



Client Presentation

Dimensional Fund Advisors Inc. is an investment advisor registered with the Securities and Exchange Commission. Consider the investment objectives, risks, and charges and expenses of the Dimensional funds carefully before investing. For this and other information about the Dimensional funds, please read the prospectus carefully before investing. Prospectuses are available by calling Dimensional Fund Advisors Inc. collect at (310) 395-8005; on the Internet at www.dimensionalfund.com; or, by mail, DFA Securities Inc., c/o Dimensional Fund Advisors Inc., 1299 Ocean Avenue, 11th Floor, Santa Monica, CA 90401. Dimensional Funds are distributed by DFA Securities Inc.
Date of first use: May 16, 2005.

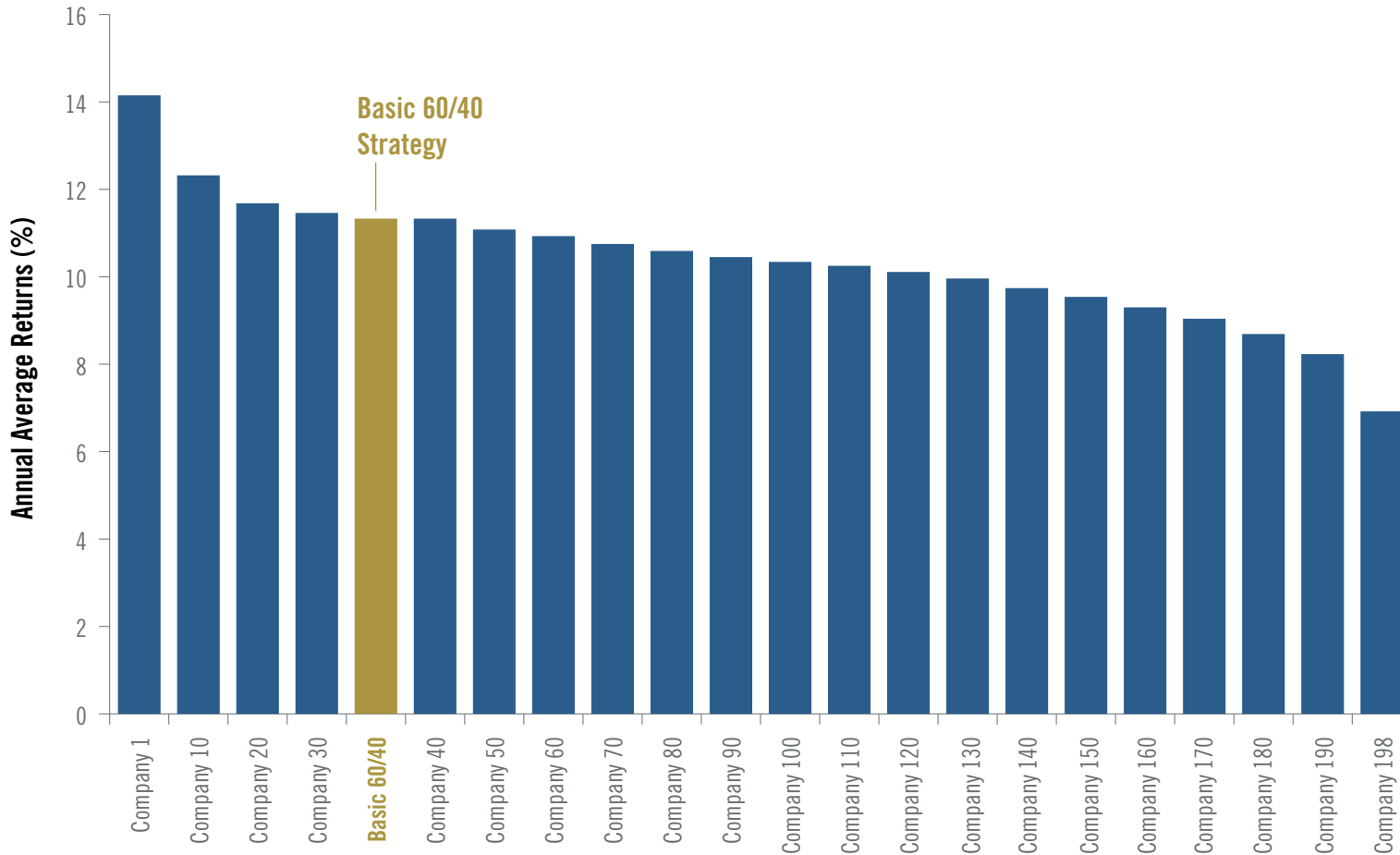
Principles and Beliefs

- **Markets Work.** Security prices reflect available information.
- **Diversification Is Key.** Diversification reduces uncertainty. Concentrated investments add risk with no additional expected return.
- **Risk and Return Are Related.** Exposure to meaningful risk factors determines expected return.
- **Portfolio Structure Explains Performance.** Asset allocation along size, value, and market exposure dimensions primarily determines the results of a broadly diversified portfolio.

Basic 60/40 Balanced Strategy vs. Company Plans

Results of 198 Corporate Pension Funds

Annual Data: 1988-2004



Companies (in alphabetical order)

- Amerada Hess Corp.
- Aquila, Inc.
- CMS Energy Corp.
- CTS Corp.
- Cummins, Inc.
- Dole Food Company, Inc.
- Ecolab Inc.
- Fortune Brands, Inc.
- Gillette Company, The
- Louisiana-Pacific Corp.
- NiSource Inc.
- Pottlatch Corp.
- Public Service Enterprise Group Inc.
- Sears, Roebuck and Co.
- SunTrust Banks, Inc.
- Timken Company, The
- Unisys Corp.
- USG Corp.
- Washington Post Company, The
- Whirlpool Corp.
- Wolverine World Wide, Inc.

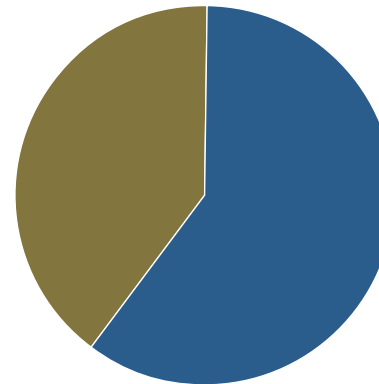
Basic 60/40 is 60% S&P 500 Index, 40% Lehman Intermediate Government/Credit Bond Index, annual data, rebalanced monthly. Source: FutureMetrics (July 2005); all companies with fiscal year ending December, with complete return data from 1988-2004. The S&P Data are provided by Standard & Poor's Index Services Group. Lehman data provided by Lehman Brothers, Inc.



The Basic Institutional Portfolio

Quarterly Data: 1973-2004

Portfolio 1

	Annualized Compound Return (%)	Annualized Standard Deviation (%)
Portfolio 1	10.50	11.22



-  Lehman Government/Credit Bond Index
-  S&P 500 Index

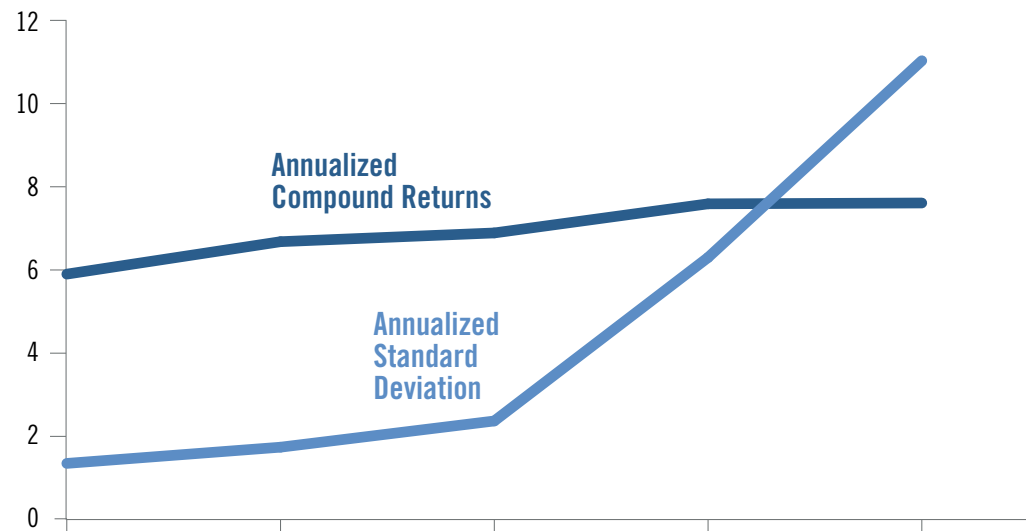
	Lehman Government/Credit Bond Index	S&P 500 Index
Portfolio 1	40%	60%

For illustrative purposes only.
 Lehman data provided by Lehman Brothers, Inc. The S&P Data are provided by Standard & Poor's Index Services Group.
 Indexes are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.

Does it Pay to Extend Maturities?

Quarterly Data: 1964-2004

- Not all investors define risk as standard deviation. Some investors may seek to hedge long-term liabilities using long-term bonds.
- Historically, longer maturity instruments have higher standard deviations and have not provided consistently greater returns.



Maturity	One-Month Treasury Bills	Six-Month Treasury Bills	One-Year Treasury Notes	Five-Year Treasury Notes	20-Year Govt. Bonds
Annualized Compound Returns (%)	5.90	6.68	6.89	7.59	7.61
Annualized Standard Deviation (%)	1.35	1.74	2.37	6.30	11.03

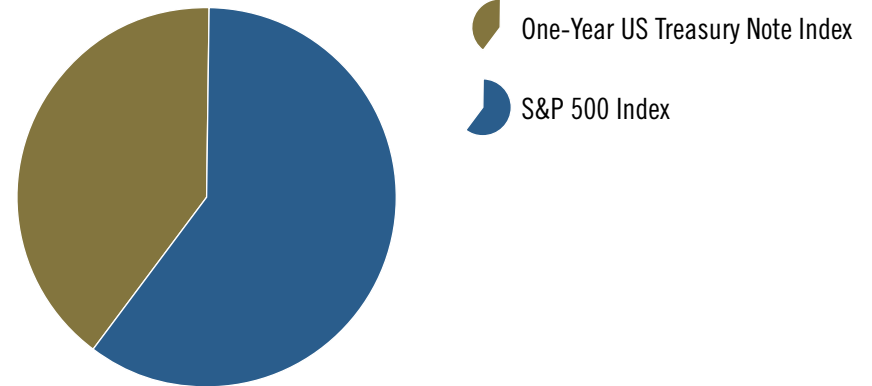
Source: One-Month Treasury Bills, Five-Year Treasury Notes, and 20-Year Government Bonds provided by Ibbotson Associates. Six-Month Treasury Bills provided by CRSP (1964-1977) and Merrill Lynch (1978-present). One-Year Treasury Notes provided by Center for Research in Security Prices (CRSP), University of Chicago (1964-May 1991) and Merrill Lynch (June 1991-present).

Substituting Short-Term for Long-Term Fixed Income

Quarterly Data: 1973-2004

Portfolio 2

	Annualized Compound Return (%)	Annualized Standard Deviation (%)
Portfolio 1	10.50	11.22
Portfolio 2	9.96	10.29



	Lehman Government/Credit Bond Index	S&P 500 Index	One-Year US Treasury Note Index
Portfolio 1	40%	60%	
Portfolio 2		60%	40%

For illustrative purposes only.

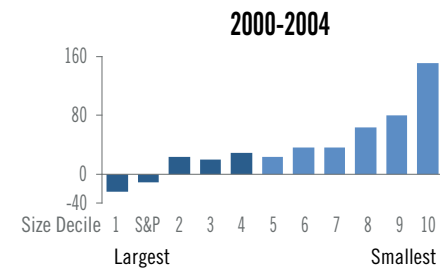
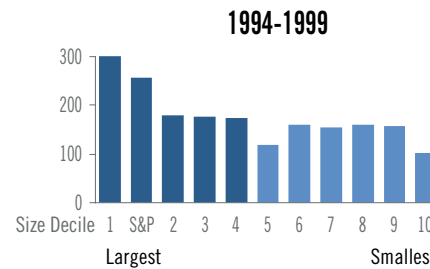
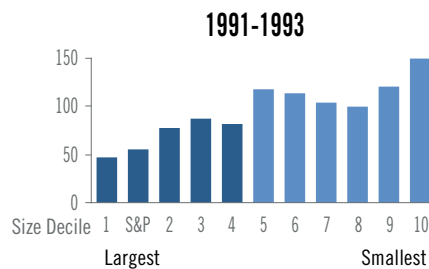
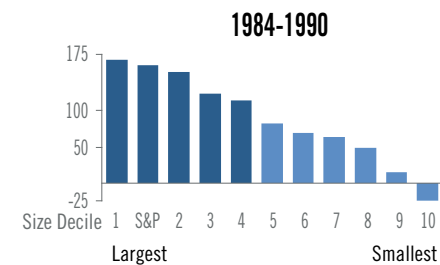
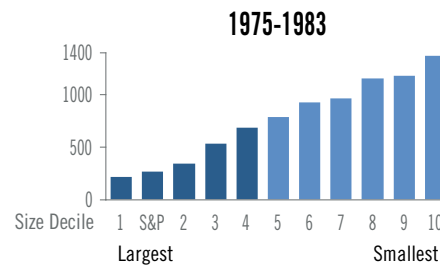
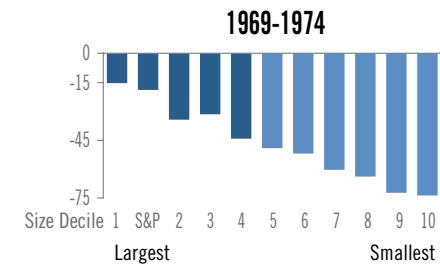
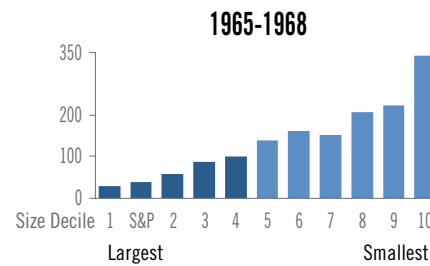
Lehman data provided by Lehman Brothers, Inc. The S&P Data are provided by Standard & Poor's Index Services Group. One-Year US Treasury Note Index provided by Merrill Lynch. Indexes are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.

History of the Size Effect

Market Cap Deciles

Total Cumulative Returns (%)

- The size effect can persist in either direction for long periods of time.
- This illustrates the diversifying power of small cap stocks.

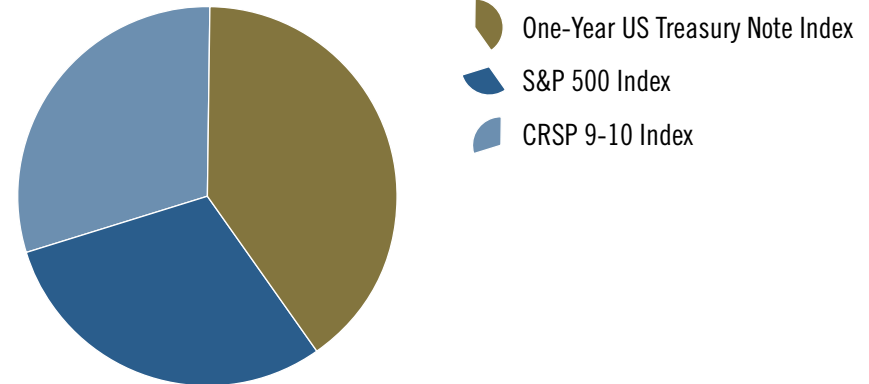


Diversifying a Portfolio Into US Small Cap Stocks

Quarterly Data: 1973-2004

Portfolio 3

	Annualized Compound Return (%)	Annualized Standard Deviation (%)
Portfolio 1	10.50	11.22
Portfolio 2	9.96	10.29
Portfolio 3	11.18	12.85

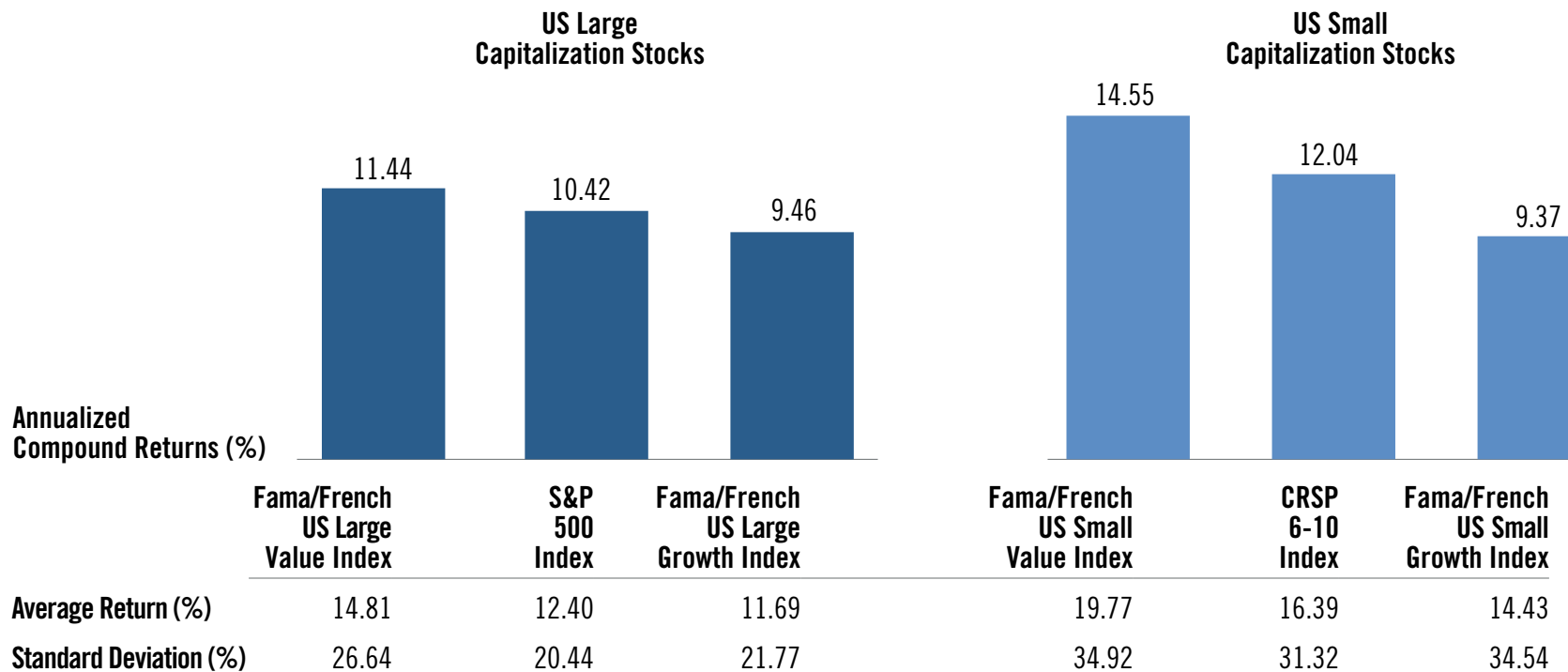


	Lehman Government/Credit Bond Index	S&P 500 Index	One-Year US Treasury Note Index	CRSP 9-10 Index
Portfolio 1	40%	60%		
Portfolio 2		60%	40%	
Portfolio 3		30%	40%	30%

For illustrative purposes only. Lehman data provided by Lehman Brothers, Inc. The S&P Data are provided by Standard & Poor's Index Services Group. One-Year US Treasury Note Index provided by Merrill Lynch. CRSP 9-10 Index data provided by the Center for Research in Security Prices, University of Chicago. Indexes are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.

Size and Value Effects in the US

Annual Data: 1927-2004



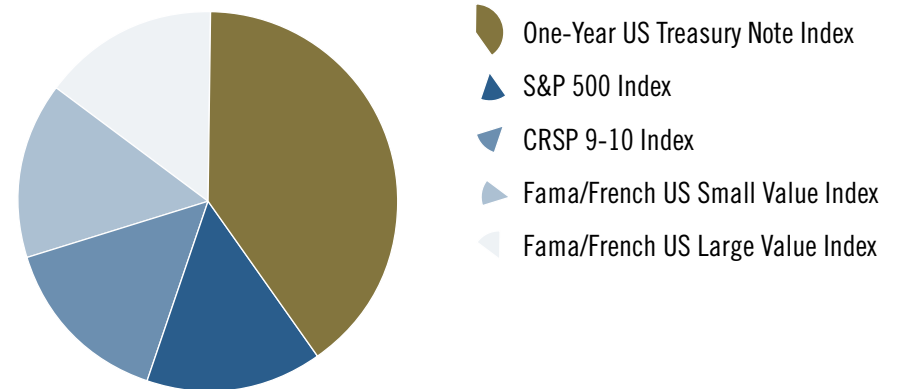
Fama/French data provided by Fama/French. The S&P Data are provided by Standard & Poor's Index Services Group. CRSP data provided by the Center for Research in Security Prices, University of Chicago.

Diversifying a Portfolio Into US Value Stocks

Quarterly Data: 1973-2004

Portfolio 4

	Annualized Compound Return (%)	Annualized Standard Deviation (%)
Portfolio 1	10.50	11.22
Portfolio 2	9.96	10.29
Portfolio 3	11.18	12.85
Portfolio 4	11.98	12.84



	Lehman Government/Credit Bond Index	S&P 500 Index	One-Year US Treasury Note Index	CRSP 9-10 Index	US Small Value	US Large Value
Portfolio 1	40%	60%				
Portfolio 2		60%	40%			
Portfolio 3		30%	40%	30%		
Portfolio 4		15%	40%	15%	15%	15%

For illustrative purposes only.

Lehman data provided by Lehman Brothers, Inc. The S&P Data are provided by Standard & Poor's Index Services Group.

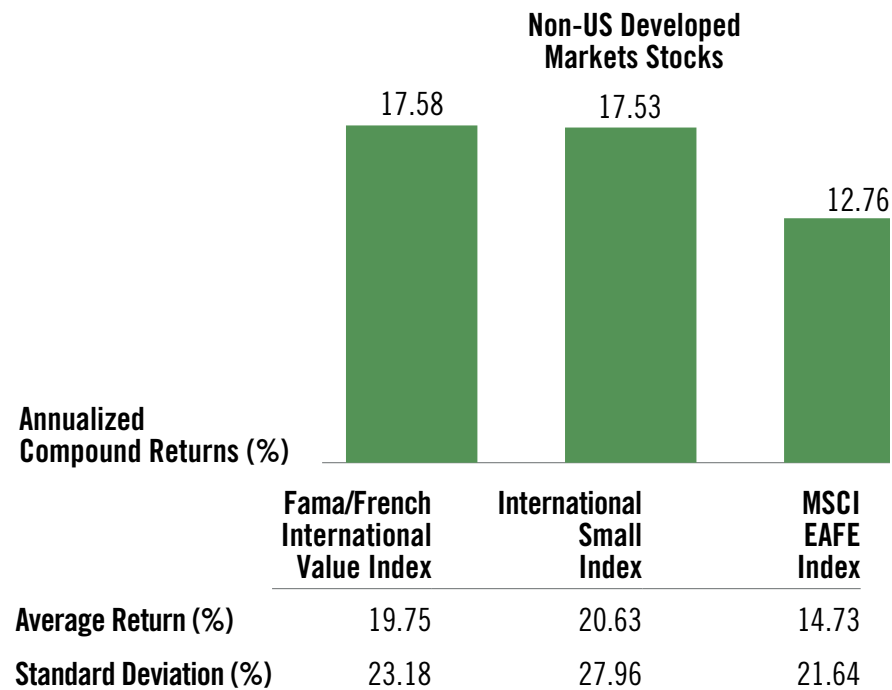
One-Year US Treasury Note Index provided by Merrill Lynch. CRSP 9-10 Index data provided by the Center for Research in Security Prices, University of Chicago. Fama/French data provided by Fama/French.

Indexes are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.

Size and Value Effects Abroad

Annual Data: 1975-2004

In US Dollars



Fama/French data provided by Fama/French.

International Small Cap Index: 1970-June 1981: 50% UK Small Cap Stocks and 50% Japan Small Cap Stocks. July 1981-present: Simulated by Dimensional from StyleResearch securities data; includes securities of MSCI EAFE countries, market capitalization weighted, each country capped at 50%.

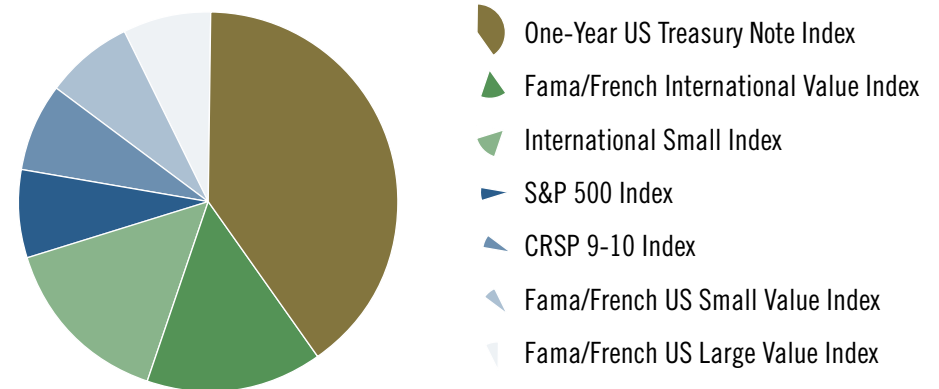
MSCI data copyright MSCI 2005. All rights reserved.

A Fully Diversified Portfolio

Quarterly Data: 1973-2004

Portfolio 5

	Annualized Compound Return (%)	Annualized Standard Deviation (%)
Portfolio 1	10.50	11.22
Portfolio 2	9.96	10.29
Portfolio 3	11.18	12.85
Portfolio 4	11.98	12.84
Portfolio 5	12.27	11.13



	Lehman Government/Credit Bond Index	S&P 500 Index	One-Year US Treasury Note Index	CRSP 9-10 Index	US Small Value	US Large Value	International Value	International Small Index
Portfolio 1	40%	60%						
Portfolio 2		60%	40%					
Portfolio 3		30%	40%	30%				
Portfolio 4		15%	40%	15%	15%	15%		
Portfolio 5		7.5%	40%	7.5%	7.5%	7.5%	15%	15%

For illustrative purposes only.

Lehman data provided by Lehman Brothers, Inc. The S&P Data are provided by Standard & Poor's Index Services Group.

One-Year US Treasury Note Index provided by Merrill Lynch. CRSP 9-10 Index data provided by the Center for Research in Security Prices, University of Chicago. Fama/French data provided by Fama/French.

International Value data provided by Fama/French (January 1975-December 2004), and MSCI EAFE Index (net dividends) (January 1973-December 1974) data copyright MSCI 2005. All rights reserved.

International Small Cap Index: 1970-June 1981: 50% UK Small Cap Stocks and 50% Japan Small Cap Stocks. July 1981-present: Simulated by Dimensional from StyleResearch securities data; includes securities of MSCI EAFE countries, market capitalization weighted, each country capped at 50%.

Indexes are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.