

VALUE SHINES IN A DISAPPOINTING YEAR FOR STOCKS

Global stocks suffered losses for the year, with the MSCI All Country World IMI Index falling by 18% following a multi-year bull market. No region was immune from the pain, with international stocks down 15% followed by US and emerging market stocks down 19% and 20% respectively.

Investors busied themselves with recession fears, rising oil prices, a stronger US dollar, and the effects of the conflict in Ukraine while central banks around the globe continued their efforts to combat inflation by aggressively raising interest rates. The Fed increased rates in the US seven times to over 4%, the highest level in 15 years.

On the bright side, value continued its magnificent rally globally and the MSCI All Country World IMI Value Index outperformed its growth counterpart by 20%.

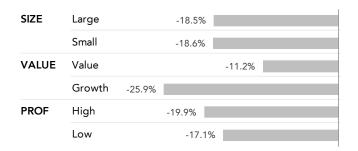
Energy generally remained in the value half of the market and was the only sector with positive returns, outperforming global markets by over 50%. For example, Occidental Petroleum and Exxon Mobil returned 119% and 87%, respectively, while the broader market declined.

While size and profitability premiums were mixed globally, small cap stocks with growth and low profitability and those with high asset growth underperformed other small caps. Additionally, value stocks with high profitability outperformed growth stocks with low profitability, like Netflix, by a wide margin. Overall, value was a bright spot for equity investors in 2022 from many vantage points.

GLOBAL ASSET CLASS RETURNS 2022

STOCKS	US	-19.21%
	Developed ex US	-15.26%
	Emerging Markets	-19.83%
BONDS	US	-13.01%
	Global ex US	-9.76%

GLOBAL PREMIUM RETURNS 2022



GLOBAL SECTOR RETURNS 2022

Energy		35.2%
Utilities	-4.0%	
Consumer Staples	-6.3%	
Health Care	-8.2%	
Financials	-9.5%	
Materials	-11.7%	
Industrials	-13.2%	
Global	-18.4%	
REITs	-24.4%	
Real Estate	-25.8%	
Information Technology	-30.8%	
Consumer Discretionary	-30.8%	
Communication Services	-34.9%	

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Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), Developed ex US Stocks (MSCI World ex USA IMI Index [net div.]), Emerging Markets (MSCI Emerging Markets) Markets IMI Index [net div.]), US Bond Market (Bloomberg US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Global Aggregate ex-USD Bond Index [hedged to USD]), Global Stock Market (MSCIAll Country World IMI Index. Returns for specific securifies are sourced from the MSCIAII Country World IMI Index using daily security returns. Securifies without a GICS sector are excluded. Sectors are classified according to GICS Industry code. GICS was developed by and is the exclusive property of MSCI and S&P Dow Jones Indices LLC, a division of S&P Global.S&P data © 2023 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 2023, all rights reserved. Bloomberg data provided by Bloomberg. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. References to specific company securities should not be construed as a recommendation or investment advice. Global Premium Returns are computed from MSCIAll Country World IMI Index published security weights and Dimensional computed security returns and Dimensional classification of securities based on size, value, and profitability parameters. Within the US, Large Cap is defined as approximately the largest 90% of market capitalization in each country or region; Small Cap is approximately the smallest 10%. Within the non-US developed markets, Large Cap is defined as approximately the largest 87.5% of market capitalization in each country or region; Small Cap is approximately the smallest 12.5%. Within emerging markets, Large Cap is defined as approximately the largest 85% of market capitalization in each country or region; Small Cap is approximately the smallest 15%. Designations between value and growth are based on price-to-book ratios. Value is defined as the 50% of market cap with the lowest price-to-book ratios by size category and growth is the highest 50%. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. High profitability is defined as the 50% of market cap with the highest profitability by size category and low profitability is the lowest 50%. REITs and utilities, identified by GICS code, and stocks without size, relative price, or profitability metrics are excluded from this analysis. Countries not in the Dimensional investable universe are excluded from the analysis. Their performance does not reflect the expenses associated with the management of an actual portfolio.