



Dimensional Funds Ranked No. 1 in Barron's 'Best Fund Families of 2022'

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We are pleased to announce that Barron's magazine ranked Dimensional at the top of their most recent "Best Fund Families" list.

We have believed in Dimensional, their highly regarded research, and impressive Nobel Prize winning academic credentials for many years now. We continue to have full confidence that their approach is a particularly appropriate fit for the strategies we employ for our reinsurance accounts and we are proud to share their well-deserved recognition with you.

BARRON'S

THE DOW JONES BUSINESS AND FINANCIAL WEEKLY



The rankings look at the one-year records of how each firm's actively managed funds performed vs. peers, based on data from Refinitiv Lipper.

Dimensional commented that they are "known for its roots in academic research on factor investing, particularly involving value investing, and its tendency to favor smaller companies that are highly profitable. As such, the firm sidestepped the meltdown in mega cap growth names and companies with few, if any, profits."

Barron's also commented on how Dimensional keeps close tabs on equity premiums through daily price information. The firm's managers watch for buying opportunities when growth stocks fall into value territory, and they also rely on factors such as momentum to help determine if it's time to buy.

Dimensional is No. 17 on Barron's "5-year Ranking" of fund families and No. 7 on its 10-year list, the longest time horizon included.

"While nobody can control markets, we can control how we harness them," said Bryce Skaff, Co-Head of the firm's Global Client Group. "We've taken a consistent approach to designing and managing investment portfolios for more than 40 years. We'll continue to pursue long-term drivers of expected returns so we can work toward delivering reliable outcomes for our clients and investors."

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BARRON'S RANKING METHODOLOGY:

All mutual and exchange-traded funds are required to report their returns after fees are deducted—to regulators as well as in advertising and marketing material—to better reflect what investors have actually experienced. But the aim of the Barron's ranking is to measure manager skill, independent of expenses beyond annual management fees. That's why it calculates returns before any 12b-1 marketing fees are deducted. Similarly, fund loads, or sales charges, aren't included in its calculation of returns. Each fund's performance is measured against all of the other funds in its Refinitiv Lipper category, with a percentile ranking of 100 being the highest and one the lowest. This result is then weighted by asset size, relative to the fund family's other assets in its general classification. If a family's biggest funds do well, that boosts its overall ranking; poor performance in its biggest funds hurts a firm's ranking. To be included in the ranking, a firm must have at least three funds in the general equity category, one world equity, one mixed equity (such as a balanced or target date fund), two taxable bond funds, and one national tax-exempt bond fund. Single-sector and country equity funds are factored into the rankings as general equity. Barron's excludes all passive index funds, including pure index, enhanced index, and index-based, but includes actively managed ETFs and so-called smart-beta ETFs, which are passively managed but created from active strategies. Finally, the score is multiplied by the weighting of its general classification, as determined by the entire Lipper universe of funds. 49 asset managers out of the 854 in Lipper's database met the Barron's criteria for 2022. The category weightings for the one-year results in 2022 were general equity, 36.1%; mixed asset, 22%; world equity, 16%; taxable bond, 21.5%; and tax-exempt bond, 4.5%. (Weightings don't always add up to 100% because of rounding.) The category weightings for the five-year results were general equity, 36.1%; mixed asset, 22.7%; world equity, 16%; taxable bond, 21%; and tax-exempt bond, 4.3%. For the 10-year list, they were general equity, 36.6%; mixed asset, 23%; world equity, 15.9%; taxable bond, 20.1%; and tax-exempt bond, 4.4%. The scoring: Say a fund in the general US equity category has \$500 million in assets, accounting for half of the firm's assets in that category, and its performance lands it in the 75th percentile for the category. The first calculation would be 75 times 0.5, which comes to 37.5. That score is then multiplied by 36.1%, general equity's overall weighting in Lipper's universe. So, it would be 37.5 times 0.361, which equals 13.5. Similar calculations are done for each fund in the study. Then the numbers are added for each category and overall. The shop with the highest total score wins. The same process is repeated to determine the five- and 10-year rankings.