

# **Dimensional Funds ICVC**

## **SIMPLIFIED PROSPECTUS**

**28 October 2010**



**Dimensional**  
DIMENSIONAL FUND ADVISORS LTD.  
Authorised and Regulated by the Financial Services Authority

**DIMENSIONAL FUNDS ICVC**  
**SIMPLIFIED PROSPECTUS**

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This simplified prospectus contains key information in relation to Dimensional Funds ICVC (the “Company”), which is an open-ended investment company with variable capital incorporated in England and Wales under number IC000258 and authorised as a UCITS scheme in the UK by the Financial Services Authority (the “FSA”) on 24 September 2003. The Company is structured as an umbrella fund with 7 sub-funds: Emerging Markets Core Equity Fund, Global Short-Dated Bond Fund, International Core Equity Fund, International Value Fund, United Kingdom Core Equity Fund, United Kingdom Small Companies Fund and United Kingdom Value Fund (each a “Fund”, collectively the “Funds”).

Potential investors are advised to read the full prospectus dated 28 October 2010 (the “Prospectus”) before making an investment decision. The rights and duties of the investor as well as the investor’s legal relationship with the Company are laid out in the Prospectus.

The base currency of the Funds is Sterling.

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| <b><i>What are the Investment Objectives of the Funds?</i></b> | <p><b>Emerging Markets Core Equity Fund</b> - to maximise long-term total return.</p> <p><b>Global Short-Dated Bond Fund</b> - to seek to maximise current income while preserving capital.</p> <p><b>International Core Equity Fund</b> - to maximise long-term total return.</p> <p><b>International Value Fund</b> - to maximise long-term total return.</p> <p><b>United Kingdom Core Equity Fund</b> - to maximise long-term total return.</p> <p><b>United Kingdom Small Companies Fund</b> - to maximise long-term total return.</p> <p><b>United Kingdom Value Fund</b> - to maximise long-term total return.</p>  |
| <b><i>What are the Investment Policies of the Funds?</i></b>   | <p><b>Emerging Markets Core Equity Fund</b> - The investment policy of this Fund is to purchase transferable securities of publicly-traded companies in emerging markets which the ACD deems eligible or of companies which derive a significant proportion of their business from such emerging markets. Emerging Markets countries are countries that are generally considered to be developing or emerging countries by the International Bank for Reconstruction and Development (more commonly referred to as the “World Bank”) or the International Finance Corporation, as well as countries that are classified by the United Nations or otherwise are regarded by their own authorities as developing. This includes, for the purposes of this Fund, all those markets which are headed “Emerging Markets” in Appendix 2 of the Prospectus. Currently, the Fund intends to purchase a broad and diverse group of securities of companies which are organised under the laws of, or maintain their principal place of business in, Emerging Markets countries and which are traded on the principal exchanges of Argentina, Brazil, Chile, Czech Republic, Hong Kong, Hungary, India, Indonesia, Israel, Korea, Malaysia, Mexico, Philippines, Poland, South Africa, Taiwan, Thailand and Turkey and securities or depositary receipts representing securities of companies (i) that derive at least 50% of their revenues or profits from goods produced or sold, investments made, or services performed or that have at least 50% of their assets in Emerging Markets countries, or (ii) the majority of whose business is conducted in Emerging Markets countries and in each case which are traded on markets listed under Appendix 2(i) and (ii). The ACD reserves the right to amend the list of countries at any time. Any amendment to this list will be notified in the periodic reports of the Fund. The Fund will generally be overweighted in small companies and in shares which the ACD deems to be eligible value stocks, and underweighted in large growth companies. Companies are considered small primarily based on a company’s market capitalisation. Securities are</p> |

considered value stocks primarily because a company's shares have a high book value in relation to their market value. In assessing value, the ACD may consider additional factors such as price to cash flow or price to earnings ratios, as well as economic conditions and developments in the issuer's industry. The criteria the ACD uses for assessing value are subject to change from time to time.

**Global Short-Dated Bond Fund** - The investment policy of this Fund is to purchase high quality, investment grade short term fixed income and floating-rate securities and money market instruments issued by governmental, quasi-governmental and corporate issuers in developed countries which mature in five years or less. At the present time, developed countries comprise those countries which are members of the OECD. It is not the current intention of the Fund to invest in emerging markets. Under normal circumstances the Fund will invest most of its assets in investment grade short term fixed income and floating-rate securities and money market instruments; it is expected that most of the assets of the Fund held in foreign-currency-denominated instruments will be hedged back into the base currency of the portfolio.

**International Core Equity Fund** - The investment policy of this Fund is to purchase transferable securities of certain non-United Kingdom companies. Generally, the Fund intends to purchase a broad and diverse group of readily marketable stocks of companies organised under the laws of certain developed countries, excluding the United Kingdom and in securities of companies organised under the laws of other eligible markets, including the United Kingdom, the majority of whose revenues derive from, or the majority of whose business is conducted in, these countries. For a current list of countries, please refer to the Prospectus. The Fund will generally be overweighted in small companies and in shares which the ACD deems to be eligible value stocks, and underweighted in large growth companies. Companies are considered small primarily based on a company's market capitalisation. Securities are considered value stocks primarily because a company's shares have a high book value in relation to their market value. In assessing value, the ACD may consider additional factors such as price to cash flow or price to earnings ratios, as well as economic conditions and developments in the issuer's industry. The criteria the ACD uses for assessing value are subject to change from time to time. The Fund's investment objective may also be achieved through the use of depositary receipts representing securities of companies meeting the above criteria.

**International Value Fund** - The investment policy of this Fund is to purchase transferable securities of certain non-United Kingdom companies which the ACD deems eligible value stocks. Generally, the Fund intends to purchase a broad and diverse group of readily marketable stocks of companies organised under the laws of certain developed countries, excluding the United Kingdom and in securities of companies organised under the laws of other eligible markets, including the United Kingdom, the majority of whose revenues derive from, or the majority of whose business is conducted in, these countries. For a current list of countries, please refer to the Prospectus. Securities are considered value stocks primarily because a company's shares have a high book value in relation to their market value. In assessing value, the ACD may consider additional factors such as price to cash flow or price to earnings ratios, as well as economic conditions and developments in the issuer's industry. The criteria the ACD uses for assessing value are subject to change from time to time. The Fund's investment objective may also be achieved through the use of depositary receipts representing securities of companies meeting the above criteria.

**United Kingdom Core Equity Fund** - The investment policy of this Fund is to purchase transferable securities of United Kingdom companies. Generally the Fund intends to purchase a broad and diverse group of readily marketable stocks of United Kingdom companies traded principally on the London Stock Exchange or on an over-the-counter market (primarily the United Kingdom over-the-counter market). The Fund will generally be overweighted in small companies and in shares which the ACD deems to be eligible value stocks, and underweighted in large growth companies. Companies are considered small primarily based on a company's market capitalisation. Securities are considered value stocks primarily because a company's shares have a high book value in relation to their market value. In assessing value, the ACD may consider additional factors such as price to cash flow or price

to earnings ratios, as well as economic conditions and developments in the issuer's industry. The criteria the ACD uses for assessing value are subject to change from time to time.

**United Kingdom Small Companies Fund** - The investment policy of this Fund is to purchase transferable securities of United Kingdom companies which the ACD deems eligible small companies. Generally the Fund intends to purchase a broad and diverse group of readily marketable stocks of United Kingdom small companies which are traded principally on the London Stock Exchange or on an over-the-counter market (primarily the United Kingdom over-the-counter market). Companies are considered small primarily based on a company's market capitalisation. The Fund's investment policy may mean that it is not fully invested at all times. The property of the Fund may consist of cash, near cash, deposits and money market instruments where this may reasonably be regarded as necessary in order to enable the pursuit of the Fund's investment objective, redemption or cancellation of Shares, efficient management in accordance with the Fund's investment objective or other purposes which may reasonably be regarded as ancillary to the Fund's investment objective.

**United Kingdom Value Fund** - The investment policy of this Fund is to purchase transferable securities of United Kingdom companies which the ACD deems eligible value stocks. Generally the Fund intends to purchase a broad and diverse group of readily marketable stocks of United Kingdom companies traded principally on the London Stock Exchange or on an over the counter market (primarily the United Kingdom over-the-counter market) that the ACD determines to be value stocks. Securities are considered value stocks primarily because a company's shares have a high book value in relation to their market value. In assessing value, the ACD may consider additional factors such as price to cash flow or price to earnings ratios, as well as economic conditions and developments in the issuer's industry. The criteria the ACD uses for assessing value are subject to change from time to time.

***What are the risks of Investing?***

The following risk factors apply in relation to each of the Funds:

There is no guarantee that the investment objective of any Fund will actually be achieved. It is important to note that past performance is not necessarily a guide to future returns or growth. Shares in all the Funds should generally be regarded as long term investments. Investors will need to decide whether or not an investment vehicle of this nature is appropriate for their requirements.

Investments in currencies other than the Base Currency of each Fund will be subject to exchange rate fluctuations, which will have a related effect on the price of Shares.

Each Fund may have exposure to fixed interest securities. The value of such securities is sensitive to interest rate trends. The value of shares is likely to fall if interest rates rise in the medium to long term, and vice versa.

Funds investing in equities tend to be more volatile than Funds investing in bonds, but also offer greater potential for growth. The value of the underlying investments in the equity Funds may fluctuate quite dramatically in response to activities and results of individual companies, as well as in connection with general market and economic conditions.

The investment risk associated with small companies may be higher than that normally associated with larger, more established companies due to the greater business risks associated with small size, the relative inexperience of the company, limited product lines, distribution channels and financial and managerial resources. Further, there is typically less publicly available information concerning smaller companies than for larger, more established ones. The securities of small companies are often traded only over-the-counter and may not be traded in the volumes typical of trading on a national securities exchange. As a result, in order to sell this type of holding, a Fund may need to discount the securities from recent prices or dispose of the securities over a long period of time. The prices of this type of security may be more volatile than those of larger companies which are often traded on a national securities exchange.

Each Fund may use financial derivative instruments ("FDI") for hedging purposes only including, but not limited to futures, options and contracts for differences, subject to the limits and conditions imposed by the FSA Rules, the Instrument of Incorporation and the Prospectus. Such financial derivative instruments tend to have a greater volatility than the securities to which they relate and they bear a correspondingly greater degree of risk. Currently only the Global Short-Dated Bond Fund uses FDI in the form of forward foreign exchange contracts for currency hedging.

Investment in emerging markets may involve a higher risk than that inherent in developed markets. Where Funds invest in some overseas markets, these investments may carry a risk associated with failed or delayed settlement of market transactions and with the registration and custody of securities. In addition, lack of liquidity and inefficiency in certain emerging stock markets and foreign exchanges may mean that securities are less marketable than in more developed markets, resulting in greater price fluctuation. Such markets can also experience significant currency volatility, political interference and may have exchange controls.

A Fund may have a credit risk on the issuer of debt securities in which it invests, which will vary depending on the issuer's ability to make principal and interest payments on the obligation. A Fund may also have a credit risk on the parties with which it trades, such as counterparties to repurchase agreements or securities lending contracts. In addition, a Fund will have a counterparty credit risk through any foreign exchange, futures or other such transactions it may enter into.

The Funds of the Company are not "ringfenced", and in the event of the Company being unable to meet liabilities attributable to any particular Fund out of the assets attributable to such Fund, the excess liabilities may have to be met out of the assets attributable to the other Funds.

Exemptions, thresholds and rates of tax are subject to change. The favourable tax position of ISAs and PEPs may not be maintained.

Further description of the main risk factors applicable to an investment in the Company is set out in the Prospectus, copies of which are available on request from the ACD.

Investment in the Company carries with it a degree of risk including, but not limited to, the risks referred to in the Prospectus. There can be no assurance that the Company will achieve its investment objective. The net asset value of shares, and the income generated from the shares, may go down as well as up and investors may not get back the amount invested or any return on their investment.

The investment risks described both above and in the Prospectus are not purported to be exhaustive and potential investors should review the Prospectus in its entirety, and consult with their professional advisors, before making an application for shares in the Company.

***What track record do the Funds have?***

The table in Appendix 1 sets out the historical performance of the Funds (in terms of their percentage growth) since their launch. The United Kingdom Value Fund, the United Kingdom Small Companies Fund and the Global Short-Dated Bond Fund were launched on 14 January 2004, the International Value Fund and the Emerging Markets Core Equity Fund were launched on 25 February 2004. The United Kingdom Core Equity Fund was launched on 20 June 2006. The International Core Equity Fund was launched on 25 September 2007. Performance data is only available in respect of the relevant Funds from these dates.

Investors should note that performance data does not include subscription and redemption charges and past performance is not necessarily an indicator of future performance.

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|---|--|
| <p><b>Who should invest in the Funds?</b></p>                 | <p>Investors should have a long-term perspective and a disciplined and diversified strategy. These Funds are designed to be component parts of a globally diversified portfolio and should not be considered as a standalone investment.</p>   |
| <p><b>Will I receive an income from my investment?</b></p>    | <p>Holder of Income Shares are entitled to be paid the income attributable to such Shares in respect of each annual or interim accounting period, as applicable for the relevant Fund.</p> <p>Holder of Accumulation Shares are not entitled to be paid the income attributable to such Shares, but that income is automatically added to (and retained as part of) the capital assets of the relevant Fund at the end of each annual or interim accounting period. The price of an Accumulation Share increases to reflect accrued income.</p>  |
| <p><b>What are the Fees and Expenses that will apply?</b></p> | <p><b>Investment Management</b></p> <p><b>Fees:</b></p> <p>Emerging Markets Core Equity Fund:<br/>0.55% of NAV</p> <p>Global Short-Dated Bond Fund:<br/>0.25% of NAV</p> <p>International Core Equity Fund:<br/>0.30% of NAV</p> <p>International Value Fund:<br/>0.40% of NAV</p> <p>United Kingdom Core Equity Fund:<br/>0.25% of NAV</p> <p>United Kingdom Small Companies Fund:<br/>0.50% of NAV</p> <p>United Kingdom Value Fund:<br/>0.40% of NAV</p> <p><b>Depository's Fee</b></p> <p>The rate of the periodic fee is agreed between the ACD and the Depository from time to time subject to the requirements of the FSA Rules. The current rate is 0.035% per annum of the value of each Fund (plus value added tax if any) on up to the first £50 million of the relevant Fund and 0.025% per annum of the value of the relevant Fund above £50 million, subject to a minimum annual fee of £6,000 per annum per Fund.</p> <p><b>Registrar's Fee</b></p> <p>The current rate of charge for registration activities is £12.50 per annum per Shareholder per Class, subject to a minimum fee of either (i) £250 per Class per month (for Classes with less than 100 Shareholders) or (ii) £350 per Class per month (for Classes with 100 or more Shareholders) (plus value added tax, where applicable).</p> <p>The current rate of charge for dealing activities is up to £16.50 per transaction, subject to a minimum fee of either (i) £250 per Class per month (for Classes with less than 100 Shareholders) or (ii) £350 per Class per month (for Classes with 100 or more Shareholders) (plus value added tax, where applicable).</p> <p>The current rate of charge for valuation and accounting activities is 0.075% per annum of the value of each Fund (on the basis of a maximum of two Classes) on up to the first £100 million</p> |

of the relevant Fund, 0.05% per annum of the value of the relevant Fund above £100 million up to £200 million and 0.03% per annum of the value of the relevant Fund above £200 million (plus value added tax if any). These valuation and accounting activities are subject to a minimum fee of £30,000 per Fund per annum, although this minimum fee will be discounted to £25,000 if a Fund has a value of less than £10 million. Funds with more than two Classes will be charged an additional fee of £7,500 per annum per additional Class.

There is also an annual charge of £3,250 per Fund for the provision of management accounting data, a periodic charge of £250 for attendance at Shareholder meetings and a start up fee of £5,000 (plus value added tax where applicable).

### **Dilution Levy**

In certain circumstances, the value of the property of a Fund may be reduced as a result of charges incurred in dealings in the Fund's investments or through dealing in those investments at prices other than the mid-market price. In order to offset this effect, known as "dilution", and the consequent potential adverse effect on the existing or remaining Shareholders, the ACD has the power to charge a "dilution levy" when Shares are bought or sold. It is not, however, possible to predict accurately whether dilution will occur at any future point in time.

Any dilution levy charged must be fair to all Shareholders and potential Shareholders. The charging of a dilution levy will effectively reduce the redemption price or increase the purchase price of Shares. If charged, the dilution levy would be paid to the Company and would become part of the property of the relevant Fund thus protecting the value of the remaining Shareholders' interests. On occasions when the dilution levy is not charged there may be an adverse impact on the total assets of the relevant Fund.

The current policy of the ACD is to charge a dilution levy on all subscriptions in the United Kingdom Core Equity Fund, United Kingdom Small Companies Fund and United Kingdom Value Fund to the extent permitted by the FSA Rules. No dilution levy is charged on redemptions from these Funds. Furthermore, no dilution levy is charged on either subscriptions or redemptions in the Global Short-Dated Bond Fund, Emerging Markets Core Equity Fund, International Core Equity Fund or International Value Fund.

On the basis of past experience, the ACD estimates that a dilution levy will be charged on subscriptions at a rate of 0.50% of the value of the transaction before the imposition of the levy, in order to account for any stamp duty or stamp duty reserve tax that may be charged when purchasing assets for the affected Funds. In the event of an adjustment to the rate of stamp duty or stamp duty reserve tax, the rate of dilution levy may be adjusted accordingly.

### **Other Operational Expenses**

Other expenses connected with the operation of the Company are payable out of the Funds' assets, subject to compliance with the relevant regulations. These include, for example, transaction and custody costs, and charges relating to maintenance of the register of Shareholders. These expenses vary from Fund to Fund and currently range between £15,000 and £67,000. These charges may vary over time, and are payable out of income or capital.

Out of pocket expenses of the ACD, Depositary and Registrar are paid out of the assets of the Company.

### **Redemption Charges**

The ACD reserves the right to charge (for the benefit of the Company) up to 2.5% on the sale of Shares that have been held by the selling Shareholder for less than 1 year. Where a Shareholder has acquired Shares at different times and seeks to redeem or cancel Shares, he will be treated, for the purposes of any redemption charge applied, as cancelling or redeeming Shares in the order in which they were acquired.

## Reduction in Yield (RIY)

### *How will charges and expenses affect my investment?*

The effects of charges and expenses on your investments into the Funds are shown in the following tables. We cannot guarantee the figures will not change. The growth rates are not guaranteed and the information only shows the effects of charges and expenses.

### *Example: Dimensional United Kingdom Value Fund*

The Dimensional United Kingdom Value Fund has a dilution levy of 0.50% and an annual management charge of 0.40% which is charged to income. Other annual expenses of 0.20% are paid directly by the sub-fund and charged to income to cover costs such as Depository, registration, custody, audit, administration and transaction fees.

### *Lump Sum Investment*

Their effect on an investment of £1,000 in an accumulation share of Dimensional United Kingdom Value Fund assuming growth of 6% a year is set out below.

| At End of Year | Investment to Date (£) | Effect of Deductions to date (£) | What you might get back at 6% (£) |
|----------------|------------------------|----------------------------------|-----------------------------------|
| 1              | 1000                   | 12                               | 1048                              |
| 3              |                        | 28                               | 1164                              |
| 5              |                        | 46                               | 1292                              |
| 10             |                        | 114                              | 1676                              |

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £114. Putting it another way, if the growth rate were to be 6%, this would have the same effect as reducing the investment growth from 6% a year down to 5.3%.

The table below shows what the investment growth of other Dimensional Funds would be reduced to each year due to the effect of charges and expenses on a single investment of £1,000.

|                                     |      |
|-------------------------------------|------|
| Emerging Markets Core Equity Fund   | 5.1% |
| Global Short-Dated Bond Fund        | 5.6% |
| International Core Equity Fund      | 5.5% |
| International Value Fund            | 5.4% |
| United Kingdom Core Equity Fund     | 5.5% |
| United Kingdom Small Companies Fund | 5.2% |

### **Total Expense Ratio (“TER”)**

The TER shows the annual operating expenses of a Fund net of rebates. It does not include transaction expenses. All European funds are now required to highlight the TER to help you compare the annual operating expenses of different funds and, where applicable, share classes. As at 31 December 2009, the TER was:-

% p.a. Inc. Shares      % p.a. Acc. Shares

|                                     |      |      |
|-------------------------------------|------|------|
| Emerging Markets Core Equity Fund   | 0.84 | 0.84 |
| Global Short-Dated Bond Fund        | 0.36 | 0.36 |
| International Core Equity Fund      | 0.51 | 0.51 |
| International Value Fund            | 0.60 | 0.60 |
| United Kingdom Core Equity Fund     | 0.40 | 0.40 |
| United Kingdom Small Companies Fund | 0.70 | 0.70 |
| United Kingdom Value Fund           | 0.60 | 0.60 |

**Portfolio Turnover Rate (“PTR”)**

As at 31 December 2009, the PTR was:-

|                                     |        |
|-------------------------------------|--------|
|                                     | % p.a. |
| Emerging Markets Core Equity Fund   | -33    |
| Global Short-Dated Bond Fund        | 86     |
| International Core Equity Fund      | -27    |
| International Value Fund            | -18    |
| United Kingdom Core Equity Fund     | -9     |
| United Kingdom Small Companies Fund | -17    |
| United Kingdom Value Fund           | -14    |

The PTR is calculated using the following formula:

$$\frac{(\text{Purchase of Securities} + \text{Sales of Securities}) - (\text{Sales of Shares} + \text{Redemption of Shares})}{(\text{average Fund value over period}) \times 100}$$

***Soft Commission***

A soft commission arrangement is in place with five broker-dealers. Soft commissions earned are used to pay for transaction cost analysis reports, portfolio analytics software, and Bloomberg services.

***How will an investment in the Funds be taxed in the UK?***

Set out below is a general summary of current UK tax law and HM Revenue and Customs practice and does not constitute tax or legal advice. You are advised to consult your professional advisers about your own specific tax position, particularly if you are resident in jurisdictions other than the UK. If you are in any doubt about your personal tax position you should seek advice from your professional adviser. You should refer to your financial adviser for further information. The levels and bases of (and reliefs from) taxation may change.

**Tax - Funds**

Tax will be paid by the Funds as follows:

- There is no UK corporation tax payable on chargeable gains realised from the disposal of assets held within a Fund. UK and non UK dividend income is generally also exempt from tax. Any other income generated within the Fund (net of allowable expenses and interest distributions) is liable to UK tax currently at 20%.
- Interest distributions (normally paid by Funds investing mainly in fixed interest securities and/or short term deposits) are paid after the deduction of UK income tax

currently at 20%. In the case of the Global Short-Dated Bond Fund, the income of the Fund is not subject to UK corporation tax to the extent that such income is distributed (or treated as distributed) by the Fund as an interest distribution, either by way of cash distribution or through accumulation or reinvestment in the Fund.

- Dividend distributions (normally paid by Funds investing mainly in shares) are paid with a tax credit of one ninth of the net dividend (10% of the gross).

In addition to the tax on the Fund, you also need to be aware of personal tax implications as follows:

- Taxation in respect of interest distributions (as detailed previously):
  - Basic rate taxpayers will have no further liability to UK tax.
  - Higher rate taxpayers will be subject to further UK tax, at a rate of 20% of the gross interest distribution. Those higher rate taxpayers whose income is in excess of £150,000 will be subject to a rate of 30%.
  - Investors who are not liable to tax at the basic rate may reclaim all or some of the tax deducted from HM Revenue and Customs.
  - Non-taxpayers can recover the 20% deducted.
- Taxation in respect of dividend distributions (as detailed previously):
  - Basic rate taxpayers will have no further liability to UK tax.
  - Higher rate taxpayers will have further UK tax to pay at the effective rate of 25% of the net dividend received. Those higher rate taxpayers whose income is in excess of £150,000 will pay at the effective rate of 36%.
  - Investors who are not liable to tax cannot reclaim the tax credit.
- You may be liable for capital gains tax on any sale, switch or other disposal of Shares in a Fund, outside an ISA.

#### **Tax - ISAs**

- There is no income tax on income received from or accumulated within an ISA.
- The operator of the ISA may apply to receive gross interest distributions if income tax is deducted at 20% on interest distributions. As detailed in the section headed "Tax - Funds" above, the tax is reclaimable.
- The 10% tax credit on dividend distributions cannot be reclaimed.
- The proceeds from a full or partial withdrawal from an ISA are free of personal income and capital gains tax.
- You will not need to disclose anything to do with your ISA on your tax return.

The favourable tax treatment of ISAs might not continue.

#### **Equalisation**

In the case of the first distribution received or accumulation made in respect of a Share, part of

the amount received or accumulated, namely the equalisation payment, is a return of capital and is not taxable as income in the hands of the Shareholder. This amount is, however, in the case of Income Shares, deducted from the cost of the Share in computing any capital gains. Equalisation applies only to Shares purchased during the relevant accounting period. It is calculated as the average amount of income included in the issue price of all Shares of the Fund concerned issued during the period.

#### **SDRT Provision**

Under HM Treasury regulations, when a Shareholder surrenders Shares, the Company may be liable for the payment of UK stamp duty reserve tax ("SDRT"). The ACD is responsible for ensuring that SDRT is paid. SDRT is generally payable at the rate of 0.5% of the value of the Shares which are being surrendered. However, the liability to SDRT may be reduced in certain circumstances, for example, depending on the ratio of issues to surrender of Shares in the relevant Fund and the nature of investments held by the Fund to which the Shares relate.

The FSA Rules allow the cost of SDRT to be met directly from a Fund's assets and this is the normal policy of the ACD. However, this cost will disadvantage continuing Shareholders and, if it is material, the ACD may require payment of an SDRT provision. An SDRT provision is an additional charge to cover SDRT for which the Company may be liable, which will be added to the sale price or deducted from the redemption price of Shares (as appropriate). This amount is not retained by the ACD, but is paid into the relevant Fund.

#### **EU Savings Directive**

Under the EU Council Directive 2003/48/EC on taxation of savings income in the form of interest payments and other similar income (the "Directive"), Member States of the European Union are required to provide to the tax authorities of other Member States details of payments of dividends, interest and other similar income paid by a person who is a "paying agent" for the purposes of the Directive to an individual (or certain "residual entities") resident for the purposes of the Directive in another Member State. Where such reporting does not apply, a withholding regime will operate for a transitional period. Because of the Company's structure and depending on the investment policy pursued by a particular Fund, savings income realised by certain Shareholders may be subject to the obligations imposed by the Directive.

#### **UK information reporting regime**

The reporting regime under Section 18 Taxes Management Act 1970 (as amended) requires OEICs to report details of interest and dividend distributions paid to UK, and many non-UK, investors.

#### ***Where can I obtain Share Prices?***

The most recent price of Shares in each Fund may be obtained from the Registrar. These prices are also published daily on [www.dfauk.com](http://www.dfauk.com) or by telephoning +44 (0)87 0870 8058.

#### ***How do I Buy/Sell/ Switch/Units/ Shares?***

Investors should complete an application form available from the Registrar, with details of their bank account and send it in writing or agreed electronic form to the Registrar at 50 Bank Street, Canary Wharf, London, E14 5NT. On acceptance of the application and receipt of the subscription proceeds in cleared funds (save where otherwise agreed with the Registrar), Shares will be issued at the relevant price. A contract note ("Contract Note") confirming the issue price and the number of Shares issued together with, in appropriate cases, a notice of the applicant's right to cancel the application will normally be despatched by close of business on the next Business Day.

The minimum initial subscription level for each Fund is £100,000.

Subject to the minimum withdrawal and minimum holding requirements below valid instructions to sell Shares received during a Business Day between 9.00 am and 12.00 noon will normally be carried out by reference to the valuation time at 12.00 noon on that Business Day. Instructions to sell Shares received on or after 12.00 noon on a Business Day (or on a day

which is not a Business Day) will be carried out by reference to the valuation time at 12.00 noon on the next Business Day.

Shareholders may request to sell their Shares in a Fund in writing or by telephone daily between 9.00 a.m. and 5.00 p.m. on each Business Day in the following manner:-

(a) Notice in Writing: - To sell Shares, Shareholders can send signed selling instructions in writing or agreed electronic form to the Registrar at 50 Bank Street, Canary Wharf, London, E14 5NT. The Shares will be repurchased from the Shareholder at the relevant price.

(b) Notice by Telephone: - Shares may be sold by telephone either through a professional adviser or direct to the Registrar - telephone number 0870 870 8058. On acceptance of telephone instructions, Shares will be repurchased at the relevant price, and a Contract Note will be despatched with a Renunciation Form. The Renunciation Form should be completed, signed and returned to the Registrar.

Proceeds of the sale (less, if the proceeds are to be remitted abroad, the cost of such remittance) will be paid into the selling Shareholder's bank account, not later than the close of business on the fourth business day following receipt of the written instruction duly signed by the holder.

The minimum withdrawal for each Fund is £10,000 and the minimum holding for each Fund is £50,000.

### **Switching**

Shareholders are entitled to switch some or all of their Shares of one Class ("Original Shares") for Shares of another Class within the same Fund or for Shares of any Class within a different Fund ("New Shares"). A switch involves the sale of the Original Shares and the purchase of the New Shares. The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the valuation point applicable when the Original Shares are redeemed and the New Shares are issued.

Instructions for switching Shares may be given by telephoning the Registrar - telephone number 0870 870 8058 or in writing or agreed electronic form to the Registrar.

If a switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Fund concerned, the Registrar may, if it thinks fit, convert the whole of the Shareholder's holding of Original Shares to New Shares or refuse to effect any switch of the Original Shares. No switch will be made during any period when the right of Shareholders to require the redemption of their Shares is suspended. The general provisions on procedures and charges relating to redemption will apply equally to a switch.

Shareholders who switch Shares of one Class for Shares of any other Class, or switch Shares of one Fund for shares of any other Fund, will not be given a right by law to withdraw from or cancel the transaction.

### **Cancellation rights**

Where you buy Shares and you receive advice from a financial adviser, you may have the legal right to cancel or we may decide to offer you the right to cancel even where there is no legal obligation to do so. Where these rights apply you will be able to cancel your agreement during a 14 day period after making the investment. A cheque will follow when we have confirmation of cleared funds, which is normally within 4 days.

You may not recover your investment in full should the market and/or Share price have fallen since you made your investment. In certain circumstances, such as where you have not received advice, your application for Shares will not qualify for cancellation rights but you

will be able to sell your Shares in the normal way.

**Additional Important Information:**

ACD: Dimensional Fund Advisors Ltd., 20 Triton Street, Regent's Place, London NW1 3BF

Depository: Citibank International PLC, Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB

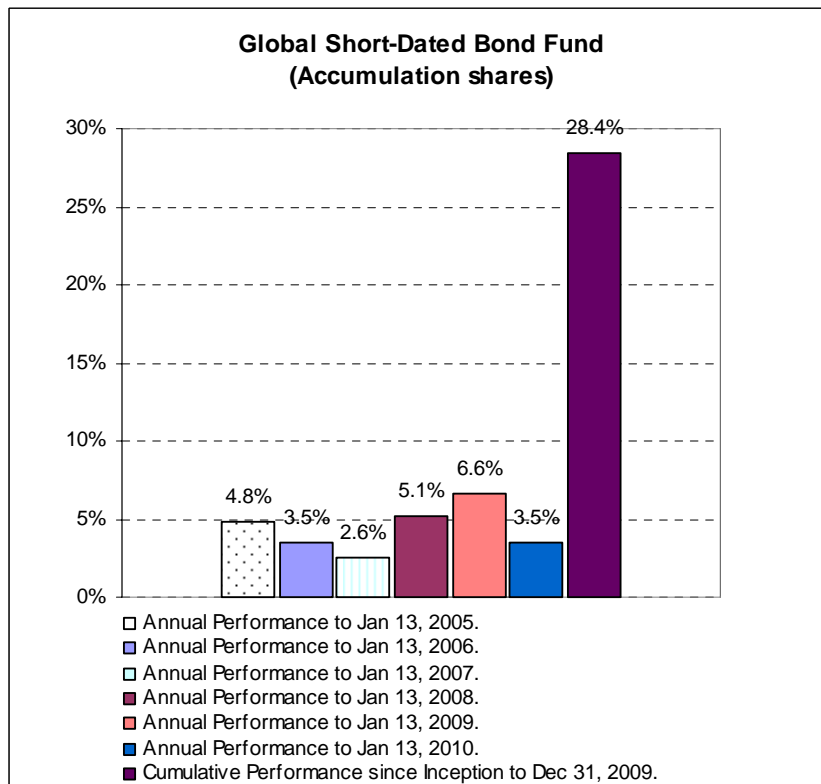
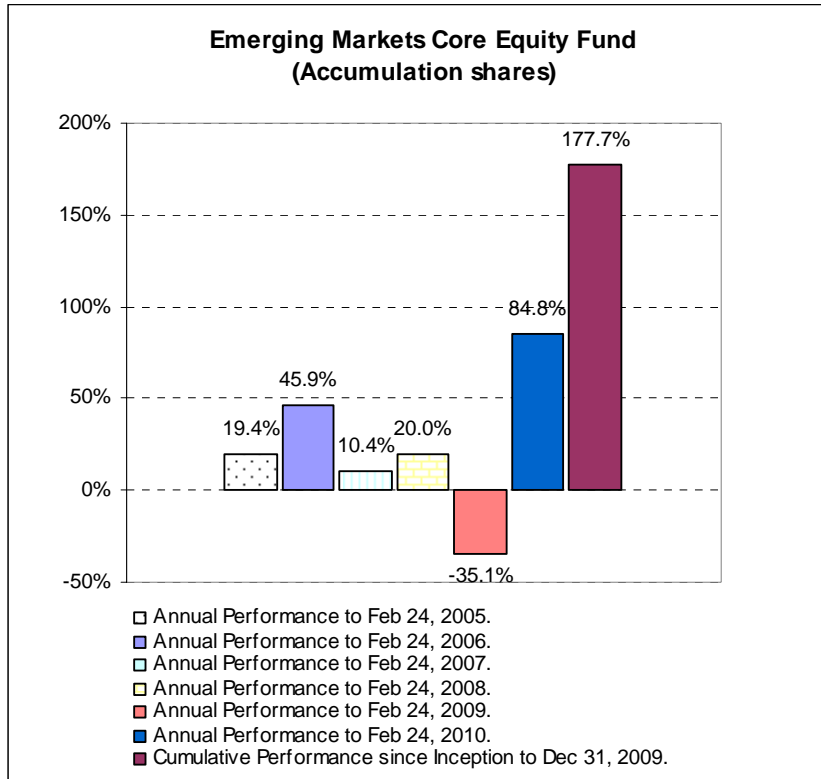
Registrar and Administrator: Northern Trust Global Services Limited, 50 Bank Street, Canary Wharf, London, E14 5NT

Auditor: PricewaterhouseCoopers LLP, Southwark Towers, 32 London Bridge Street, London SE1 9SY

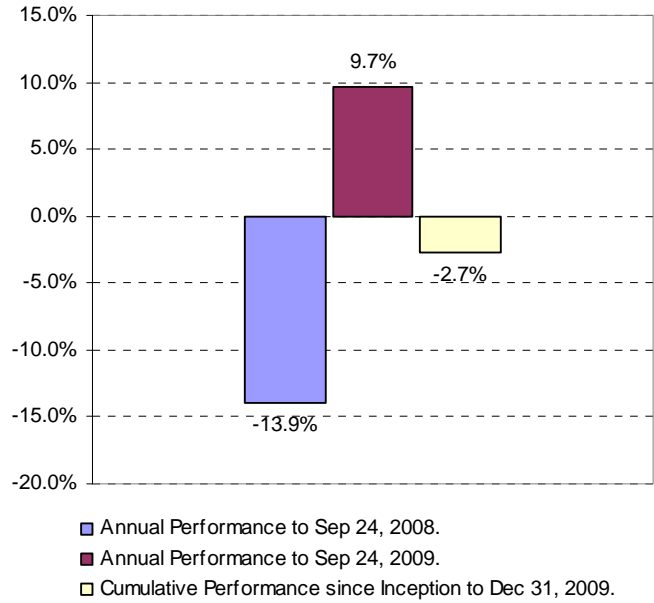
Regulator: Financial Services Authority, 25 The North Colonnade, London E14 5HS

Additional information and copies of the full Prospectus, the latest annual and half yearly reports may be obtained (free of charge) from Dimensional Fund Advisors Ltd. whose details are set out above.

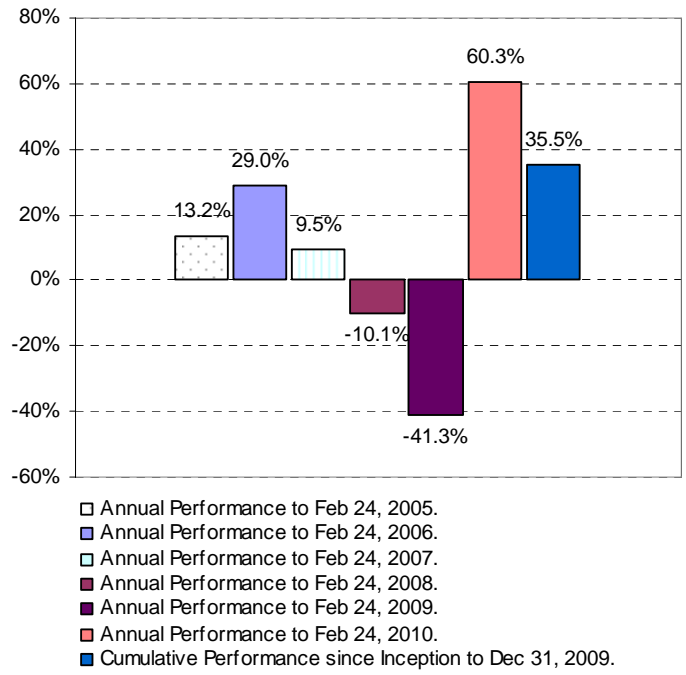
**APPENDIX 1  
HISTORICAL PERFORMANCE**



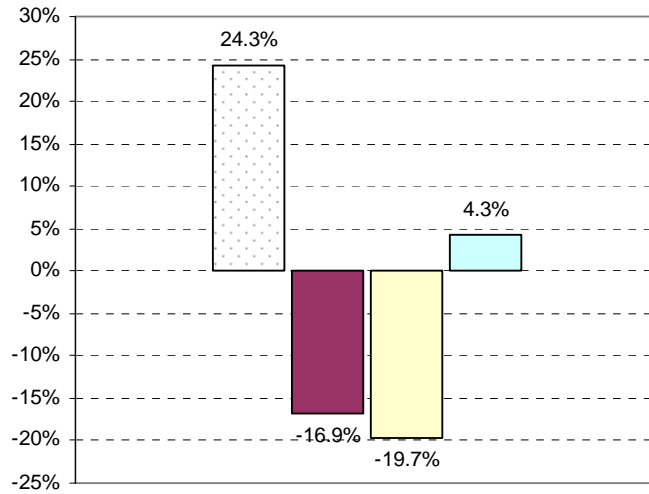
**International Core Equity Fund  
(Accumulation shares)**



**International Value Fund  
(Accumulation shares)**

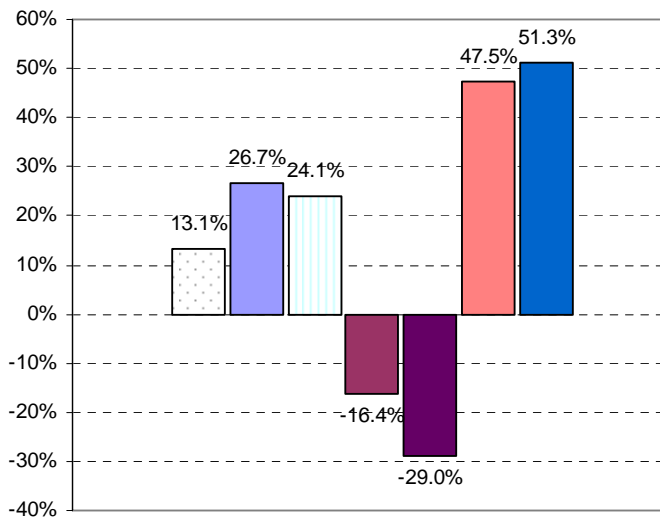


**United Kingdom Core Equity Fund  
(Accumulation shares)**



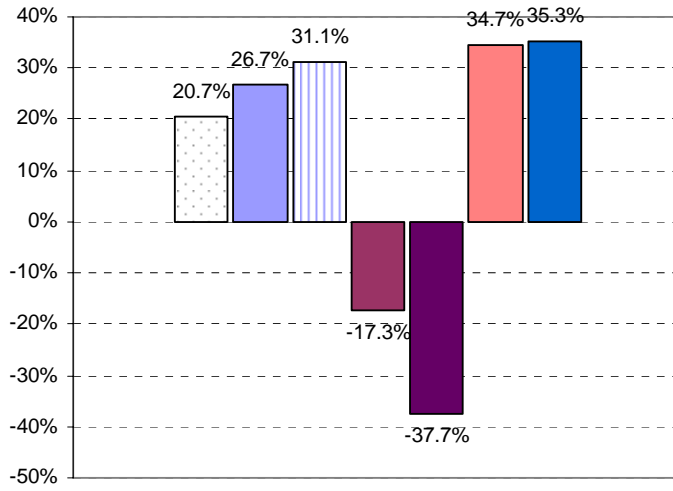
- Annual Performance to Jun 19, 2007.
- Annual Performance to Jun 19, 2008.
- Annual Performance to Jun 19, 2009.
- Cumulative Performance since Inception to Dec 31, 2009.

**United Kingdom Small Companies Fund  
(Accumulation shares)**



- Annual Performance to Jan 13, 2005.
- Annual Performance to Jan 13, 2006.
- Annual Performance to Jan 13, 2007.
- Annual Performance to Jan 13, 2008.
- Annual Performance to Jan 13, 2009.
- Annual Performance to Jan 13, 2010.
- Cumulative Performance since Inception to Dec 31, 2009.

**United Kingdom Value Fund  
(Accumulation shares)**



- Annual Performance to Jan 13, 2005.
- Annual Performance to Jan 13, 2006.
- ▨ Annual Performance to Jan 13, 2007.
- Annual Performance to Jan 13, 2008.
- Annual Performance to Jan 13, 2009.
- Annual Performance to Jan 13, 2010.
- Cumulative Performance since Inception to Dec 31, 2009.



**Dimensional**

**DIMENSIONAL FUND ADVISORS LTD.**

Authorised and Regulated by the Financial Services Authority.

Past performance is no guarantee of future results.

Dimensional Fund Advisors Ltd.

20 Triton Street

Regent's Place

London

NW1 3BF

[www.dfauk.com](http://www.dfauk.com)