

4S Framework
for Effective Client Communication

Sustainability Investing

Dimensional applies an innovative, patented approach that emphasizes investment in companies acting in more environmentally friendly ways, while maintaining broad diversification and focusing on the drivers of higher expected returns. Investors can use these strategies to build globally diversified portfolios that provide measurable sustainability outcomes while applying sound investment principles.

SCRIPTS

- Sustainability is a concept within the broader ESG investing framework.
- A focused sustainability approach has many advantages over an aggregate approach.
- Your approach may exclude or reweight—but it should not overconcentrate.
- You can support your environmental values and have a great investment experience.
- Environmental science and research should guide your investment approach.
- A robust approach to sustainability considers what's in the air and in the ground.
- Investors focused on sustainable goals should be able to measure and verify results.
- Sustainable investing offers a world of opportunity.

STORIES

Eating Healthy and Enjoying Food

Today, you can eat healthy while also enjoying a great meal. In a similar way, investors can support their environmental values while maintaining sound investment principles, such as broad diversification and cost management, and pursuing higher expected returns.

Working with Experts—A House Building Analogy

Just as you would consult an engineer to help design and build a new home on a cliff, Dimensional relies on scientists and climate experts to help guide decisions when creating effective sustainable investment solutions.

Understanding the Ratings

Sustainability scores can vary based on the criteria each rating agency uses in its company evaluations. Investors should not choose a strategy based on a single rating but dig deeper to understand rating methodologies and focus on the sustainability characteristics that matter most to them.

Measurable Outcomes—Testing and Golf Analogy

Whether in school or on the golf course, people keep score in order to compare their performance with a standard. This principle also applies to a sustainability investment approach, which should set tangible environmental goals and provide meaningful data to measure results.

SKETCHES

Understanding Emissions Exposure

Scientific research indicates CO₂ and greenhouse gas emissions have the biggest impact on climate change. We typically think about emissions released in the air. But a company's carbon footprint includes future emissions from fossil fuel reserves. A robust approach to sustainable investing considers both types.

Sustainable Investing

Dimensional has worked with scientists and field experts for more than a decade to develop broadly diversified, cost-efficient solutions that help you pursue a good investment experience while targeting measurable environmental goals.

SUPPLEMENTS

- [Sustainability Funds Brochure](#) (professional)
- [The Economics of Climate Change](#) (research and blog) (professional)
- [Doing Well and Doing Good?](#) (article) (client ready) (professional)
- [Sustainability Reports](#) (research) (professional)
- [Sustainability Considerations for Investors](#) (video) (professional)
- [ESG and Expected Returns](#) (webcast) (professional)
- [A Voice and a Vote](#) (webcast) (professional)
- [Understanding ESG Data](#) (webcast) (professional)
- [Systematic ESG Investing](#) (webcast) (highlights) (professional)
- [Emissions and Expected Return](#) (article and blog) (client ready) (professional)

For a selection of supporting materials, please visit the supplements sections on the [Sustainability topic page](#).

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