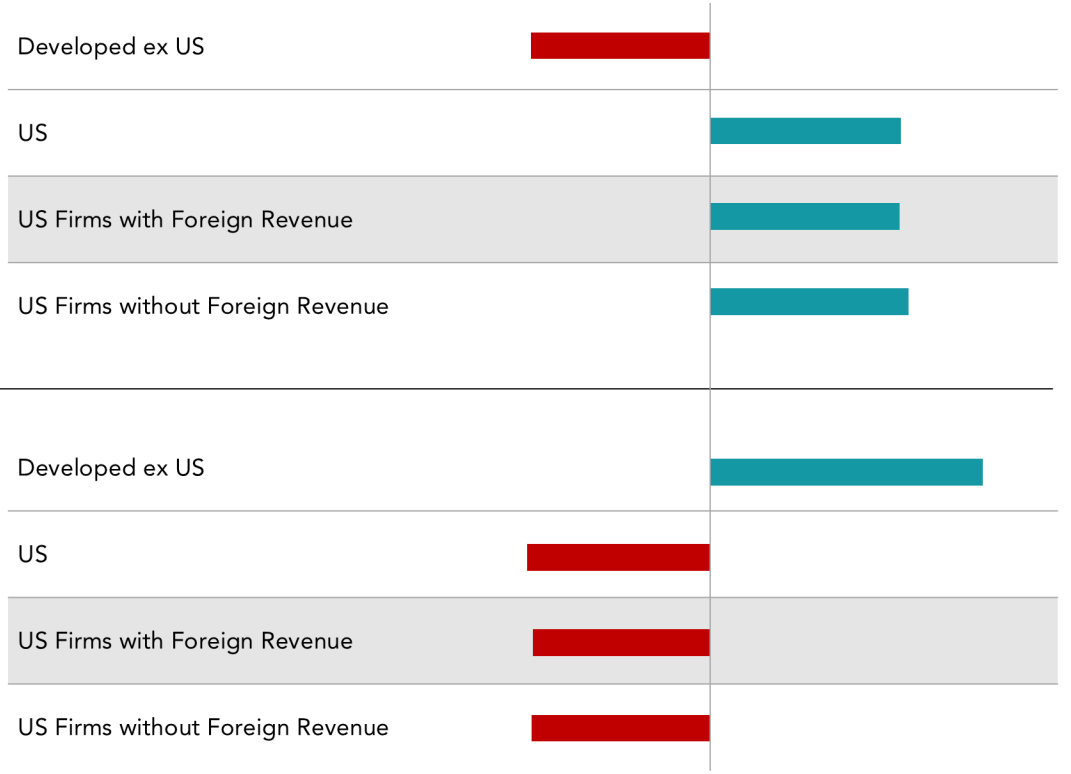
Global Diversification Should Include International Securities

Average monthly returns when US and developed ex US stock returns have opposite signs
January 1979–December 2024

During months when Developed ex US stock returns are **negative** and US stock returns are **positive**



During months when Developed ex US stock returns are **positive** and US stock returns are **negative**

A globally diversified portfolio should include international securities, not just US firms generating foreign revenue.

Academic research suggests stock prices tend to move based on where they trade more than where the business resides.

Past performance is not a guarantee of future results, including hypothetical performance. Actual returns may be lower.

Source: Dimensional, using CRSP and Compustat data. The eligible universe includes ordinary common US stocks of all capitalizations traded on NYSE, NASDAQ, and NYSE MKT. We identify a company with and without foreign sales exposure using Compustat's annual geographic segment data. Market value-weighted portfolios are formed on eligible stocks with and without foreign sales. Portfolios are rebalanced annually in January based on the annual geographic segment data. Sample includes 77 (42) months where the S&P 500 was positive (negative) and the MSCI World ex USA was negative (positive). S&P data © 2026 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. MSCI data © MSCI 2026, all rights reserved. Diversification neither assures a profit nor guarantees against loss in a declining market.

Fixed Income

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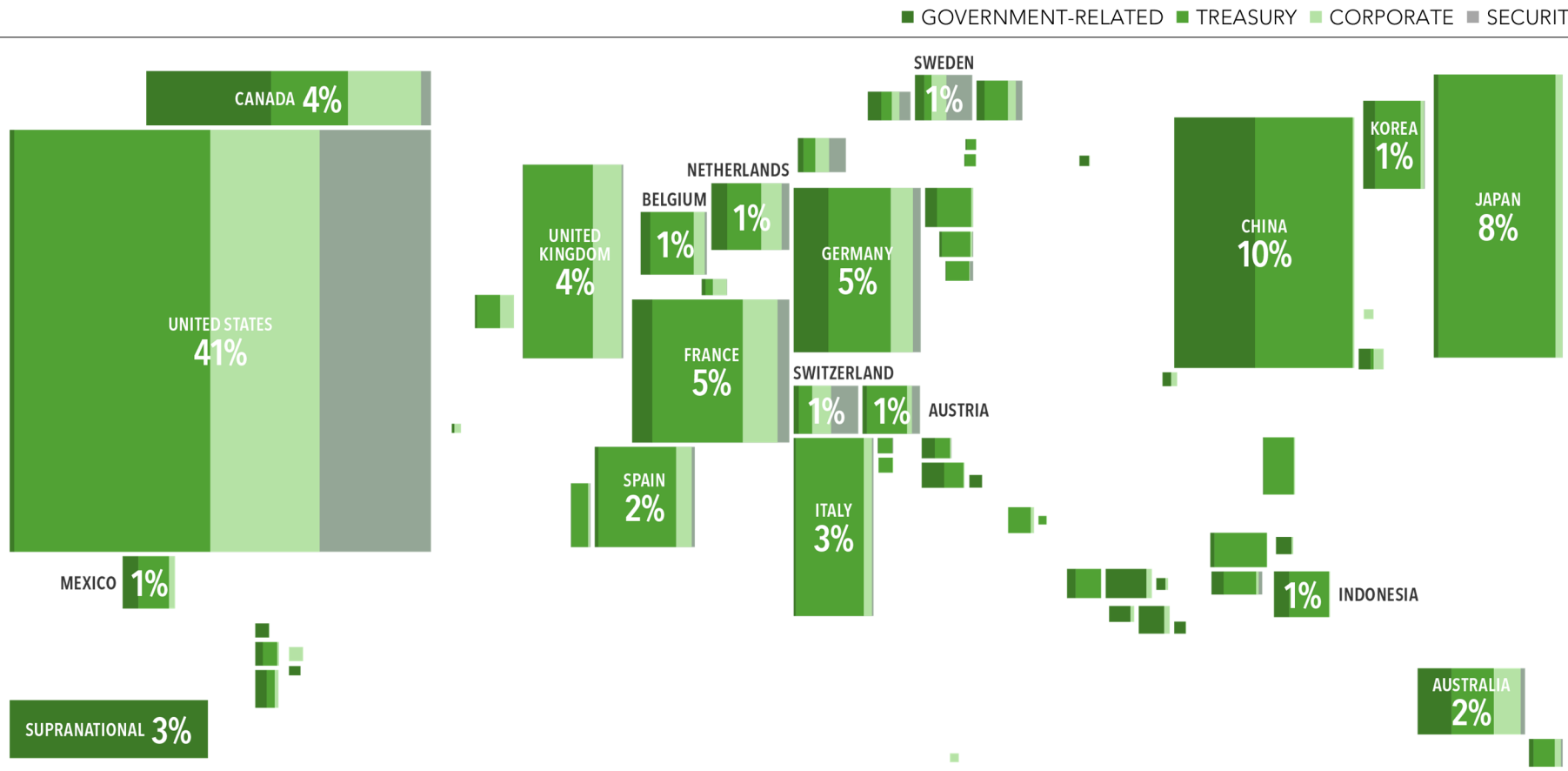
There's a World of Opportunity in Fixed Income

Percent of global investment grade bond market as of December 31, 2025



Diversification neither assures a profit nor guarantees against loss in a declining market. Data is from Bloomberg Global Aggregate Bond Index. Index excludes noninvestment-grade securities, bonds with less than one year to maturity, tax-exempt municipal securities, linked bonds and floating rate issues. Treasury sector includes both nominal and inflation-linked native currency debt issued by central governments, which are backed by full faith and credit of a central government. Government-related sector groups are issuers with government affiliations, including agencies, sovereigns, supranationals and local authorities. Corporate sector categorizes issuers based on primary lines of business, revenue streams and operations used to service debt, including industrials, financial institutions and utilities. Securitized sector is designed to capture fixed income instruments whose payments are backed or directly derived from a pool of assets protected or ring-fenced from the credit of a particular issuer (either by a bankruptcy remote special purpose vehicle or bond covenant). Underlying collateral for securitized bonds can include residential mortgages, commercial mortgages, public-sector loans, auto loans or credit card payments. Many nations are not displayed. Totals may not equal 100% due to rounding. For educational purposes; should not be used as investment advice. Bloomberg data provided by Bloomberg.

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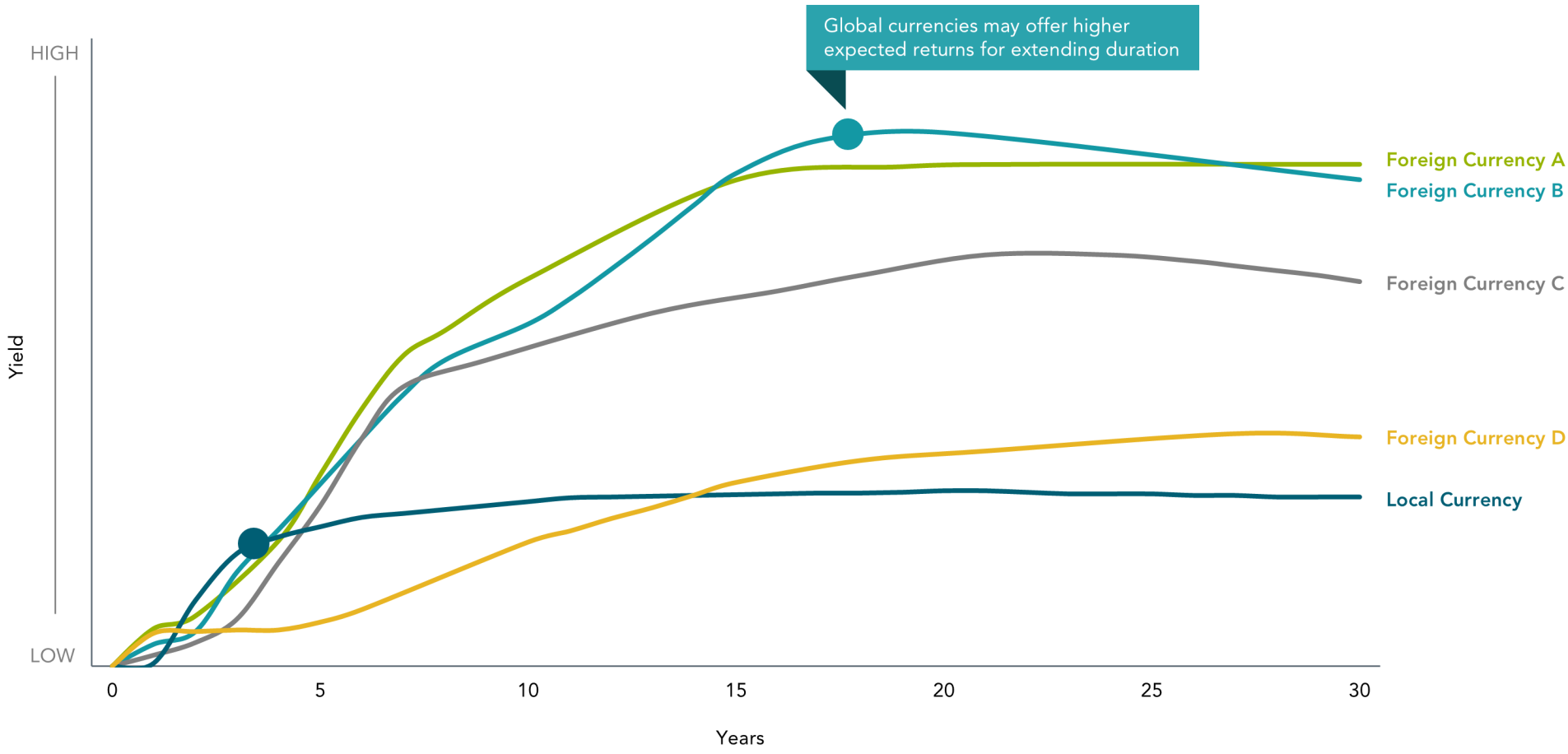
A Global Opportunity for Higher Expected Returns

Currency-Hedged Expected Return



Hypothetical example for illustrative purposes only. By hedging a bond's local currency, an investor can target the highest-expected-return segment of a bond's yield curve while managing currency risk.

International and emerging markets investing involves special risks, such as currency fluctuation and political instability. Investing in emerging markets may accentuate these risks.

Expected return: A forward-looking estimate of returns informed by historical or observable data.

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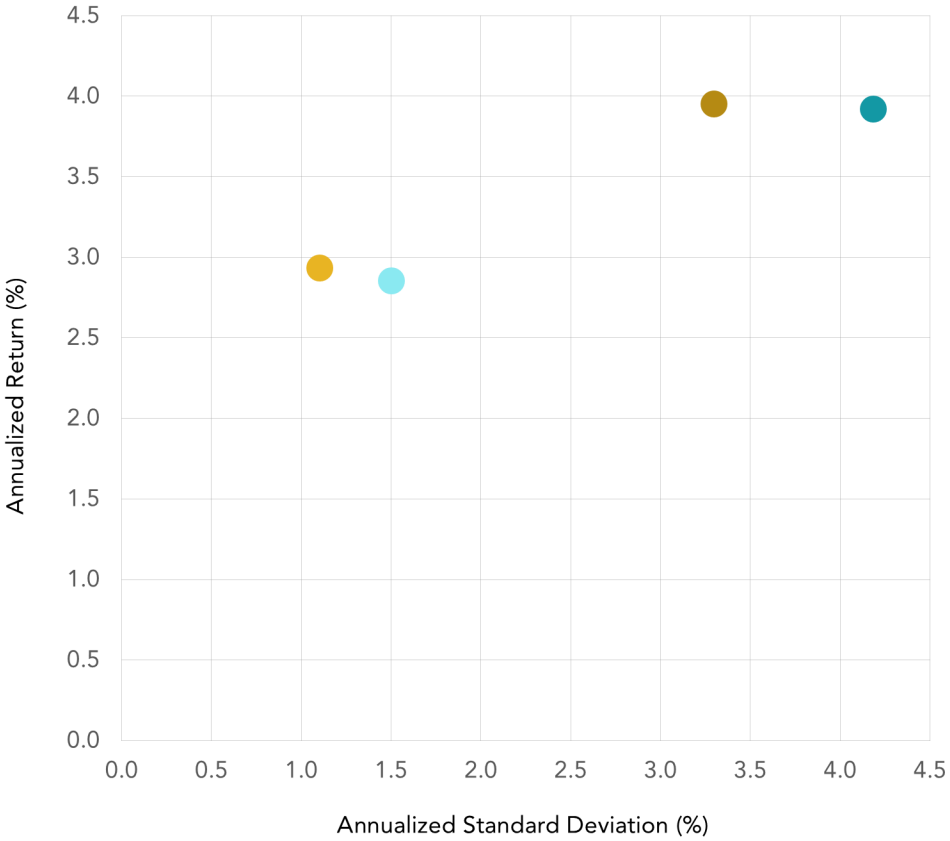
Global Diversification in Fixed Income Can Improve Portfolio Return, Risk

Return and risk, September 1, 2000–December 31, 2025



	9/1/2000–12/31/2025		As of 12/31/2025
	Absolute Return (%)	Standard Deviation (%)	Average Duration (years)
US 1-3 Years	2.85	1.50	1.81
Global 1-3 Years	2.93	1.11	1.85
US Aggregate	3.92	4.19	5.98
Global Aggregate	3.95	3.30	6.34

Past performance is not a guarantee of future results. Index data represented by: **US 1-3 Years**—ICE BofA 1-3 Year US Corporate & Government Index. **Global 1-3 Years**—Bloomberg Global Aggregate Bond Index 1-3 Years (hedged to USD). **US Aggregate**—Bloomberg U.S. Aggregate Bond Index. **Global Aggregate**—Bloomberg Global Aggregate Bond Index (hedged to USD). Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. Bloomberg data provided by Bloomberg Finance L.P. ICE BofA index data © 2026 ICE Data Indices, LLC.

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Global Bonds Can Enhance Diversification

Uncorrelated changes in term structures across countries can reduce volatility

CHANGES IN SHORT-TERM YIELDS: CORRELATIONS WITH THE US

	Australia	Canada	Switzerland	Germany/EMU	UK	Japan
1985–2025	0.34	0.64	0.30	0.49	0.41	0.23
2000–2025	0.58	0.76	0.50	0.66	0.65	0.22

1–3 YEAR INDICES: 1985–2025

	US	WGBI (hedged)
Average Returns (monthly)	0.36	0.36
Standard Deviation (monthly)	0.53	0.41
Reduction in Volatility		21.34%

Past performance is no guarantee of future results. 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. 1985–2025, FTSE World Government Bond Index (WGBI) Indices (1–3 years). Countries: Australia, Austria, Belgium, Canada, France, Germany, Japan, Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, UK, and the US as data becomes available. Correlations of short-term yield changes are based on unhedged yields. US average monthly return based on Dimensional calculation of FTSE WGBI US 1–3 year index data. WGBI (hedged) average monthly return based on WGBI 1–3 year index (hedged to USD). FTSE fixed income indices © 2025 FTSE Fixed Income LLC. All rights reserved.

Standard deviation: A measure of the variation or dispersion of a set of data points. Standard deviations are often used to quantify the historical return volatility of a security or portfolio.

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"By owning a broad slice of global markets, we can participate in the upside of human problem-solving and innovation, wherever it occurs."

David Booth

Founder and Chairman of Dimensional

For full article, see https://my.dimensional.com/the-power-of-human-ingenuity.

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Appendix

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Index Descriptions

Fama/French Total US Market Research Index: July 1926–present: Fama/French Total US Market Research Factor + One-Month US Treasury Bills. Source: Ken French Website.

Fama/French International Market Index: January 1975–present: Fama/French International Market Index. Source: Ken French website. Simulated from MSCI and Bloomberg data.

Fama/French Emerging Markets Index: July 1989–present: Fama/French Emerging Markets Index. Courtesy of Fama/French from Bloomberg and IFC securities data. Companies weighted by float-adjusted market cap; rebalanced annually in June. Fama/French and multifactor data provided by Fama/French.

Results shown during periods prior to each index's index inception date do not represent actual returns of the respective index. Other periods selected may have different results, including losses. Backtested index performance is hypothetical and is provided for informational purposes only to indicate historical performance had the index been calculated over the relevant time periods. Backtested performance results assume the reinvestment of dividends and capital gains. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. Eugene Fama and Ken French are members of the Board of Directors of the general partner of, and provide consulting services to, Dimensional Fund Advisors LP.