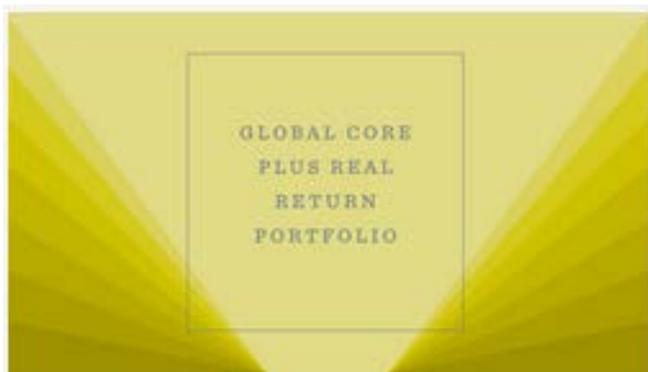


# Introducing a New Dimensional Fund Solution to Address Inflation & Interest Rate Risks

By: Jordan Naffa, LUTCF®



The Biden administration recently announced that about half of the country's adults are fully vaccinated against the Coronavirus. As a result, states are preparing to get back to normal by lifting capacity and distancing restrictions for most businesses and activities. Many economists believe that the United States could enjoy its fastest year of growth in decades. In light of the good news, the Consumer Price Index (CPI) rose to an average of 4.2% in

April. These levels have not been seen since the financial crisis of 2008. The adverse effects of inflation from an overheated economy and low-interest-rate environments are topics of discussion advisors are often addressing with their clients.

Portfolio Advisors is pleased to share that in April, Dimensional Funds announced the launch of the Global Core Plus Real Return Portfolio (DFAAX), another solution designed for investors who seek to protect against unexpected US inflation within a globally diversified core bond strategy. The Global Core Plus Real Return Portfolio complements the suite of inflation protected solutions that Dimensional Funds offers. The portfolio will generally invest in government and corporate bonds (rated AAA to BB-) issued in eligible developed currencies, as well as provide securitized bond exposure through US agency mortgage-backed securities (MBS) while targeting inflation protection primarily through the use of inflation swaps. The portfolio targets a duration similar to that of the aggregate global bond market and aims to add value by systematically pursuing higher expected returns among bonds of different durations, credit qualities, and currencies of issuance.

Please contact your advisor if you are interested in learning more about how inflation or interest rate risks could affect your portfolio. Portfolio Advisors strives to ensure that our clients maintain a strong sense of security and peace of mind knowing that their financial goals can be successfully achieved!

Sources:

<https://covid19.ca.gov/safer-economy/>

<https://www.npr.org/sections/coronavirus-live-updates/2021/05/25/1000171685/half-of-all-u-s-adults-will-be-fully-vaccinated-against-covid-19-as-of-tuesday>

<https://my.dimensionalfunds.com/dimensional-announces-launch-of-global-core-plus-real-return-portfolio>