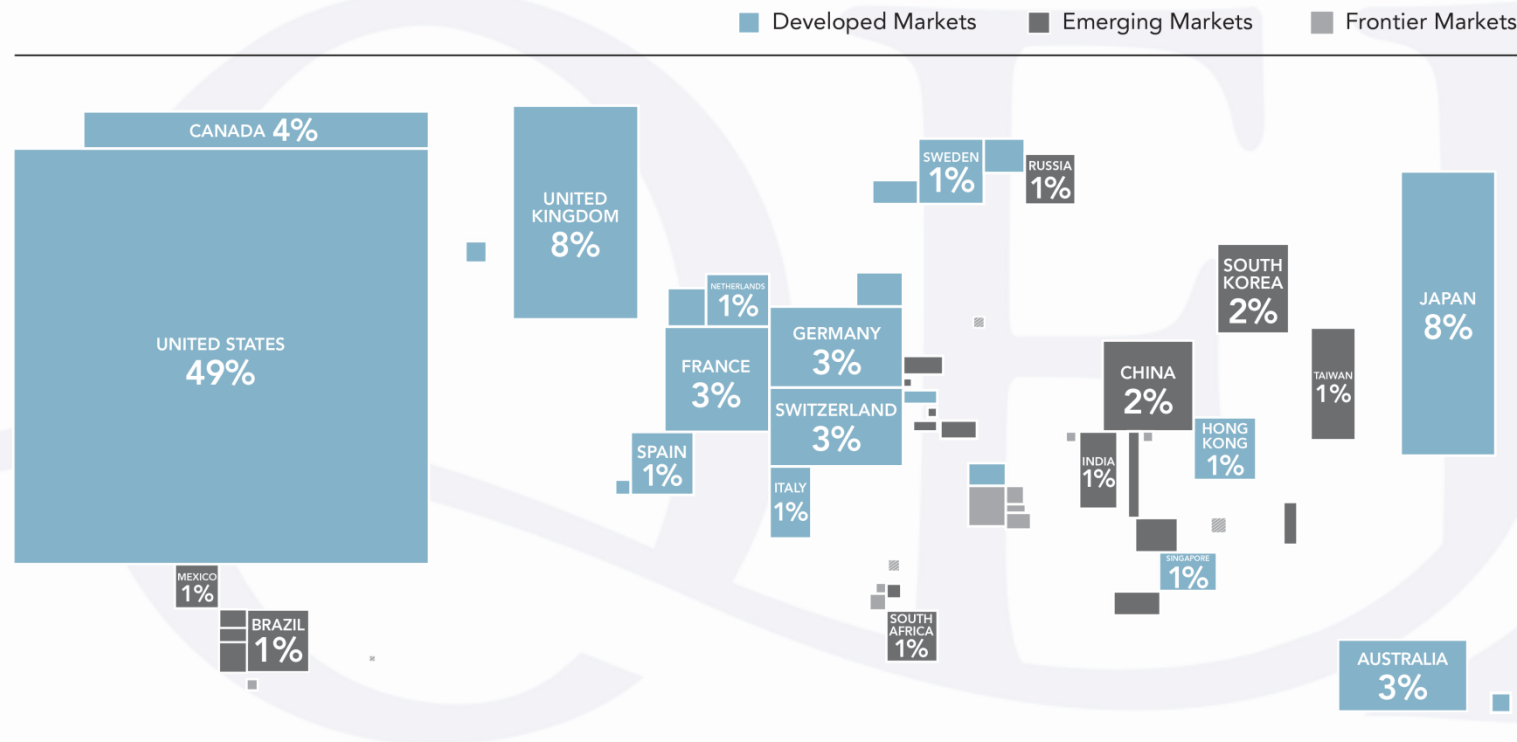


Diversification

- I. Diversification Helps You Capture What Global Markets Offer
- II. Diversification Reduces Risks That Have No Expected Return
- III. Diversification May Prevent You from Missing Opportunity
- IV. Diversification Smooths Out Some of the Bumps
- V. Diversification Helps Take the Guesswork out of Investing

Diversification Helps You Capture What Global Markets Offer

Percent of world market capitalisation as of December 31, 2013



- 45 countries
- 12,000 publicly traded stocks
- £27.4 trillion market value

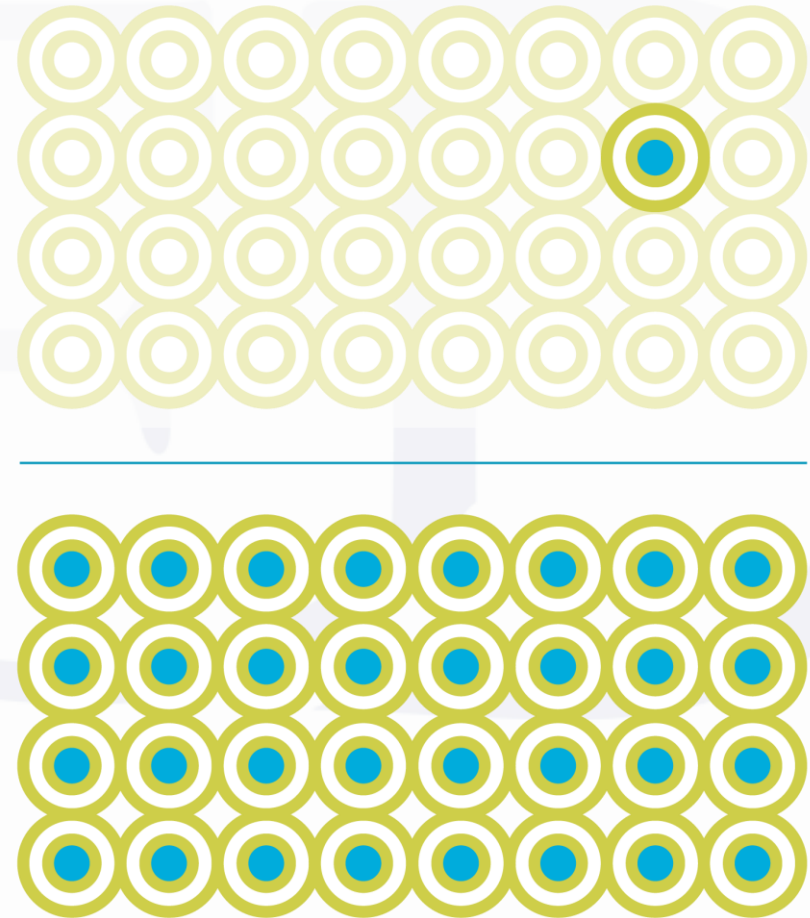
The global equity market is large and represents a world of investment opportunity.

In British pounds. Market cap data is free-float adjusted from Bloomberg Securities Data. Many nations not displayed. Totals may not equal 100% due to rounding. 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. For educational purposes; should not be used as investment advice. China market capitalisation excludes A-shares, which are generally only available to mainland China investors.

Diversification Reduces Risks That Have No Expected Return

Concentrating in one share exposes you to unnecessary risks.

Diversification reduces the impact of any one company's performance on your wealth.

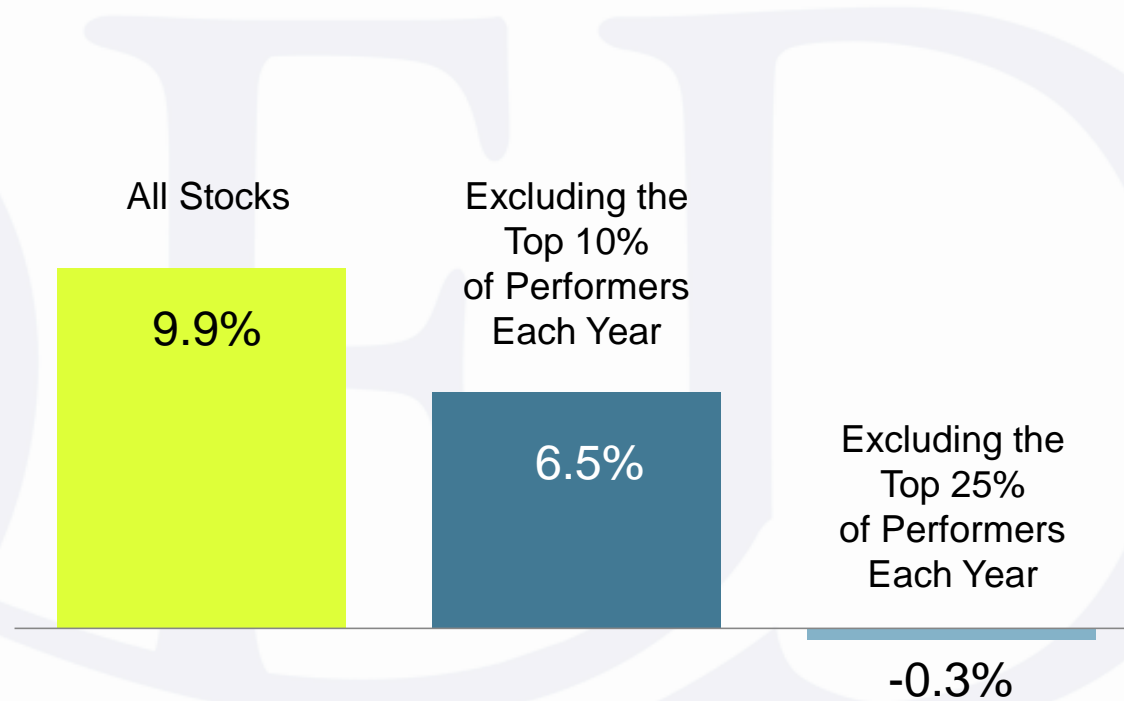


Diversification May Prevent You from Missing Opportunity

Compound average annual returns: 1926-2013

Attempting to identify that group of future winners is a guessing game.

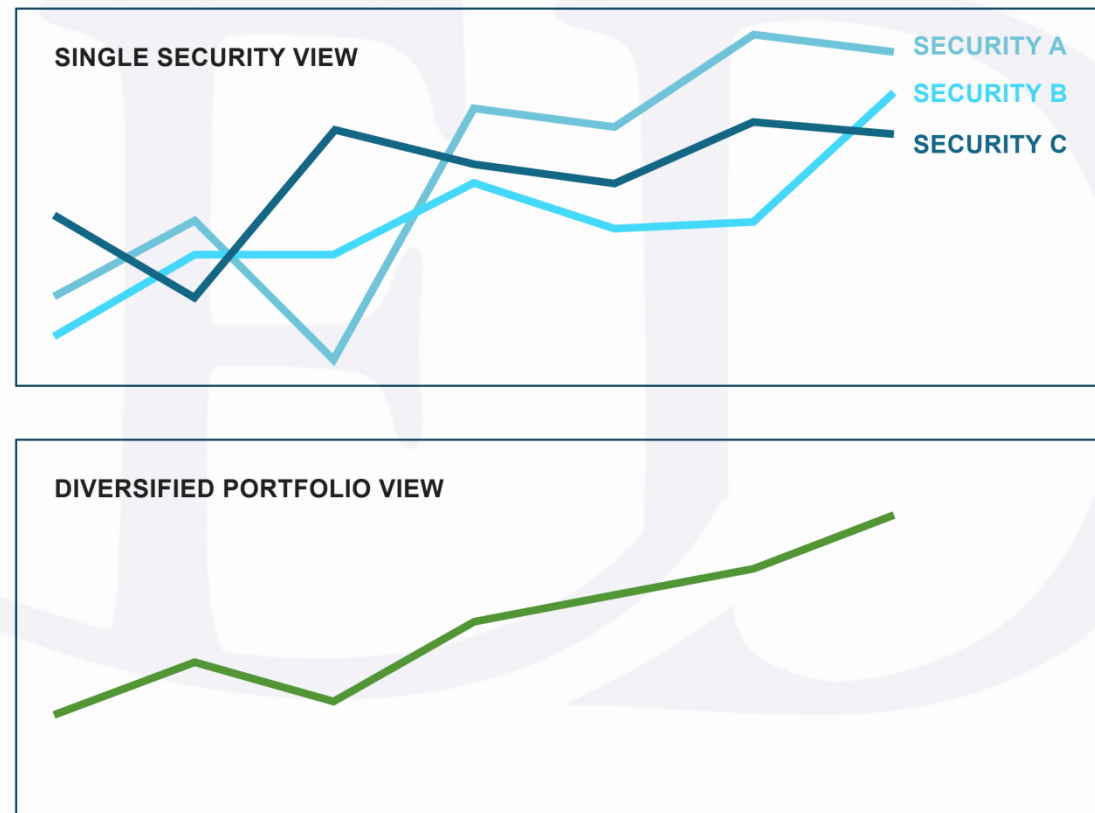
Diversification improves the odds of holding the best performers.



Diversification does not eliminate the risk of market loss. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. **Past performance is no guarantee of future results.** Investing involves risks, including fluctuating values and potential loss of principal. Results based on the CRSP 1-10 Index. CRSP data provided by the Center for Research in Security Prices, University of Chicago. Illustrative purposes only.

Diversification Smooths Out Some of the Bumps

A well-diversified portfolio can provide the opportunity for a more stable outcome than a single security.



Diversification Helps Take the Guesswork out of Investing

Annual returns (%): 1999–2013

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.

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------------|-------|--------|--------|--------|-------|-------|-------|-------|--------|--------|-------|-------|--------|-------|-------|
| HIGHER RETURN | 71.39 | 33.56 | 15.99 | 10.71 | 40.54 | 24.76 | 50.14 | 21.95 | 37.49 | 13.59 | 59.35 | 27.88 | 16.90 | 18.28 | 24.95 |
| | 30.46 | 9.93 | 8.34 | 9.47 | 24.96 | 17.44 | 23.21 | 16.75 | 7.28 | 8.70 | 30.12 | 23.49 | 5.80 | 13.41 | 20.81 |
| | 24.21 | 8.99 | 7.55 | 7.35 | 20.86 | 12.84 | 22.72 | 16.50 | 6.74 | 7.59 | 19.00 | 15.62 | 2.70 | 12.30 | 0.85 |
| | 5.30 | 7.76 | 5.04 | 3.95 | 19.84 | 8.04 | 22.04 | 4.75 | 5.76 | 4.85 | 14.52 | 14.51 | 2.10 | 10.80 | 0.84 |
| | 3.75 | 6.00 | 3.08 | -2.49 | 5.53 | 6.61 | 8.00 | 4.21 | 5.70 | -16.67 | 5.30 | 7.26 | 0.49 | 5.93 | 0.38 |
| | 1.05 | -5.91 | 0.19 | -15.03 | 4.42 | 6.43 | 5.77 | 3.69 | 5.32 | -23.91 | 2.52 | 4.82 | -3.46 | 2.73 | 0.04 |
| | -1.20 | -6.56 | -13.28 | -22.67 | 3.67 | 5.77 | 4.73 | 3.30 | 4.70 | -29.93 | 0.56 | 2.21 | -5.16 | 2.26 | -4.09 |
| LOWER RETURN | -2.16 | -24.97 | -14.95 | -28.08 | 2.09 | 4.58 | 4.50 | 0.48 | -12.59 | -35.18 | -0.81 | 0.47 | -17.85 | 0.35 | -4.13 |

| | |
|--|-------------------------------|
|  | UK Stocks |
|  | World ex UK |
|  | Emerging Markets |
|  | Global REITs |
|  | UK T-Bills |
|  | UK Government Bonds |
|  | Short Global Government Bonds |
|  | Global Bonds |

Diversification does not eliminate the risk of market loss. In British Pounds. Past performance is not a guarantee of future results. Indexes are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Source: FTSE data published with the permission of FTSE. MSCI data copyright MSCI 2014, all rights reserved. Citigroup bond indices copyright 2014 by Citigroup. Barclays indices copyright Barclays 2014. The S&P data are provided by Standard & Poor's Index Services Group.