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# DFA Five-Year Global Fixed Income Fund

## Management Report of Fund Performance

*For the Year ended December 31, 2008*

The annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling Dimensional Fund Advisors Canada ULC, formerly Dimensional Fund Advisors Canada Inc. ("Dimensional") collect at 604-685-1633, by writing to Dimensional at 1500 West Georgia Street, Suite 1520, Vancouver, BC, Canada, V6G 2Z6 or by visiting Dimensional's website at [www.dfacanada.com](http://www.dfacanada.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Unitholders may also contact Dimensional using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

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# DFA Five-Year Global Fixed Income Fund

## Management Report of Fund Performance

### Investment Objective and Strategies

The DFA Five-Year Global Fixed Income Fund (“Fund”) pursues a market rate of return for a global fixed income portfolio with a relatively low volatility of returns.

The Fund will generally purchase high-quality fixed income securities issued or guaranteed by the Canadian government, Canadian issuers, foreign governments, their agencies and instrumentalities, other foreign issuers, and supranational organizations. The Fund will generally invest in fixed income instruments maturing in five years or less. The investment strategy shifts maturities based on changes in the yield curve in various global fixed income markets. Points on the curve offering the highest expected return are identified as potential areas of investment.

### Risk

There were no material changes to the Fund over the course of the year affecting the overall risk exposure. The Fund will continue to be exposed to interest rate risk, and the pattern of returns may differ significantly from conventional benchmarks, such as the DEX Short-Term<sup>®</sup> Bond Index (“Index”). The Fund may engage in securities lending transactions and, as a result, may be exposed to securities lending risk. Securities lending risk includes the risk that the value of collateral held by the Fund may be insufficient to fully replace loaned securities and the risk of defaults on the obligations to return the securities to the Fund. These risks may make an investment in the Fund riskier than if the Fund did not lend securities. Investors are encouraged to read the description of securities lending risk contained in the simplified prospectus. The Fund will also continue to be exposed to the other risks described in the Fund’s simplified prospectus.

### Results of Operations

The Fund was essentially fully invested in fixed income securities throughout the period. Average cash levels were in general less than 1% of the Fund’s assets. When the yield curve is flat or inverted, short-term securities potentially offer the most opportunity on a risk-adjusted basis. When the yield curve is upwardly sloped, maturities are lengthened to achieve higher returns associated with longer maturities. For the period, the US Dollar yield curve was upwardly sloped, resulting in an extension of the average maturity of the Fund’s portfolio. The average maturity of the Fund increased from 1.39 years on December 31, 2007 to 2.75 years on December 31, 2008. In addition, country weights were shifted in response to changes in the shape of the yield curves among various markets. Bonds denominated in U.S. Dollars increased from 0% of the Fund’s portfolio on December 31, 2007 to 51.5% as at December 31, 2008, while the allocation to bonds denominated in Canadian Dollars decreased from 16% on December 31, 2007 to 6.9% on December 31, 2008.

For the year ended December 31, 2008, total returns were 4.12% for the Class F units, 3.03% for the Class A units, and 8.55% for the Index. Results for the Index are not diminished

by management and administrative expenses associated with managing a portfolio of securities. Relative to the Index, underperformance of the Class F units and Class A units was primarily due to the credit spread widening for corporate bonds held in the Fund during a period when corporate credit spreads widened by extraordinary amounts. While the Fund invests primarily in AAA and AA securities the benchmark has a significant allocation to Canadian government securities, which outperformed AAA and AA rated securities for the year ended December 31, 2008. In addition, the shorter duration of the Fund versus the Index decreased the Fund’s performance during the period as interest rates declined in Canada.

Net returns of Class A units were diminished by a trailer fee payable to securities dealers. Dealers generally pay a portion of these fees to investment professionals for services they provide to their clients.

### Recent Developments

Canadian, U.S., and international credit markets experienced extreme levels of volatility in 2008, as defaults in the subprime and related mortgage markets and the subsequent bankruptcy of leading underwriter Lehman Brothers caused credit spreads to widen sharply. Risk aversion caused a severe tightening of credit across all maturities and quality ranges. To encourage lending, central banks around the world lowered short-term interest rates and pumped liquidity into the financial system. Dimensional Fund Advisors Canada ULC, formerly Dimensional Fund Advisors Canada Inc. (“Dimensional”) will continue to pursue a disciplined quantitative approach to identify securities for purchase or sale. In contrast to many investment firms, Dimensional does not seek to predict the future course of business conditions or interest rates. Dimensional believes that securities markets are highly competitive and prices reflect information quickly enough that efforts to outperform the market ordinarily promise little or no payoff after taking account of research and transaction costs. Dimensional seeks to capture a market rate of return associated with various broad risk factors while minimizing company or industry risk through diversification.

Section 14.2 of amended National Instrument 81-106 (“NI 81-106”) issued by the Canadian Securities Administrators, that came into force on September 8, 2008, requires an investment fund to calculate its daily Net Asset Value for the purchase and redemption of units based on the fair value of the investment fund’s assets and liabilities as determined using the closing price of investments. The Fund has not changed its valuation methodology in its investments in connection with the adoption of this requirement. Changes to the Fund’s accounting policies are fully disclosed in the notes to the financial statements.

### Related-Party Transactions

Dimensional is the manager, trustee, and principal portfolio advisor of the Fund. As manager, Dimensional is responsible for the overall management and administration of the Fund.

## **DFA Five-Year Global Fixed Income Fund**

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As trustee, Dimensional holds legal title to the Fund's investments in trust for unitholders. For its services, Dimensional receives a management fee that is calculated as a percentage of the average net asset value of the Fund. This fee is calculated daily and payable monthly.

As principal portfolio advisor, Dimensional is responsible for managing the investment portfolio of the Fund directly or through sub-advisors. Dimensional has retained its parent company, Dimensional Fund Advisors LP ("Dimensional U.S."), to act as the Fund's sub-advisor. Dimensional U.S. is responsible for investment analysis and decision making, implementing security transactions, selecting broker-dealers, acquiring research information, voting proxies, and monitoring

the Fund's investment guidelines. Dimensional has also engaged another of its affiliates, DFA Australia Limited, as sub-advisor to the Fund. The fees of the sub-advisor are paid by Dimensional.

Dimensional has adopted written policies and procedures with respect to the supervision and monitoring of the services provided by Dimensional, Dimensional U.S. and the other sub-advisor to the Fund, and received standing instructions from the Fund's Independent Review Committee ("IRC") to act in accordance with these policies and procedures. These standing instructions require Dimensional to report to the IRC any material exceptions to compliance with these policies and procedures.

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**Financial Highlights**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years. Per unit data is derived from the Fund's financial statements. The net assets per unit presented in the financial statement differs from the net asset value used in calculating purchase and redemption prices for the fund, due to differences in valuation techniques of certain investments.

Ratio and supplemental data is derived from the Fund's net asset value.

During the year, no Class I units were issued and therefore, no information has been presented for this class of units.

**The Fund's Net Assets per Unit (\$) <sup>(1)</sup>**

<b>CLASS A</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Net Assets, beginning of year</b>	<b>\$ 9.39</b>	<b>\$ 9.28</b>	<b>\$ 9.33</b>	<b>\$ 9.74</b>	<b>\$ 10.12</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.34	0.32	0.32	(0.04)	0.24
Total expenses	(0.14)	(0.14)	(0.14)	0.01	(0.04)
Realized gains (losses) for the year	(1.40)	0.40	(0.78)	(0.05)	0.20
Unrealized gains (losses) for the year	1.45	(0.29)	0.75	0.07	(0.16)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ 0.25</b>	<b>\$ 0.29</b>	<b>\$ 0.15</b>	<b>\$ (0.01)</b>	<b>\$ 0.24</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.19)	(0.18)	(0.19)	(0.24)	(0.24)
From dividends	-	-	-	-	(0.05)
From capital gains	-	-	-	(0.25)	(0.46)
Return of capital	-	-	-	-	-
<b>Total Annual Distributions<sup>(3)</sup></b>	<b>(0.19)</b>	<b>(0.18)</b>	<b>(0.19)</b>	<b>(0.49)</b>	<b>(0.75)</b>
<b>Net Assets, end of year</b>	<b>\$ 9.47</b>	<b>\$ 9.39</b>	<b>\$ 9.28</b>	<b>\$ 9.33</b>	<b>\$ 9.74</b>

<b>CLASS F</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Net Assets, beginning of year</b>	<b>\$ 9.46</b>	<b>\$ 9.34</b>	<b>\$ 9.39</b>	<b>\$ 9.77</b>	<b>\$ 10.07</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.34	0.32	0.32	0.60	0.45
Total expenses	(0.04)	(0.04)	(0.04)	(0.15)	(0.07)
Realized gains (losses) for the year	(1.53)	0.49	(0.81)	0.76	0.37
Unrealized gains (losses) for the year	1.60	(0.38)	0.77	(1.06)	(0.30)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ 0.37</b>	<b>\$ 0.39</b>	<b>\$ 0.24</b>	<b>\$ 0.15</b>	<b>\$ 0.45</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.30)	(0.27)	(0.29)	(0.30)	(0.27)
From dividends	-	-	-	-	(0.05)
From capital gains	-	-	-	(0.25)	(0.46)
Return of capital	-	-	-	-	-
<b>Total Annual Distributions<sup>(3)</sup></b>	<b>(0.30)</b>	<b>(0.27)</b>	<b>(0.29)</b>	<b>(0.55)</b>	<b>(0.78)</b>
<b>Net Assets, end of year</b>	<b>\$ 9.53</b>	<b>\$ 9.46</b>	<b>\$ 9.34</b>	<b>\$ 9.39</b>	<b>\$ 9.77</b>

<sup>(1)</sup> This information is derived from the Fund's audited annual financial statements. The net assets per unit presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements.

<sup>(2)</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial year.

<sup>(3)</sup> Distributions were paid in cash/reinvested in additional units of the Fund, or both.

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**Ratios and Supplemental Data**

	<b>Dec 31, 2008</b>	<b>Dec 31, 2007</b>	<b>Dec 31, 2006</b>	<b>Dec 31, 2005</b>	<b>Dec 31, 2004</b>
<b>CLASS A</b>					
Total net asset value (\$) (000's) <sup>(1)</sup>	92,089	113,977	91,168	71,798	13,272
Number of units outstanding (000's) <sup>(1)</sup>	9,714	12,133	9,824	7,696	1,362
Management expense ratio <sup>(2)</sup>	1.47%	1.52%	1.55%	1.60%	1.60%
Management expense ratio before waivers or absorption	1.47%	1.52%	1.53%	1.62%	1.74%
Trading expense ratio <sup>(3)</sup>	–	–	–	–	–
Portfolio turnover rate <sup>(4)</sup>	73.67%	36.62%	86.71%	68.90%	96.73%
Net asset value per unit (\$)	9.48	9.39	9.28	9.33	9.74
<b>CLASS F</b>					
Total net asset value (\$) (000's) <sup>(1)</sup>	143,519	104,807	100,589	96,019	75,847
Number of units outstanding (000's) <sup>(1)</sup>	15,042	11,075	10,767	10,229	7,765
Management expense ratio <sup>(2)</sup>	0.40%	0.45%	0.45%	0.60%	0.60%
Management expense ratio before waivers or absorption	0.40%	0.45%	0.45%	0.54%	0.64%
Trading expense ratio <sup>(3)</sup>	–	–	–	–	–
Portfolio turnover rate <sup>(4)</sup>	73.67%	36.62%	86.71%	68.90%	96.73%
Net asset value per unit (\$)	9.54	9.46	9.34	9.39	9.77

<sup>(1)</sup> The information is provided as at December 31 of the period shown.

<sup>(2)</sup> Management expense ratio is based on total expenses (excluding broker commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

<sup>(3)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

<sup>(4)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

# DFA Five-Year Global Fixed Income Fund

## Management Report of Fund Performance

### Management Fees

Dimensional receives a management fee for its service as manager of the Fund. This fee is calculated as a percentage of the net asset value of the Fund and is calculated daily and payable monthly. The table below shows the annual management fee rates for each class of units of the Fund.

Annual Rate	Class A	Class F
Management fees	1.25%	0.25%

Dimensional pays a trailer fee to dealers out of the management fees received for Class A units of the Fund. These trailer fees are generally calculated as a percentage of the average daily net asset value of Class A units of the Fund held by the dealer's clients or by the dealer on behalf of the clients. The maximum annual trailer fee for the Class A units of the Fund is 1.00%. The balance of the management fees are for the general management and administrative services provided to the Fund. The table below shows a breakdown of the services received by the Fund as a percentage of management fees.

	Class A	Class F
Management and administrative services	20%	100%
Trailer fees	80%	0%
	100%	100%

No management fees are charged to the Fund with respect to Class I units. Instead, each Class I investor pays a separate fee directly to the manager of the Fund. During the period, no Class I units of the Fund were outstanding.

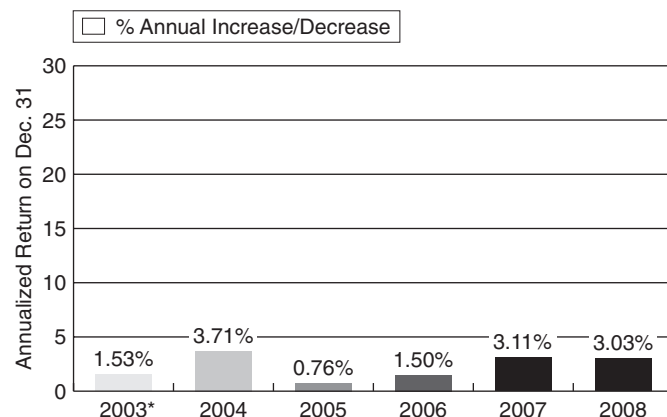
### Past Performance

The performance information shown assumes that all distributions made by the Fund during the periods shown were reinvested in additional units of the Fund. The performance information does not take into account any sales, redemption, distribution, or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future. During the period, no Class I units of the Fund were outstanding and therefore, no performance information is presented for this class of units.

### Year-by-Year Returns

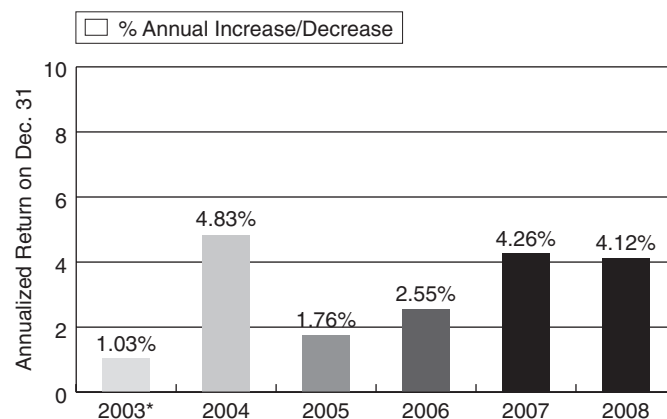
The bar charts show the Fund's annual performance for each of the financial years shown, and how the Fund's performance has changed from year to year. The charts show, in percentage terms, how an investment made on the first day of each financial year would have increased or decreased by the last day of that financial year.

### DFA Five-Year Global Fixed Income Fund, Class A



\* The information for 2003 is for the period from November 10, 2003 to December 31, 2003.

### DFA Five-Year Global Fixed Income Fund, Class F



\* The information for 2003 is for the period from October 24, 2003 to December 31, 2003.

# DFA Five-Year Global Fixed Income Fund

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## Annual Compound Returns

The following table compares the Fund's historical annual compound total returns for the periods shown ending on December 31, 2008. The historical annual compound total returns are also compared to the Index.

Index returns are calculated in Canadian dollars on a total return basis; that is, all distributions are reinvested. The Index is a broad measure of the total return of Canadian bonds that have maturities between 1 and 5 years. Results for the Index are not diminished by management fees, administrative expenses, or taxes associated with managing a portfolio of securities.

### Percentage Return:

	1-Year	3-Year	5-Year	10-Year	Since Inception
Class A	3.03%	2.54%	2.42%	n/a	2.65%
DEX Short-Term® Bond Index	8.55%	5.53%	4.80%	n/a	5.02%

### Percentage Return:

	1-Year	3-Year	5-Year	10-Year	Since Inception
Class F	4.12%	3.64%	3.50%	n/a	3.57%
DEX Short-Term® Bond Index	8.55%	5.53%	4.80%	n/a	4.84%

## Summary of Investment Portfolio

as at December 31, 2008

Country Mix	% of Fund's Net Asset Value
Canadian Federal Bonds	3.22
Canadian Provincial Bonds	6.99
Austria	4.49
Britain	2.64
France	7.47
Germany	8.78
Japan	4.29
Netherlands	6.27
Norway	3.82
Spain	3.50
Sweden	3.30
United States of America	30.32
Supranational	4.57
Cash and Cash Equivalents	9.91
Currency Forwards	(0.59)
Net Other Assets	1.02
	<u>100.00</u>

Top 25 Issuers	Maturity Date	Coupon Rate	% of Fund's Net Asset Value
Cash and Cash Equivalents (includes short-term investments)			9.91
Pfandbriefstelle der Oesterreichischen Landes-Hypo.	Feb 15, 2011	1.600%	4.00
Rabobank Nederland	Feb 03, 2011	0.800%	3.86
Pepsico Inc.	Feb 15, 2013	4.650%	3.35
Province of British Columbia	May 30, 2013	4.300%	3.28
Export Development Canada	Jul 15, 2011	3.750%	3.22
Eksportfinans A/S	Jun 21, 2010	1.800%	2.95
Province of Ontario	Feb 15, 2013	4.375%	2.82
Freddie Mac	Jul 15, 2013	4.500%	2.81
Federal Home Loan Bank	May 15, 2012	5.750%	2.78
3M Co.	Aug 15, 2013	4.375%	2.72
Caisse d'Amortissement de la Dette Sociale	Jan 15, 2013	5.000%	2.67
Toyota Motor Credit Corp.	Jun 30, 2010	0.550%	2.64
JPMorgan Chase & Co.	Jun 22, 2012	2.125%	2.60
Swedish Export Credit	Sep 29, 2011	4.875%	2.53
Japan Finance Corp. for Municipal Enterprises	Feb 21, 2012	1.550%	2.52
Tennessee Valley Authority	Mar 15, 2013	6.000%	2.52
Total Capital SA	Jun 23, 2010	2.375%	2.45
African Development Bank	Mar 23, 2010	1.950%	2.41
Nederlandse Waterschapsbank NV	Mar 31, 2010	2.000%	2.41
DSL Bank AG	Oct 07, 2009	1.750%	2.29
Instituto De Credito Oficial	Jul 02, 2012	5.375%	2.26
Landwirtschaftliche Rentenbank	Jul 15, 2013	4.125%	2.17
BP Capital Markets	Nov 07, 2013	5.250%	2.16
European Investment Bank	Apr 15, 2009	4.000%	2.15
			<u>75.48</u>
Total Net Asset Value			\$235,557,538

## DFA Five-Year Global Fixed Income Fund

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All holdings of the Fund are long positions.

The Summary of Investment Portfolio may change due to the Fund's ongoing portfolio transactions. Quarterly updates are available within 60 days of each quarter end where an annual or interim report is not published by visiting [www.dfacanada.com](http://www.dfacanada.com) or by calling Dimensional collect at 604-685-1633 or by writing to Dimensional at 1500 West Georgia Street, Suite 1520, Vancouver, BC, Canada, V6G 2Z6.

#### **Forward Looking Statements**

In preparing this document, Dimensional is required to exercise some degree of prediction or projection. As a result, this document may contain forward-looking statements relating to anticipated future events, results, performance, decisions, circumstances, opportunities, risks or other matters. By their

nature, these forward-looking statements require Dimensional to make assumptions and are subject to inherent risks and uncertainties. In particular, there is a risk that Dimensional's predictions and other forward-looking statements will not prove to be accurate. A number of factors could cause actual events, results, performance, etc. to differ materially from the targets, expectations, estimates, or intentions expressed or implied in the forward-looking statements. These factors could, among others, include market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business area in which the Fund may invest, and the risks detailed from time to time in the Funds' simplified prospectus. For these reasons, it is important that readers do not place undue reliance on any forward-looking statements.