
Many Happy Returns

David Booth
Founder and Chairman

Dec 18, 2023

This past year had its share of financial uncertainty, from inflation and rising interest rates to volatile stock and bond markets. Headlines added to the unease, from the [growth of artificial intelligence \(AI\)](#) to the [collapse of Silicon Valley Bank and other lenders](#) to the threat of government shutdowns. So it's no surprise some people feel anxious right now. When it comes to investing during trying times, it can be easy to lose track of how well markets function. Spoiler alert: They've been working just the way we'd expect.

The reason why? Human ingenuity. Throughout history, there have been people and businesses working hard to make the world better. Solving problems can generate profits, and profits lead to market returns. That's why I say the market runs on human ingenuity.

Despite all the stressful headlines, including geopolitical crises from Ukraine to the Middle East, the MSCI All Country World IMI Index returned 15.5% through the first 11 months of the year.¹ In fact, since the global pandemic started in 2020, that index has averaged about 6.8% per year, which is in line with its historical returns.²

So when taking the time to reflect on lessons from this year, make sure to reflect on markets and how they worked. Markets do a good job of processing information and incorporating it into the prices of stocks and bonds. Trying to time markets or find mispricings is a waste of time—unless, of course, you know something that other people don't, before anyone else can make a move.³ I don't. Do you?

When I look back on this year, I'm struck that so many of the crises around the world have been priced into the market. It's not surprising to me that when interest rates went up, bond yields increased. Whatever happens, the market seeks to adjust appropriately. That's as true for the potential of AI as it is for the prospect of a government shutdown. That's what we said in [the first quarter of 2020, when COVID started spreading around the world](#).

If you are a retail investor in the UK, Ireland, Germany or the Netherlands, this document has been provided to you by your financial adviser, who can help explain its contents.

Please see the end of this document for important disclosures.

I believe that the key to successful investing is to cultivate a long-term perspective, where you think in decades, not days.

I believe that the key to successful investing is to cultivate a long-term perspective, where you think in decades, not days. Anxiety, not information, is trying to get you to make short-term moves. So how do you stay focused on the long term? [Developing a financial plan you can stick with](#), built upon a [strong investment philosophy](#), will put you in a good place to withstand uncertainty.

These principles can help you stay grounded, even in moments of doubt:

- Find hope in the [power of compounding](#).
- Ask yourself, “[What’s your true net worth?](#)”
- Make sensible connections between [health and wealth](#) and apply the [long-term discipline needed to reap the benefits of improvements in both](#).

-
1. Indices are not available for direct investment. MSCI data © 2023, all rights reserved.
 2. Indices are not available for direct investment. MSCI data © 2023, all rights reserved. The return of 6.8% is from January 2020 through November 2023. Since the index’s inception in 1994, the annualized compound return is 7.07%.
 3. Eugene F. Fama and Kenneth R. French, “Luck versus Skill in the Cross-Section of Mutual Fund Returns,” *Journal of Finance* 65, no. 5 (October 2010): 1915–1947.

The information in this material is intended for the recipient’s background information and use only. It is provided in good faith and without any warranty or representation as to accuracy or completeness. Information and opinions presented in this material have been obtained or derived from sources believed by Dimensional to be reliable, and Dimensional has reasonable grounds to believe that all factual information herein is true as at the date of this material. It does not constitute investment advice, a recommendation, or an offer of any services or products for sale and is not intended to provide a sufficient basis on which to make an investment decision. Before acting on any information in this document, you should consider whether it is appropriate for your particular circumstances and, if appropriate, seek professional advice. It is the responsibility of any persons wishing to make a purchase to inform themselves of and observe all applicable laws and regulations. Unauthorized reproduction or transmission of this material is strictly prohibited. Dimensional accepts no responsibility for loss arising from the use of the information contained herein.

This material is not directed at any person in any jurisdiction where the availability of this material is prohibited or would subject Dimensional or its products or services to any registration, licensing, or other such legal requirements within the jurisdiction.

“Dimensional” refers to the Dimensional separate but affiliated entities generally, rather than to one particular entity. These entities are Dimensional Fund Advisors LP, Dimensional Fund Advisors Ltd., Dimensional Ireland Limited, DFA Australia Limited, Dimensional Fund Advisors Canada ULC, Dimensional Fund Advisors Pte. Ltd., Dimensional Japan Ltd., and Dimensional Hong Kong Limited. Dimensional Hong

Kong Limited is licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) regulated activities only and does not provide asset management services.

RISKS

Investments involve risks. The investment return and principal value of an investment may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original value. Past performance is not a guarantee of future results. There is no guarantee strategies will be successful.

UNITED STATES

Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission.

Investment products: • Not FDIC Insured • Not Bank Guaranteed • May Lose Value
Dimensional Fund Advisors does not have any bank affiliates.

CANADA

These materials have been prepared by Dimensional Fund Advisors Canada ULC. The other Dimensional entities referenced herein are not registered resident investment fund managers or portfolio managers in Canada.

This material is not intended for Quebec residents.

Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Unless otherwise noted, any indicated total rates of return reflect the historical annual compounded total returns, including changes in share or unit value and reinvestment of all dividends or other distributions, and do not take into account sales, redemption, distribution, or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated.

AUSTRALIA

This material is issued by DFA Australia Limited (AFS License No. 238093, ABN 46 065 937 671). This material is provided for information only. No account has been taken of the objectives, financial situation or needs of any particular person. Accordingly, to the extent this material constitutes general financial product advice, investors should, before acting on the advice, consider the appropriateness of the advice, having regard to the investor's objectives, financial situation and needs. Investors should also consider the Product Disclosure Statement (PDS) and the target market determination (TMD) that have been made for each financial product either issued or distributed by DFA Australia Limited prior to acquiring or continuing to hold any investment. Go to dimensional.com/funds to access a copy of the PDS or the relevant TMD. Any opinions expressed in this material reflect our judgement at the date of publication and are subject to change.

NEW ZEALAND

This material is issued by DFA Australia Limited (incorporated in Australia, AFS License No. 238093, ABN 46 065 937 671). This material is provided for information only. This material does not give any recommendation or opinion to acquire any financial product or any financial advice product, and is not financial advice to you or any other person. No account has been taken of the objectives, financial situation or needs of any particular person. Accordingly, investors should, before acting on the advice, consider the appropriateness of the advice, having regard to the investor's objectives, financial situation and needs. Investors should also consider the Product Disclosure Statement (PDS) and

for the Dimensional Wholesale Trusts the target market determination (TMD) that have been made for each financial product or financial advice product either issued or distributed by DFA Australia Limited prior to acquiring or continuing to hold any investment. Go to dimensional.com/funds to access a copy of the PDS or the relevant TMD. Any opinions expressed in this material reflect our judgement at the date of publication and are subject to change.

WHERE ISSUED BY DIMENSIONAL IRELAND LIMITED

Issued by Dimensional Ireland Limited (Dimensional Ireland), with registered office 3 Dublin Landings, North Wall Quay, Dublin 1, Ireland. Dimensional Ireland is regulated by the Central Bank of Ireland (Registration No. C185067).

WHERE ISSUED BY DIMENSIONAL FUND ADVISORS LTD.

Issued by Dimensional Fund Advisors Ltd. (Dimensional UK), 20 Triton Street, Regent's Place, London, NW1 3BF. Dimensional UK is authorised and regulated by the Financial Conduct Authority (FCA) - Firm Reference No. 150100.

Dimensional UK and Dimensional Ireland do not give financial advice. You are responsible for deciding whether an investment is suitable for your personal circumstances, and we recommend that a financial adviser helps you with that decision.

Dimensional UK and Dimensional Ireland issue information and materials in English and may also issue information and materials in certain other languages. The recipient's continued acceptance of information and materials from Dimensional UK and Dimensional Ireland will constitute the recipient's consent to be provided with such information and materials, where relevant, in more than one language.

NOTICE TO INVESTORS IN SWITZERLAND: This is advertising material.

JAPAN

For Institutional Investors and Registered Financial Instruments Intermediary Service Providers.

This material is deemed to be issued by Dimensional Japan Ltd., which is regulated by the Financial Services Agency of Japan and is registered as a Financial Instruments Firm conducting Investment Management Business and Investment Advisory and Agency Business.

Dimensional Japan Ltd.

Director of Kanto Local Finance Bureau (FIBO) No. 2683

Membership: Japan Investment Advisers Association

SINGAPORE

This material is deemed to be issued by Dimensional Fund Advisors Pte. Ltd., which is regulated by the Monetary Authority of Singapore and holds a capital markets services license for fund management.

This advertisement has not been reviewed by the Monetary Authority of Singapore and should not be shown to prospective retail investors.

FOR PROFESSIONAL INVESTORS IN HONG KONG

This material is deemed to be issued by Dimensional Hong Kong Limited (CE No. BJE760) ("Dimensional Hong Kong"), which is licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) regulated activities only and does not provide asset management services.

This material should only be provided to “professional investors” (as defined in the Securities and Futures Ordinance [Chapter 571 of the Laws of Hong Kong] and its subsidiary legislation) and is not for use with the public. This material is not intended to constitute and does not constitute marketing of the services of Dimensional Hong Kong or its affiliates to the public of Hong Kong. When provided to prospective investors, this material forms part of, and must be provided together with, applicable fund offering materials. This material must not be provided to prospective investors on a standalone basis. Before acting on any information in this material, you should consider whether it is suitable for your particular circumstances and, if appropriate, seek professional advice.

Neither Dimensional Hong Kong nor its affiliates shall be responsible or held responsible for any content prepared by financial advisors. Financial advisors in Hong Kong shall not actively market the services of Dimensional Hong Kong or its affiliates to the Hong Kong public.

dimensional.com



12/29/2023

<https://my.dimensional.com/many-happy-returns>