

P R O S P E C T U S

December 23, 2003

Please carefully read the important information it contains before investing.

DIMENSIONAL INVESTMENT GROUP INC.

Dimensional Investment Group Inc. is an investment company that offers a variety of investment portfolios. Each Portfolio described in this Prospectus:

- Is a mutual fund with its own investment objective and policies.
- Is generally available only to institutional investors, retirement benefit plans, certain financial institutions and clients of registered investment advisors.
- Does not charge a sales commission or “load.”
- Is designed for long-term investors.

GLOBAL EQUITY PORTFOLIO

GLOBAL 60/40 PORTFOLIO

GLOBAL 25/75 PORTFOLIO

CLASS R SHARES INSTITUTIONAL CLASS SHARES

The Securities and Exchange Commission has not approved or disapproved these securities or passed upon the adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

Investments in the Portfolios are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency. Investments in the Portfolios involve investment risk, including the possible loss of principal.

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RISK/RETURN SUMMARY

About the Portfolios

The Portfolios Have Special Structures: Each of the Global Equity Portfolio, Global 60/40 Portfolio and Global 25/75 Portfolio (the “Portfolios”) is a “fund of funds,” which means that each Portfolio does not buy securities directly, but rather, each Portfolio allocates its assets among other mutual funds (the “Underlying Funds”) managed by Dimensional Fund Advisors Inc. (the “Advisor” or “Dimensional”).

Asset Allocation Strategies: The Portfolios provide investors with an option to choose one of three diversified investment portfolios, which combine multiple equity investment strategies with varying levels of fixed income strategies. The Advisor employs different asset allocation strategies for each Portfolio by purchasing shares of Underlying Funds that invest in equity securities of domestic and international issuers in different proportions for each Portfolio, and shares of Underlying Funds that invest in fixed income securities of domestic and international issuers in different proportions for the Global 60/40 Portfolio and Global 25/75 Portfolio. The target allocation of assets between equity Underlying Funds (the “Equity Underlying Funds,” consisting of the “Domestic Equity Underlying Funds” and the “International Equity Underlying Funds”) and fixed income Underlying Funds (the “Fixed Income Underlying Funds”), and the range of allocations for each Portfolio, under normal circumstances, are shown in the table below:

	<i>Global Equity Portfolio Allocation</i>		<i>Global 60/40 Portfolio Allocation</i>		<i>Global 25/75 Portfolio Allocation</i>	
	Target	Range	Target	Range	Target	Range
Equity Underlying Funds	100%	90%-100%	60%	40%-80%	25%	5%-45%
Fixed Income Underlying Funds	0%	0%	40%	20%-60%	75%	55%-95%

Each Portfolio’s target allocation generally relates to a different level of equity and fixed income exposure, and hence, a different level of overall risk. The Global Equity Portfolio seeks to provide maximum capital appreciation, resulting in the highest level of equity risk of the three Portfolios. The Global 25/75 Portfolio seeks to provide investors with a return consistent with relatively low levels of equity risk. The Global 60/40 Portfolio’s equity risk level falls between that of the Global Equity and Global 25/75 Portfolios.

As of the date of this Prospectus, each Portfolio is expected to invest mainly in the Underlying Funds listed below, except that the Global Equity Portfolio is not expected to invest in the Fixed Income Underlying Funds. While each Portfolio currently intends to invest in the Underlying Funds identified below, each Portfolio may add or eliminate Underlying Funds as may be determined from time to time by the Advisor without notice to shareholders.

Domestic Equity Underlying Funds—The U.S. Large Company Series, The U.S. Large Cap Value Series, The U.S. Small Cap Series and DFA Real Estate Securities Portfolio.

International Equity Underlying Funds—Large Cap International Portfolio, The DFA International Value Series, The Japanese Small Company Series, The Pacific Rim Small Company Series, The United Kingdom Small Company Series, The Continental Small Company Series, The Emerging Markets Series, Dimensional Emerging Markets Value Fund Inc. and The Emerging Markets Small Cap Series.

Fixed Income Underlying Funds—The DFA Two-Year Global Fixed Income Series and DFA Five-Year Global Fixed Income Portfolio.

The investment objectives and policies of the Underlying Funds are summarized in the section, “INVESTMENT OBJECTIVES AND POLICIES OF THE PORTFOLIOS—Investment Objectives, Strategies and Policies of the Underlying Funds.”

Management

Dimensional is the investment manager for the Portfolios and Underlying Funds.

Investment Objectives, Investment Strategies and Principal Risks

Investment Objectives and Investment Strategies

Global Equity Portfolio (the “Equity Portfolio”)

- *Investment Objective:* Long-term capital appreciation.
- *Investment Strategy:* Invest the Portfolio’s assets in Equity Underlying Funds. (The Portfolio will have no exposure to Fixed Income Underlying Funds.)

Global 60/40 Portfolio (the “60/40 Portfolio”)

- *Investment Objective:* Total return consisting of capital appreciation and current income.
- *Investment Strategy:* Invest the Portfolio’s assets to achieve an allocation of approximately 60% of the Portfolio’s assets to Equity Underlying Funds and approximately 40% of the Portfolio’s assets to Fixed Income Underlying Funds.

Global 25/75 Portfolio (the “25/75 Portfolio”)

- *Investment Objective:* Total return consistent with current income and preservation of capital with some capital appreciation.
- *Investment Strategy:* Invest the Portfolio’s assets to achieve an allocation of approximately 25% of the Portfolio’s assets to Equity Underlying Funds and approximately 75% of its assets to Fixed Income Underlying Funds.

Principal Risks

Fund of Funds Risk: The investment performance of each Portfolio is affected by the investment performance of the Underlying Funds in which the Portfolio invests. The ability of a Portfolio to achieve its investment objective depends on the ability of the Underlying Funds to meet their investment objectives and on the Advisor’s decisions regarding the allocation of the Portfolio’s assets among the Underlying Funds. There can be no assurance that the investment objective of any Portfolio or Underlying Fund will be achieved. Through their investments in the Underlying Funds, the Portfolios are subject to the risks of the Underlying Funds’ investments. The risks of the Underlying Funds’ investments are listed below.

Market Risk: Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer specific events will cause the value of securities, and the Underlying Funds that own them (and, in turn, the Portfolios) to rise or fall. Because the value of your investment in a Portfolio will fluctuate, there is the risk that you may lose money.

Small Company Risk: Securities of small companies are often less liquid than those of large companies. As a result, small company stocks may fluctuate relatively more in price.

Risks of Concentrating in the Real Estate Industry: The DFA Real Estate Securities Portfolio, one of the Domestic Equity Underlying Funds, is concentrated in the real estate industry. The DFA Real Estate Securities Portfolio’s exclusive focus on the real estate industry may cause its risk to approximate the general risks of direct real estate ownership. Its performance may be materially different from the broad U.S. equity market.

Foreign Securities and Currencies Risk: Foreign securities prices may decline or fluctuate because of: (a) economic or political actions of foreign governments, and/or (b) less regulated or liquid securities markets. Investors holding these securities are also exposed to foreign currency risk (the possibility that foreign currency will fluctuate in value against the U.S. dollar).

Emerging Markets Risk: Numerous emerging market countries have recently experienced serious economic and political problems. Stock markets in many emerging market countries are relatively small, expensive to trade and risky. Foreigners are often limited in their ability to invest in, and withdraw assets from, these markets. Additional restrictions may be imposed under emergency conditions. Risks generally associated with foreign securities and currencies also apply.

Interest Rate Risk: Fixed income securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices fall. When interest rates fall, fixed income security prices rise. In general, securities with longer maturities are more sensitive to these price changes. Interest rate risk is not a principal risk for the Equity Underlying Funds or the Equity Portfolio.

Credit Risk: Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value, and thus, impact an Underlying Fund's performance. Credit risk is not a principal risk for the Equity Underlying Funds or the Equity Portfolio.

Risks of Banking Concentration: The DFA Two-Year Global Fixed Income Series, one of the Fixed Income Underlying Funds, will concentrate its assets (invest more than 25% of its total assets) in obligations of U.S. and/or foreign banks and bank holding companies when the yield to maturity on these instruments exceeds the yield to maturity on all other eligible portfolio investments of similar quality for a period of five consecutive days when the New York Stock Exchange ("NYSE") is open for trading. Focus on the banking industry would link the performance of The DFA Two-Year Global Fixed Income Series to changes in performance of the banking industry generally. For example, a change in the market's perception of the riskiness of banks compared to non-banks would cause The DFA Two-Year Global Fixed Income Series' value to fluctuate.

Other Risks

Securities Lending:

The Underlying Funds purchased by the Portfolios may lend their portfolio securities to generate additional income. If the Underlying Funds lend their portfolio securities for these purposes, the Underlying Funds will use various strategies (for example, only making fully collateralized loans) to reduce related risks.

Risk and Return Bar Charts and Tables

Performance information is not available for the Portfolios because they are new.

FEES AND EXPENSES

This table describes the fees and expenses you may pay if you buy and hold Class R shares or Institutional Class shares of the Portfolios.

Shareholder Fees (fees paid directly from your investment): None

ANNUAL FUND OPERATING EXPENSES (expenses that are deducted from Portfolio assets)

<u>Equity Portfolio</u>	<u>Class R</u>	<u>Institutional Class</u>
Management/Administration Fee(1)	0.30%	0.30%
Shareholder Services Fees(2)	0.25%	None
Other Expenses(3)	0.16%	0.16%
Underlying Fund Expenses(4)	<u>0.17%</u>	<u>0.17%</u>
Total Operating Expenses	0.88%	0.63%
Fee Waiver and/or Expense Assumption	<u>0.04%(5)</u>	<u>0.04%(6)</u>
Net Expenses	<u>0.84%</u>	<u>0.59%</u>
<u>60/40 Portfolio</u>	<u>Class R</u>	<u>Institutional Class</u>
Management/Administration Fee(1)	0.25%	0.25%
Shareholder Services Fees(2)	0.25%	None
Other Expenses(3)	0.16%	0.16%
Underlying Fund Expenses(4)	<u>0.20%</u>	<u>0.20%</u>
Total Operating Expenses	0.86%	0.61%
Fee Waiver and/or Expense Assumption	<u>0.06%(5)</u>	<u>0.06%(6)</u>
Net Expenses	<u>0.80%</u>	<u>0.55%</u>
<u>25/75 Portfolio</u>	<u>Class R</u>	<u>Institutional Class</u>
Management/Administration Fee(1)	0.20%	0.20%
Shareholder Services Fees(2)	0.25%	None
Other Expenses(3)	0.16%	0.16%
Underlying Fund Expenses(4)	<u>0.23%</u>	<u>0.23%</u>
Total Operating Expenses	0.84%	0.59%
Fee Waiver and/or Expense Assumption	<u>0.09%(5)</u>	<u>0.09%(6)</u>
Net Expenses	<u>0.75%</u>	<u>0.50%</u>

- (1) The "Management/Administration Fee" reflects the administration fees paid by the Portfolios to the Advisor. The Portfolios do not pay separate management fees to the Advisor. The Advisor is not compensated for the management services it provides to the Portfolios.
- (2) An amount up to 0.25% of the average net assets of a Portfolio's Class R shares may be used to compensate service agents that provide shareholder servicing, record keeping, account maintenance and other services to investors in a Portfolio's Class R shares ("Shareholder Services Agent").
- (3) "Other Expenses" are annualized expenses based on anticipated fees and expenses payable by the Portfolios through the fiscal year ending November 30, 2004.

- (4) “Underlying Fund Expenses” are estimated expenses based upon the anticipated assets of the Portfolios to be invested in each Underlying Fund and upon the actual total operating expenses of the Underlying Funds (including any current waivers and expense limitations of the Underlying Funds). Actual Underlying Fund Expenses incurred by the Portfolios may vary with changes in the allocation of the Portfolios’ assets among the Underlying Funds and with other events that directly affect the expenses of the Underlying Funds.
- (5) Pursuant to a Fee Waiver and Expense Assumption Agreement, Dimensional will:
- (i) waive its administration fees to the extent necessary to limit the proportionate share of the total combined administration fees paid by each of the Portfolios and management fees paid by the Underlying Funds to the Advisor to 0.35% for the Equity Portfolio, to 0.30% for the 60/40 Portfolio and 0.25% for the 25/75 Portfolio; and
 - (ii) assume the direct operating expenses of the Class R shares of each Portfolio (excluding administration fees paid to the Dimensional) to the extent necessary to limit the total expense ratios (including the expenses that the Class R shares of each such Portfolio bear as a shareholder of the Underlying Funds and including Shareholder Services Fees) of the Class R shares of each Portfolio to 0.95%.

The Fee Waiver and Expense Assumption Agreement will remain in effect through December 31, 2004, and shall continue in effect from year to year thereafter unless terminated by Dimensional Investment Group Inc. (“DIG”) or the Advisor.

- (6) Pursuant to a Fee Waiver and Expense Assumption Agreement, Dimensional will:
- (i) waive its administration fees to the extent necessary to limit the proportionate share of the total combined administration fees paid by each of the Portfolios and management fees paid by the Underlying Funds to the Advisor to 0.35% for the Equity Portfolio, to 0.30% for the 60/40 Portfolio and 0.25% for the 25/75 Portfolio; and
 - (ii) assume the direct operating expenses of the Institutional Class shares of each Portfolio (excluding Administration Fees paid to Dimensional), up to an amount equal to the total fees paid to Dimensional by the Institutional Class shares (including the pass through of the management fees paid to Dimensional by the Underlying Funds), as is necessary to limit the total expense ratios (including the expenses that the Institutional Class shares of each such Portfolio bear as a shareholder of the Underlying Funds) of the Institutional Class shares of the Equity Portfolio to 0.70%, the 60/40 Portfolio to 0.65% and the 25/75 Portfolio to 0.60%.

The Fee Waiver and Expense Assumption Agreement will remain in effect through December 31, 2004, and shall continue in effect from year to year thereafter unless terminated by DIG or the Advisor.

EXAMPLE

This Example is meant to help you compare the cost of investing in the Portfolios with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in a Portfolio for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Portfolio's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions, your costs would be as follows:

	<u>1 Year</u>	<u>3 Years</u>
Equity Portfolio		
Class R Shares	\$86	\$277
Institutional Class Shares	\$60	\$198
60/40 Portfolio		
Class R Shares	\$82	\$268
Institutional Class Shares	\$56	\$189
25/75 Portfolio		
Class R Shares	\$77	\$259
Institutional Class Shares	\$51	\$180

Because the Portfolios are new, the Example is based on the anticipated expenses for each class of each Portfolio for the current fiscal year and does not extend over five- and ten- year periods. The costs of each class for each Portfolio reflect the "Net Expenses" that result from the contractual expense waivers and assumptions of expenses for the first year only.

HIGHLIGHTS

Management and Administrative Services

Dimensional provides each Portfolio with administrative services and also serves as investment advisor to each Portfolio and Underlying Fund. (See "MANAGEMENT OF THE PORTFOLIOS.") DIG contracts with Shareholder Services Agents to provide certain record keeping and other services for the benefit of the Class R shareholders of the Portfolios.

Dividend Policy

Each Portfolio generally distributes dividends from its net investment income quarterly (on a calendar basis) and will distribute any realized net capital gains annually after the end of the Portfolios' fiscal year in November. (See "DIVIDENDS, CAPITAL GAINS DISTRIBUTIONS AND TAXES.")

Purchase, Valuation and Redemption of Shares

The shares of each class of each Portfolio are offered at net asset value, which is calculated as of the close of the NYSE on each day that the NYSE is open for business. The value of a Portfolio's shares will fluctuate in relation to the investment experience of its corresponding Underlying Funds. The redemption price of a share of each class of each Portfolio is equal to its net asset value. (See "PURCHASE OF SHARES," "VALUATION OF SHARES" and "REDEMPTION OF SHARES.")

INVESTMENT OBJECTIVES AND POLICIES OF THE PORTFOLIOS

All Portfolios

The Advisor seeks to construct a diversified portfolio for each Portfolio by purchasing shares of Underlying Funds that invest in equity securities of domestic and international issuers. The 60/40 Portfolio and 25/75 Portfolio will also purchase shares of Underlying Funds that invest in fixed income securities of domestic and international issuers.

Investments in Underlying Funds

As of the date of this Prospectus, each Portfolio is expected to invest in each of the Underlying Funds listed below, except that the Global Equity Portfolio is not expected to invest in Fixed Income Underlying Funds.

Domestic Equity Underlying Funds—The U.S. Large Company Series, The U.S. Large Cap Value Series, The U.S. Small Cap Series and DFA Real Estate Securities Portfolio.

International Equity Underlying Funds—Large Cap International Portfolio, The DFA International Value Series, The Japanese Small Company Series, The Pacific Rim Small Company Series, The United Kingdom Small Company Series, The Continental Small Company Series, The Emerging Markets Series, Dimensional Emerging Markets Value Fund Inc. and The Emerging Markets Small Cap Series.

Fixed Income Underlying Funds—The DFA Two-Year Global Fixed Income Series and DFA Five-Year Global Fixed Income Portfolio.

The Underlying Funds in which each Portfolio may invest, each Portfolio's allocation with respect to each Underlying Fund, the target asset allocation and allocation range between Equity Underlying Funds and Fixed Income Underlying Funds, and the investment policies of the Underlying Funds, may be changed at any time by the Advisor without shareholder approval.

Global Equity Portfolio

The investment objective of the Equity Portfolio is to achieve long-term capital appreciation. To achieve its investment objective, the Equity Portfolio generally allocates its assets to a combination of Equity Underlying Funds. The Equity Portfolio may invest its assets in both Domestic Equity Underlying Funds and International Equity Underlying Funds. As of the date of this Prospectus, the Equity Portfolio intends to invest in the Domestic Equity Underlying Funds and International Equity Underlying Funds listed above under the heading "Investments in Underlying Funds."

In addition to its allocation strategy of providing exposure to the domestic equity and international equity markets through investment in the Underlying Funds, the Equity Portfolio further diversifies its investment portfolio by allocating its assets among Underlying Funds that represent a variety of different asset classes, such as large capitalization, small capitalization and emerging markets stocks. The Equity Portfolio also benefits from the diversification of each Underlying Fund in which it invests. Each Underlying Fund provides diversification among issuers in the asset class in which it focuses.

Periodically, the Advisor will review the allocations for the Equity Portfolio in each Underlying Fund. From time to time, the Advisor may add or remove Underlying Funds in the Equity Portfolio without notice to shareholders. In addition, when the Advisor determines that market forces have caused fundamental changes in the relative values of the assets of the Underlying Funds, the Advisor may modify the allocations of the Equity Portfolio. To maintain target allocations, adjustments may be made by purchasing or selling shares of the Underlying Funds or applying future investments and redemptions by the Equity Portfolio in proportions necessary to rebalance the investments in the Underlying Funds.

By investing all of its assets in Equity Underlying Funds, the Equity Portfolio is expected to provide the most aggressive equity exposure of the three Portfolios, and hence, corresponding level of overall risk.

As a non-fundamental investment policy, under normal circumstances, the Equity Portfolio will generally invest at least 80% of its net assets in equity securities (in the form of shares of the Equity Underlying Funds). If the Equity Portfolio changes this investment policy, the Portfolio will notify shareholders at least 60 days in advance of the change, and will change its name.

Global 60/40 Portfolio

The investment objective of the 60/40 Portfolio is to seek total return consisting of capital appreciation and current income. To achieve its investment objective, the 60/40 Portfolio, under normal market circumstances, allocates its assets to Underlying Funds that invest in equity and fixed income securities. Generally, the 60/40 Portfolio invests its assets in Equity Underlying Funds and Fixed Income Underlying Funds to achieve an allocation of approximately 40% to 80% (with a target allocation of approximately 60%) of the Portfolio's assets to Equity Underlying Funds and 20% to 60% (with a target allocation of approximately 40%) of its assets to Fixed Income Underlying Funds. With respect to investments in Equity Underlying Funds, the 60/40 Portfolio may invest its assets in both Domestic Equity Underlying Funds and International Equity Underlying Funds. As of the date of this Prospectus, the 60/40 Portfolio intends to invest in the Domestic Equity Underlying Funds, International Equity Underlying Funds and Fixed Income Underlying Funds listed above under the heading "Investments in Underlying Funds."

In addition to its allocation strategy of providing exposure to the domestic and international equity and fixed income markets through investment in the Underlying Funds, the 60/40 Portfolio further diversifies its investment portfolio by allocating its assets among Underlying Funds that represent a variety of different asset classes, such as small capitalization stocks, emerging markets stocks and global bonds. The 60/40 Portfolio also benefits from the diversification of each Underlying Fund in which it invests. Each Underlying Fund provides diversification among issuers in the asset class in which it focuses.

Periodically, the Advisor will review the allocations for the 60/40 Portfolio in each Underlying Fund. From time to time, the Advisor may add or remove Underlying Funds in the 60/40 Portfolio without notice to shareholders. In addition, when the Advisor determines that market forces have caused fundamental changes in the relative values of the assets of the Underlying Funds, the Advisor may modify the allocations of the 60/40 Portfolio. To maintain target allocations, adjustments may be made by purchasing or selling shares of the Underlying Funds or applying future investments and redemptions by the 60/40 Portfolio in proportions necessary to rebalance the investments in the Underlying Funds.

By investing its assets in Underlying Funds that invest in a variety of equity and fixed income securities, the 60/40 Portfolio is expected to fall in between the other two Portfolios with regard to expected equity exposure. As a result, the 60/40 Portfolio's risk is also expected to fall between the risks of the Equity Portfolio and 25/75 Portfolio.

Global 25/75 Portfolio

The investment objective of the 25/75 Portfolio is to seek total return consistent with current income and preservation of capital with some capital appreciation. To achieve its investment objective, the 25/75 Portfolio, under normal market circumstances, allocates the majority of its assets to Fixed Income Underlying Funds, but the Portfolio also invests a small portion of its assets to Equity Underlying Funds. Generally, the 25/75 Portfolio invests its assets in Equity Underlying Funds and Fixed Income Underlying Funds to achieve an allocation of approximately 5% to 45% (with a target allocation of approximately 25%) of the Portfolio's assets to Equity Underlying Funds and approximately 55% to 95% (with a target allocation of approximately 75%) of the Portfolio's assets to Fixed Income Underlying Funds. As of the date of this Prospectus, the 25/75 Portfolio intends to invest in the Domestic Equity Underlying Funds, International Equity Underlying Funds and Fixed Income Underlying Funds listed above under the heading "Investments in Underlying Funds."

In addition to its allocation strategy of providing exposure to the domestic and international equity and fixed income markets through investment in the Underlying Funds, the 25/75 Portfolio further diversifies its investment portfolio by allocating its assets among Underlying Funds that represent a variety of different asset

classes, such as small capitalization stocks, emerging markets stocks and global bonds. The 25/75 Portfolio also benefits from the diversification of each Underlying Fund in which it invests. Each Underlying Fund provides diversification among issuers in the asset class in which it focuses.

Periodically, the Advisor will review the allocations for the 25/75 Portfolio in each Underlying Fund. From time to time, the Advisor may add or remove Underlying Funds in the 25/75 Portfolio without notice to shareholders. When the Advisor determines that market forces have caused fundamental changes in the relative values of the assets of the Underlying Funds, the Advisor may modify the allocations of the 25/75 Portfolio. To maintain target allocations, adjustments may be made by purchasing and selling shares of the Underlying Funds or applying future investments and redemptions by the 25/75 Portfolio in proportions necessary to rebalance the investments in the Underlying Fund.

By investing the majority of its assets in Fixed Income Underlying Funds, the 25/75 Portfolio is expected to provide lower equity exposure than the other two Portfolios, and hence, lower levels of overall risk.

INVESTMENT OBJECTIVES, STRATEGIES AND POLICIES OF THE UNDERLYING FUNDS

The following is a summary of the investment strategies, objectives and policies of the Underlying Funds in which the Portfolios invest as of the date of this Prospectus. Additional information concerning the investment policies of the Underlying Funds may be found in the Portfolios' Statement of Additional Information.

Investment Strategies of the Underlying Funds

Equity Investment Approach:

The Advisor believes that equity investing should involve a long-term view and a focus on asset class (e.g., small company stocks) selection, not stock picking. It places priority on limiting expenses, portfolio turnover, and trading costs. Many other investment managers concentrate on reacting to price movements and choosing individual securities.

Portfolio construction: Generally, the Advisor structures a portfolio by:

1. Selecting a starting universe of securities (for example, all publicly traded U.S. common stocks).
2. Creating a sub-set of companies meeting the Advisor's investment guidelines.
3. Excluding certain companies after analyzing various factors (for example, solvency).
4. Purchasing stocks so the portfolio is generally market capitalization weighted.

The U.S. Large Company Series is managed differently. Because this Underlying Fund is an index fund, its only criteria for holding a stock is whether the stock is in the Standard & Poor's 500 Stock Index® (the "S&P 500® Index").

Fixed Income Investment Approach:

Portfolio construction: Generally, the Advisor structures a portfolio by:

1. Setting a maturity range.
2. Implementing the Advisor's quality and eligibility guidelines.
3. Purchasing securities with a view to balancing the objective of maximizing returns consistent with preservation of capital.

Investment Objectives and Policies

The U.S. Large Company Series

The U.S. Large Company Series seeks, as its investment objective, to approximate the total investment return of the S&P 500® Index. The U.S. Large Company Series intends to invest in all of the stocks that comprise the S&P 500® Index in approximately the proportions that they are represented in the S&P 500® Index.

S&P is not responsible for and has not participated in the determination of the prices and amount of The U.S. Large Company Series or in the issuance or sale of shares of The U.S. Large Company Series or in the determination or calculation of the equation by which The U.S. Large Company Series shares are to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of The U.S. Large Company Series.

☞ **Market capitalization means** the number of shares of a company's stock outstanding times price per share.

☞ **Market capitalization weighted means** the amount of a stock in an index or portfolio is keyed to that stock's market capitalization compared to all eligible stocks. The higher the stock's relative market cap, the greater the representation.

Standard & Poor's ("S&P")—Information and Disclaimers

The U.S. Large Company Series is not sponsored, endorsed, sold or promoted by S&P. S&P makes no representation or warranty, express or implied, to the owners of The U.S. Large Company Series or any member of the public regarding the advisability of investing in securities generally or in The U.S. Large Company Series particularly or the ability of the S&P 500® Index to track general stock market performance. S&P's only relationship to The U.S. Large Company Series is the licensing of certain trademarks and trade names of S&P and of the S&P 500® Index which is determined, composed and calculated by S&P without regard to The U.S. Large Company Series. S&P has no obligation to take the needs of The U.S. Large Company Series or its respective owners into consideration in determining, composing or calculating the S&P 500® Index.

S&P DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN, AND S&P SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. S&P MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, OWNERS OF THE PRODUCT, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN. S&P MAKES NO EXPRESS OR IMPLIED WARRANTIES AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

The U.S. Large Cap Value Series

The investment objective of The U.S. Large Cap Value Series is to achieve long-term capital appreciation. The U.S. Large Cap Value Series generally will invest in a broad and diverse group of the common stocks of large cap companies traded on a principal U.S. exchange or on the OTC market that the Advisor determines to be value stocks at the time of purchase. Securities are considered value stocks primarily because a company's shares have a high book value in relation to their market value (a "book-to-market ratio").

The U.S. Small Cap Series

The U.S. Small Cap Series has an investment objective to achieve long-term capital appreciation. The U.S. Small Cap Series generally will invest in a broad and diverse group of the common stocks of small cap companies traded on a principal U.S. exchange or on the over-the-counter market. The U.S. Small Cap Series also may invest in securities of foreign issuers that are traded in the U.S. securities markets and in privately placed convertible debentures.

DFA Real Estate Securities Portfolio

The investment objective of the DFA Real Estate Securities Portfolio (the "Real Estate Portfolio") is to achieve long-term capital appreciation. The Real Estate Portfolio will concentrate its investments in readily marketable equity securities of companies whose principal activities include development, ownership, construction, management, or sale of residential, commercial or industrial real estate. Investments will include, principally, equity securities of companies traded in the U.S. securities markets in the following sectors of the real estate industry: certain real estate investment trusts ("REITs") and companies engaged in residential construction and firms, except for partnerships, whose principal business is to develop commercial property. In the future, the Advisor may decide to include companies in other sectors of the real estate industry in the Real Estate Portfolio. In addition, the Real Estate Portfolio is authorized to purchase and sell financial futures contracts and options thereon.

Large Cap International Portfolio

The investment objective of Large Cap International Portfolio is to achieve long-term capital appreciation. To achieve its investment objective, the Large Cap International Portfolio intends to invest in the stocks of large

companies in Europe, Australia and the Far East. Under normal market conditions, the Large Cap International Portfolio intends to invest its assets in companies organized or having a majority of their assets in or deriving a majority of their operating income in at least three non-U.S. countries. The Large Cap International Portfolio reserves the right to invest in index futures contracts to commit funds awaiting investment or to maintain liquidity.

The Japanese Small Company Series

The Japanese Small Company Series' investment objective is to achieve long-term capital appreciation. The Japanese Small Company Series generally will invest in a broad and diverse group of readily marketable stocks of Japanese small companies that are traded in the Japanese securities markets. The Japanese Small Company Series also may invest up to 5% of its assets in convertible debentures issued by Japanese small companies.

The Pacific Rim Small Company Series

The Pacific Rim Small Company Series' investment objective is to achieve long-term capital appreciation. The Pacific Rim Small Company Series generally will invest in stocks of a broad and diverse group of small companies located in Australia, New Zealand and Pacific Rim Asian countries whose shares are traded principally on the securities markets located in those countries. The Pacific Rim Small Company Series also may invest up to 5% of its assets in convertible debentures issued by small companies located in the Pacific Rim.

The United Kingdom Small Company Series

The United Kingdom Small Company Series' investment objective is to achieve long-term capital appreciation. The United Kingdom Small Company Series generally will invest in a broad and diverse group of readily marketable stocks of United Kingdom small companies that are traded principally on the London Stock Exchange. The United Kingdom Small Company Series also may invest up to 5% of its assets in convertible debentures issued by United Kingdom small companies.

The Continental Small Company Series

The Continental Small Company Series' investment objective is to achieve long-term capital appreciation. The Continental Small Company Series generally will invest in readily marketable stocks of a broad and diverse group of small companies organized under the laws of certain European countries. The Continental Small Company Series also may invest up to 5% of its assets in convertible debentures issued by European small companies.

The DFA International Value Series

The investment objective of The DFA International Value Series is to achieve long-term capital appreciation. The DFA International Value Series invests in the stocks of large non-U.S. companies that the Advisor believes to be value stocks at the time of purchase. Securities are considered value stocks primarily because a company's shares have a high book-to-market ratio. The Series intends to invest in the stocks of large companies in countries with developed markets. Under normal market conditions, the Series intends to invest its assets in companies organized or having a majority of their assets in or deriving a majority of their operating income in at least three non-U.S. countries and no more than 40% of the Series' assets will be invested in such companies in any one country. The Series reserves the right to invest in index futures contracts to commit funds awaiting investment or to maintain liquidity.

The Emerging Markets Series

The Emerging Markets Small Cap Series

Dimensional Emerging Markets Value Fund Inc.

The investment objective of both The Emerging Markets Series and The Emerging Markets Small Cap Series is to achieve long-term capital appreciation. The investment objective of Dimensional Emerging Markets

Value Fund Inc. (the “Emerging Markets Value Fund”) is to seek long-term capital growth through investment primarily in emerging markets equity securities. Each of The Emerging Markets Series, The Emerging Markets Small Cap Series and the Emerging Markets Value Fund (together, the “Emerging Markets Underlying Funds”) seeks to achieve its investment objective by investing in emerging markets designated by the Investment Committee of the Advisor (“Approved Markets”). Each Emerging Markets Underlying Fund invests its assets primarily in Approved Market equity securities listed on bona fide securities exchanges or actively traded on OTC markets.

The Emerging Markets Series will seek a broad market coverage of larger companies within each Approved Market, and The Emerging Markets Small Cap Series will seek a broad market coverage of smaller companies within each Approved Market. The Emerging Markets Value Fund will seek to invest in emerging market equity securities, which are deemed by the Advisor to be value stocks at the time of purchase. Securities are considered value stocks primarily because they have a high book to market ratio.

In determining what countries have emerging markets with respect to the Emerging Markets Underlying Funds, the data, analysis and classification of countries published and disseminated by the International Bank for Reconstruction and Development (commonly known as the World Bank) and the International Finance Corporation, among other things, will be considered. Approved emerging markets may not include all such emerging markets.

The DFA Two-Year Global Fixed Income Series

The investment objective of The DFA Two-Year Global Fixed Income Series is to maximize total returns consistent with preservation of capital. The DFA Two-Year Global Fixed Income Series will invest in obligations issued or guaranteed by the U.S. and foreign governments, their agencies and instrumentalities, corporate debt obligations, bank obligations, commercial paper, repurchase agreements, obligations of other domestic and foreign issuers, securities of domestic or foreign issuers denominated in U.S. dollars but not trading in the United States, and obligations of supranational organizations, such as the World Bank, the European Investment Bank, European Economic Community and European Coal and Steel Community. Under normal market conditions, the Series intends to invest in issuers organized or having a majority of their assets in, or deriving a majority of their operating income in, at least three different countries, one of which may be the United States. As a non-fundamental policy, under normal circumstances, The DFA Two-Year Global Fixed Income Series will invest at least 80% of its net assets in fixed income securities that mature within two years from the date of settlement.

Because many of the Series’ investments will be denominated in foreign currencies, the Series will also enter into forward foreign currency contracts solely for the purpose of hedging against fluctuations in currency exchange rates. The Series will invest more than 25% of its total assets in obligations of U.S. and/or foreign banks and bank holding companies when the yield to maturity on these instruments exceeds the yield to maturity on all other eligible portfolio investments of similar quality for a period of five consecutive days when the NYSE is open for trading. As of the date of this Prospectus, The Two-Year Global Fixed Income Series is not concentrating its investments in the banking industry.

DFA Five-Year Global Fixed Income Portfolio

The investment objective of the DFA Five-Year Global Fixed Income Portfolio is to provide a market rate of return for a fixed income portfolio with low relative volatility of returns. The DFA Five-Year Global Fixed Income Portfolio will invest primarily in obligations issued or guaranteed by the U.S. and foreign governments, their agencies and instrumentalities, obligations of other foreign issuers rated AA or better, corporate debt obligations, bank obligations, commercial paper, and supranational organizations, such as the World Bank, the European Investment Bank, European Economic Community and European Coal and Steel Community. Under normal market conditions, the Portfolio intends to invest in issuers organized or having a majority of their assets in, or deriving a majority of their operating income in, at least three different countries, one of which may be the United States. It is the policy of the Portfolio that the weighted average length of maturity of investments will not exceed five years. Because many of the Portfolio’s investments will be denominated in foreign currencies, the

Portfolio will also enter into forward foreign currency contracts solely for the purpose of hedging against fluctuations in currency exchange rates.

SECURITIES LOANS

The Underlying Funds are authorized to lend securities to qualified brokers, dealers, banks and other financial institutions for the purpose of earning additional income. While an Underlying Fund may earn additional income from lending securities, such activity is incidental to an Underlying Fund's investment objective. The value of securities loaned may not exceed 33 $\frac{1}{3}$ % of the value of an Underlying Fund's total assets. In connection with such loans, an Underlying Fund will receive collateral consisting of cash or U.S. government securities, which will be maintained at all times in an amount equal to at least 100% of the current market value of the loaned securities. In addition, the Underlying Fund will be able to terminate the loan at any time and will receive reasonable compensation on the loan, as well as amounts equal to any dividends, interest or other distributions on the loaned securities. In the event of the bankruptcy of the borrower, the Underlying Fund could experience delay in recovering the loaned securities. Management believes that this risk can be controlled through careful monitoring procedures. Each Portfolio is also authorized to lend its portfolio securities.

MANAGEMENT OF THE PORTFOLIOS

The Advisor serves as investment advisor to each Portfolio and Underlying Fund. As such, it is responsible for the management of their respective assets. Investment decisions for the Portfolios and Underlying Funds are made by the Investment Committee of the Advisor, which meets on a regular basis and also as needed to consider investment issues. The Investment Committee is primarily composed of certain officers and directors of the Advisor who are elected annually. The Advisor provides each Underlying Fund with a trading department and selects brokers and dealers to effect securities transactions.

Securities transactions are placed with a view to obtaining the best price and execution of such transactions. The Advisor is authorized to pay a higher commission to a broker, dealer or exchange member than another such organization might charge if it determines, in good faith, that the commission paid is reasonable in relation to the research or brokerage services provided by such organization.

The Portfolios do not pay any management fees to the Advisor for managing the Portfolios. Each Portfolio indirectly pays its proportionate share of the expenses of the Underlying Funds in which the Portfolio invests including the management fees paid to the Advisor by the Underlying Funds. For the estimated Underlying Fund expenses to be paid by the Portfolios for the fiscal year ending November 30, 2004, see "ANNUAL FUND OPERATING EXPENSES." The Advisor was organized in May 1981, and is engaged in the business of providing investment management services to institutional investors. As of September 30, 2003, assets under management totaled approximately \$41 billion.

DIG bears all of its own costs and expenses, including: services of its independent certified public accountants, legal counsel, brokerage commissions and transfer taxes in connection with the acquisition and disposition of portfolio securities, taxes, insurance premiums, costs incidental to meetings of its shareholders and directors or trustees, the cost of filing its registration statements under federal securities laws and the cost of any filings required under state securities laws, reports to shareholders, and transfer and dividend disbursing agency, administrative services and custodian fees. Expenses allocable to a particular Portfolio or class of a Portfolio are so allocated. The expenses of DIG that are not allocable to a particular Portfolio or class of the Portfolio are borne by each Portfolio or class of the Portfolio on the basis of its relative net assets.

DIVIDENDS, CAPITAL GAINS DISTRIBUTIONS AND TAXES

Each Portfolio distributes any net investment income quarterly (on a calendar basis). The Portfolios will distribute any realized net capital gains annually after the end of a Portfolio's fiscal year. Shareholders of the Portfolios will automatically receive all income dividends and any capital gains distributions in additional shares of the Portfolio whose shares they hold at net asset value (as of the business date following the dividend record date).

Every January, you will receive a statement that shows the tax status of distributions you received the previous year. Distributions declared in December but paid in January are taxable as if they were paid in December.

In general, Portfolio distributions are taxable to you (unless your investment is through a qualified, tax-deferred retirement plan), as either ordinary income or capital gain. Portfolio distributions of short-term capital gains are taxable to you as ordinary income. Portfolio distributions of long-term capital gains are taxable as long-term capital gains no matter how long you have owned your shares. A portion of the income dividends paid to you by a Portfolio may be qualified dividends eligible for taxation at long-term capital gain rates, so long as you meet certain holding period requirements. If you buy shares when the Portfolio has realized but not yet distributed income or capital gains, you will be “buying a dividend” by paying the full price for the shares and then receiving a portion of the price back in the form of a taxable distribution.

By law, a Portfolio must withhold a portion of your taxable distributions and sales proceeds unless you:

- provide your correct social security or taxpayer identification number,
- certify that this number is correct,
- certify that you are not subject to backup withholding, and
- certify that you are a U.S. person (including a U.S. resident alien).

The Portfolio also must withhold if the IRS instructs it to do so. When withholding is required, the amount will be 28% of any distributions or proceeds paid.

When you sell your shares in a Portfolio, you may realize a capital gain or loss. For tax purposes, an exchange of a class of shares of one Portfolio described in this Prospectus for the same class of shares of another Portfolio described in this Prospectus is the same as a sale. Portfolio distributions and gains from the sale of your Portfolio shares generally are subject to state and local taxes. Non-U.S. investors may be subject to U.S. withholding or estate tax, and are subject to special U.S. tax certification requirements.

Dividends and distributions paid to a qualified, tax-deferred retirement plan, such as a 401(k) plan, accumulate free of federal income taxes. In addition, the sale or redemption by a tax-deferred retirement plan of a Portfolio’s shares will not be subject to federal income taxes.

Because everyone’s tax situation is unique, always consult your tax professional about federal, state, local or foreign tax consequences of an investment in the Portfolios.

PURCHASE OF SHARES

The Portfolios are sold primarily to: (i) defined contribution plans that are exempt from taxation under the Internal Revenue Code (“retirement plans”), (ii) clients, customers or members of certain financial institutions, (iii) certain institutional investors, and (iv) clients of registered investment advisors.

Provided that the Portfolios are available under an employer’s retirement plan or through an institution, shares may be purchased by following the procedures adopted by the respective employer or institution and approved by DIG’s management for making investments. Investors who are considering an investment in the Portfolios should contact their employer or institution for details about the purchase procedures and the classes of shares that are available.

Investors who are not purchasing shares under an employer’s retirement plan or through an institution, may purchase shares of the Portfolios by first contacting the Advisor at (310) 395-8005 to notify the Advisor of the proposed investment. All investments are subject to approval of the Advisor, and all investors must complete and submit the necessary account registration forms in good order. “Good order” with respect to the purchase of shares means that (1) a fully completed and properly signed Account Registration Form and any additional supporting legal documentation required by the Advisor has been received in legible form by the Advisor, and (2) the Advisor has been notified of the purchase by telephone and, if the Advisor so requests, also in writing, no

later than the close of regular trading on the NYSE (ordinarily 1:00 p.m. PST) on the day of the purchase. If an order to purchase shares must be canceled due to nonpayment, the purchaser will be responsible for any loss incurred by a Fund arising out of such cancellation. To recover any such loss, the Funds reserve the right to redeem shares owned by any purchaser whose order is canceled, and such purchaser may be prohibited or restricted in the manner of placing further orders.

DIG reserves the right to reject any initial or additional investment and to suspend the offering of shares of any Portfolio.

Shares also may be purchased and sold by individuals through securities firms, which may charge a service fee or commission for such transactions. No such fee or commission is charged on shares that are purchased or redeemed directly from DIG. Investors who are clients of investment advisory organizations may also be subject to investment advisory fees under their own arrangements with such organizations.

Purchases of shares will be made in full and fractional shares calculated to three decimal places. In the interest of economy and convenience, certificates for shares will not be issued.

Frequent trading into and out of a Portfolio can disrupt portfolio investment strategies, harm performance and increase Portfolio expenses for all shareholders, including long-term shareholders who do not generate these costs. The Portfolios are designed for long-term investors, and are not intended for market timing or excessive trading activities. Market timing activities include purchases and sales of Portfolio shares in response to short-term market fluctuations. The Portfolios may refuse or cancel purchase orders for any reason, without prior notice, particularly purchase orders that the Portfolios believe are made on behalf of market timers. The Portfolios and their agents reserve the right to reject any purchase request by any investor, institution or Retirement Plan indefinitely if they believe that any combination of trading activity in the accounts is potentially disruptive to the Portfolios. Exchange purchases are also subject to these limitations, which are in addition to the other exchange limitations described under "EXCHANGE OF SHARES." The Portfolios may impose further restrictions on trading activities by market timers in the future.

In-Kind Purchases

If accepted by DIG, shares of a Portfolio may be purchased in exchange for securities that are eligible for acquisition by the Underlying Funds in which such Portfolio invests. Shares may also be purchased in exchange for local currencies in which such securities of the corresponding Underlying Fund are denominated. Securities and local currencies accepted by DIG for exchange and Portfolio shares to be issued in exchange will be valued as set forth under "VALUATION OF SHARES" at the time of the next determination of net asset value after such acceptance. All dividends, interests, subscription, or other rights pertaining to such securities shall become the property of the Portfolio (or the Underlying Funds) whose shares are being acquired and must be delivered to DIG by the investor upon receipt from the issuer. Investors who desire to purchase shares of a Portfolio with local currencies should first contact the Advisor for wire instructions.

DIG will not accept securities in exchange for shares of a Portfolio unless: (1) such securities are, at the time of the exchange, eligible to be included, or otherwise represented, in the Underlying Funds, and current market quotations are readily available for such securities; (2) the investor represents and agrees that all securities offered to be exchanged are not subject to any restrictions upon their sale by the Portfolio (or the Underlying Funds) under the Securities Act of 1933 or under the laws of the country in which the principal market for such securities exists or otherwise; and (3) at the discretion of DIG, the value of any such securities (except U.S. Government securities) being exchanged, together with other securities of the same issuer owned by an Underlying Fund, may not exceed 5% of the net assets of the Underlying Fund immediately after the transaction. DIG will accept such securities for investment and not for resale.

A gain or loss for federal income tax purposes will generally be realized by investors who are subject to federal taxation upon the exchange, depending upon the cost of the securities or local currency exchanged. Investors interested in such exchanges should contact the Advisor.

VALUATION OF SHARES

Net Asset Value

The net asset value per share of each class of each Portfolio and the net asset value of each Underlying Fund are generally calculated on days that the NYSE is open for trading. The net asset value per share of each class of each Portfolio and net asset value per share of each Underlying Fund is calculated after the close of the NYSE (normally, 1:00 p.m. PST) by dividing the total market value of the investments and other assets of the Portfolio or Underlying Fund, less any liabilities, by the total number of outstanding shares of stock of the Portfolio or Underlying Fund. The value of each Portfolio's shares will fluctuate in relation to the investment experience of the Underlying Funds in which the Portfolio invests. Securities are valued at the last quoted sale price of the day. Securities that are listed on Nasdaq are valued at the Nasdaq Official Closing Price ("NOCP"). If there is no last reported sale price or NOCP of the day, the Underlying Funds value the securities at the mean between the most recent quoted bid and asked prices. Price information on listed securities is taken from the exchange where the security is primarily traded. Securities issued by open-end investment companies, such as the Underlying Funds, are valued using their respective net asset values or public offering prices, as appropriate, for purchase orders placed at the close of the NYSE. The value of other assets and securities for which no quotations are readily available (including restricted securities) are determined in good faith at fair value in accordance with procedures adopted by the applicable Board of Trustees/Directors of the Underlying Funds. Fair value pricing may also be used if events that have a significant effect on the value of an investment (as determined in the discretion of the Investment Committee of the Advisor) occur before the net asset value is calculated. When fair value pricing is used, the prices of securities used by the Underlying Funds may differ from the quoted or published prices for the same securities on their primary markets or exchanges.

Fair value pricing also may be used by an Underlying Fund holding foreign equity securities ("Foreign Equity Funds"). Generally, trading in foreign securities markets is completed each day at various times prior to the close of the NYSE. For example, trading in the Japanese securities markets is completed each day at the close of the Tokyo Stock Exchange (generally 10:00 or 11:00 p.m. PT, depending on daylight savings time), which is at least fourteen hours prior to the close of the NYSE (generally 1:00 p.m. PST) and the time that the net asset values of the Foreign Equity Funds are computed. Due to the time differences between the closings of the relevant foreign securities exchanges and the time the Foreign Equity Funds price their shares at the close of the NYSE, the Foreign Equity Funds may value their foreign investments at fair value. Such valuations will attempt to reflect the U.S. financial markets' perceptions and trading activities related to the Foreign Equity Funds' foreign investments since the last closing prices of the foreign investments on their primary securities markets or exchanges. For these purposes, the Boards of Trustees/Directors of the Underlying Funds and DIG have determined that certain movements in relevant market indicators, after the close of the Tokyo Stock Exchange or the London Stock Exchange, may constitute a significant event where fair value pricing may be used. When a Foreign Fund uses fair value pricing, the values assigned to the Foreign Fund's foreign investments may not be the quoted or published prices of the investments on their primary markets or exchanges.

Since certain Underlying Funds own securities that are primarily listed on foreign exchanges that may trade on days when the Portfolios and Underlying Funds do not price their shares, the net asset value of a Portfolio may change on days when shareholders will not be able to purchase or redeem shares. The net asset values per share of each International Equity Underlying Fund, The DFA Two-Year Global Fixed Income Series and DFA Five-Year Global Fixed Income Portfolio are expressed in U.S. dollars by translating the net assets of the Underlying Fund using the mean between the most recent bid and asked prices for the dollar as quoted by generally recognized reliable sources. Note: The time at which transactions and shares are priced may be changed in case of an emergency or if the NYSE closes at a time other than 1:00 p.m. PST.

Certain of the securities holdings of the Emerging Markets Underlying Funds in Approved Markets may be subject to tax, investment and currency repatriation regulations of the Approved Markets that could have a material effect on the values of the securities. For example, an Emerging Markets Underlying Fund might be subject to different levels of taxation on current income and realized gains depending upon the holding period of the securities. In general, a longer holding period (e.g., five years) may result in the imposition of lower tax rates than a shorter holding period (e.g., one year). The Emerging Markets Underlying Fund may also be subject to

certain contractual arrangements with investment authorities in an Approved Market which require an Emerging Markets Underlying Fund to maintain minimum holding periods or to limit the extent of repatriation of income and realized gains.

Futures contracts are valued using the settlement price established each day on the exchange on which they are traded. The value of such futures contracts held by an Underlying Fund is determined each day as of such close.

Public Offering Price

Provided that the Advisor, or the Shareholder Services Agent designated by a Retirement Plan or an institution, has received an investor's instructions in good order, and the custodian has received the investor's payment, shares of the class of the Portfolio selected will be priced at the public offering price, which is the net asset value of the class of shares of the Portfolio calculated next after receipt of the investor's funds by the custodian. The transfer agent or DIG may from time to time appoint a sub-transfer agent, such as a Shareholder Services Agent, for the receipt of purchase orders and funds from certain investors. With respect to such investors, the shares of the class of the Portfolio selected will be priced at the public offering price next calculated after receipt of the purchase order by the sub-transfer agent. The only difference between a normal purchase and a purchase through a sub-transfer agent is that if the investor buys shares through a sub-transfer agent, the purchase price will be the public offering price next calculated after the sub-transfer agent receives the order, rather than on the day the custodian receives the investor's payment (provided that the sub-transfer agent has received the investor's purchase order in good order and the investor has complied with the sub-transfer agent's payment procedures). If an order to purchase shares must be canceled due to non-payment, the purchaser will be responsible for any loss incurred by a Portfolio arising out of such cancellation. DIG reserves the right to redeem shares owned by any purchaser whose order is canceled to recover any resulting loss to a Portfolio and may prohibit or restrict the manner in which such purchaser may place further orders.

EXCHANGE OF SHARES

Investors may exchange Class R shares or Institutional Class shares of one Portfolio described in this Prospectus for the same class of shares of another Portfolio described in this Prospectus. DIG does not accept exchanges of shares of the Portfolios in an amount less than \$100,000.

Retirement Plan participants and clients of certain financial institutions may exchange shares by completing the necessary documentation required by the Advisor and the Shareholder Services Agent designated under the employer's Retirement Plan or by an institution. Please contact your employer, institution or the Shareholder Services Agent.

Other investors may exchange shares by first contacting the Advisor at (310) 395-8005 to notify the Advisor of the proposed exchange and then completing a letter of instruction and mailing it to DIG, as follows:

Attn: Client Operations
1299 Ocean Avenue, 11th Floor
Santa Monica, CA 90401

The exchange privilege is not intended to afford shareholders a way to speculate on short-term movements in the markets. Accordingly, in order to prevent excessive use of the exchange privilege that may potentially disrupt the management of any Portfolio or otherwise adversely affect DIG, the exchange privilege may be terminated, and any proposed exchange is subject to the approval of the Advisor. Such approval will depend on: (i) the size of the proposed exchange; (ii) the prior number of exchanges by that shareholder; (iii) the nature of the underlying securities and the cash position of the Portfolios involved in the proposed exchange; (iv) the transaction costs involved in processing the exchange; and (v) the total number of redemptions by exchange already made out of the Portfolio. Excessive use of the exchange privilege is defined as any pattern of exchanges among portfolios by an investor that evidences market timing.

For Retirement Plan participants and clients of certain financial institutions exchanging shares, the redemption and purchase prices of shares redeemed and purchased by exchange, respectively, are the net asset values next determined after the Shareholder Services Agent has received appropriate instructions in the form required by such Shareholder Services Agent.

For other investors exchanging shares, the redemption and purchase prices of shares redeemed and purchased by exchange, respectively, are the net asset values next determined after the Advisor has received a letter of instruction in good order. "Good order" means a completed letter of instruction specifying the dollar amount to be exchanged, signed by all registered owners of the shares; and if DIG does not have on file the authorized signatures for the account, proof of authority and a guarantee of the signature of each registered owner by an "eligible guarantor institution." Such institutions generally include national or state banks, savings associations, savings and loan associations, trust companies, savings banks, credit unions and members of a recognized stock exchange.

There is no fee imposed on an exchange. However, DIG reserves the right to impose an administrative fee in order to cover the costs incurred in processing an exchange. Any such fee will be disclosed in the Prospectus. An exchange is treated as a redemption and a purchase. Therefore, an investor could realize a taxable gain or a loss on the transaction. However, no taxable gain or loss will normally be recognized by investors exchanging through a Retirement Plan. DIG reserves the right to revise or terminate the exchange privilege, waive the minimum amount requirement, limit the amount of or reject any exchange, as deemed necessary, at any time.

REDEMPTION OF SHARES

Redemption Procedure for Retirement Plan Participants and Clients of Financial Institutions

A participant in a Retirement Plan or a client of an institution who desires to redeem shares of a Portfolio must furnish a redemption request to the Shareholder Services Agent designated under the Retirement Plan or by the institution in the form required by such Shareholder Services Agent. The Shareholder Services Agent will adopt procedures approved by DIG's management for transmitting redemption orders.

Redemption Procedure for Retirement Plans, Institutions and Other Investors

A Retirement Plan, institution or other investor that desires to redeem shares of a Portfolio must furnish a redemption request to DIG. An investor, other than a Retirement Plan or institution, must contact the Advisor at (310) 395-8005 to redeem shares of a Portfolio. Each Portfolio will redeem shares at the net asset value of such class of shares next determined after receipt of a written request for redemption in good order by the Portfolio's transfer agent. "Good order" means that the request to redeem shares must include all necessary documentation, to be received in writing by the Advisor no later than the close of regular trading on the NYSE (ordinarily 1:00 p.m. PST), including but not limited to: a letter of instruction or a stock assignment specifying the number of shares or dollar amount to be redeemed, signed by all registered owners (or authorized representatives thereof) of the shares; if DIG does not have on file the authorized signatures for the account, a guarantee of the signature of each registered owner by an eligible guarantor institution; and any other required supporting legal documents.

A Retirement Plan, institution or other investor that has authorized redemption payment by wire on an authorization form filed with DIG may request that redemption proceeds be paid in federal funds wired to the bank they have designated on the authorization form. If the proceeds are wired to an account at a bank which is not a member of the Federal Reserve System, there could be a delay in crediting the funds to the bank account. DIG reserves the right at any time to suspend or terminate the redemption by wire procedure after notification to the Retirement Plan, institution or investor. No charge is made by DIG for redemptions.

Although the redemption payments will ordinarily be made within seven days after receipt, payment to investors redeeming shares which were purchased by check will not be made until DIG can verify that the payments for the purchase have been, or will be, collected, which may take up to fifteen days or more. Investors may avoid this delay by submitting a certified check along with the purchase order.

In-Kind Redemptions

When in the best interests of a Portfolio, it may make a redemption payment, in whole or in part, by a distribution of portfolio securities from the Portfolio's Underlying Funds, in lieu of cash, in accordance with Rule 18f-1 under the Investment Company Act of 1940. The Portfolios also reserve the right to redeem their shares in the currencies in which their Underlying Funds' investments are denominated. Investors may incur brokerage charges and other transaction costs in selling such securities and converting such currencies to dollars. Also, the value of foreign securities or currencies may be affected by currency exchange fluctuations.

SERVICE PROVIDERS

<p>Investment Advisor DIMENSIONAL FUND ADVISORS INC. 1299 Ocean Avenue, 11th floor Santa Monica, CA 90401 Tel. No. (310) 395-8005</p>	<p>Accounting Services, Dividend Disbursing and Transfer Agent PFPC INC. 301 Bellevue Parkway Wilmington, DE 19809</p>
<p>Custodian PFPC TRUST COMPANY 301 Bellevue Parkway Wilmington, DE 19809</p>	<p>Legal Counsel STRADLEY, RONON, STEVENS & YOUNG, LLP 2600 One Commerce Square Philadelphia, PA 19103-7098</p>
<p>Independent Certified Public Accountants PRICEWATERHOUSECOOPERS LLP 200 East Las Olas Boulevard Suite 1700 Ft. Lauderdale, FL 33301</p>	

Other Available Information

You can find more information about DIG and its Portfolios in the Portfolios' Statement of Additional Information ("SAI") and Annual and Semi-Annual Reports.

Statement of Additional Information. The SAI supplements, and is technically part of, this Prospectus. It includes an expanded discussion of investment practices, risks, and fund operations.

Annual and Semi-Annual Reports to Shareholders. These reports focus on Portfolio holdings and performance. The Annual Report also discusses the market conditions and investment strategies that significantly affected the Portfolios in their last fiscal year. The Portfolios are new so the reports do not yet include any information about the Portfolios.

How to get these and other materials:

- Request free copies from:
 - Your plan administrator—if you are a participant in a Retirement Plan offering the Portfolios.
 - Your account service provider—if you are a client or member of an institution offering Portfolios.
 - Your investment advisor—if you are a client of an investment advisor who has invested in the Portfolios on your behalf.
 - DIG, if you are another type investor or if you represent a Retirement Plan sponsor or qualifying institution. Call collect at (310) 395-8005.
 - Additional materials describing DIG and the Portfolios, as well as the Advisor and its investment approach, are also available.
- Access current Prospectuses on our website at <http://www.dfaus.com>.
- Access them on the EDGAR Database in the SEC's Internet site at <http://www.sec.gov>.
- Review and copy them at the SEC's Public Reference Room in Washington, D.C. (phone 1-800-SEC-0330).
- Request copies from the Public Reference Section of the SEC, Washington, D.C. 20549-0102 or at publicinfo@sec.gov (you will be charged a copying fee). Information on the operation of the SEC's public reference room is available by calling the SEC at 1-202-942-8090.

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