



Monte Carlo Simulation

Prepared for: Joe Sample

Wednesday, May 18, 2011

Confirmation Number: 5933

Index Funds Advisors, Inc. Corporate Office

19200 Von Karman Ave.,
Suite 150
Irvine, CA 92612

Toll Free: 1-888-643-3133
Local Phone:
949-502-0050

www.ifa.com

OVERVIEW

This report is offered as a tool for helping clients understand key factors in retirement investing. The charts and graphs in the following pages are based on a Monte Carlo simulation method, which produces a range of estimated portfolio outcomes an investor may experience over a designated period. The scenarios are presented in terms of statistical probabilities, and the Monte Carlo method uses random number generation to create scenarios from the inputs provided by the client. These inputs include client age and time horizon, initial wealth, cash flow periods (savings and withdrawals), and average annual return and standard deviation (volatility) in various portfolios.

As you read the report, keep in mind that Monte Carlo is not offered as a tool for forecasting market performance or determining a sustainable withdrawal rate during retirement. It does not reflect historical returns of any portfolio mix or asset class, and should not serve as a guide or substitute for ongoing management of wealth during retirement. The technique should be viewed as a framework for testing a variety of assumptions about retirement and developing realistic expectations of possible outcomes.

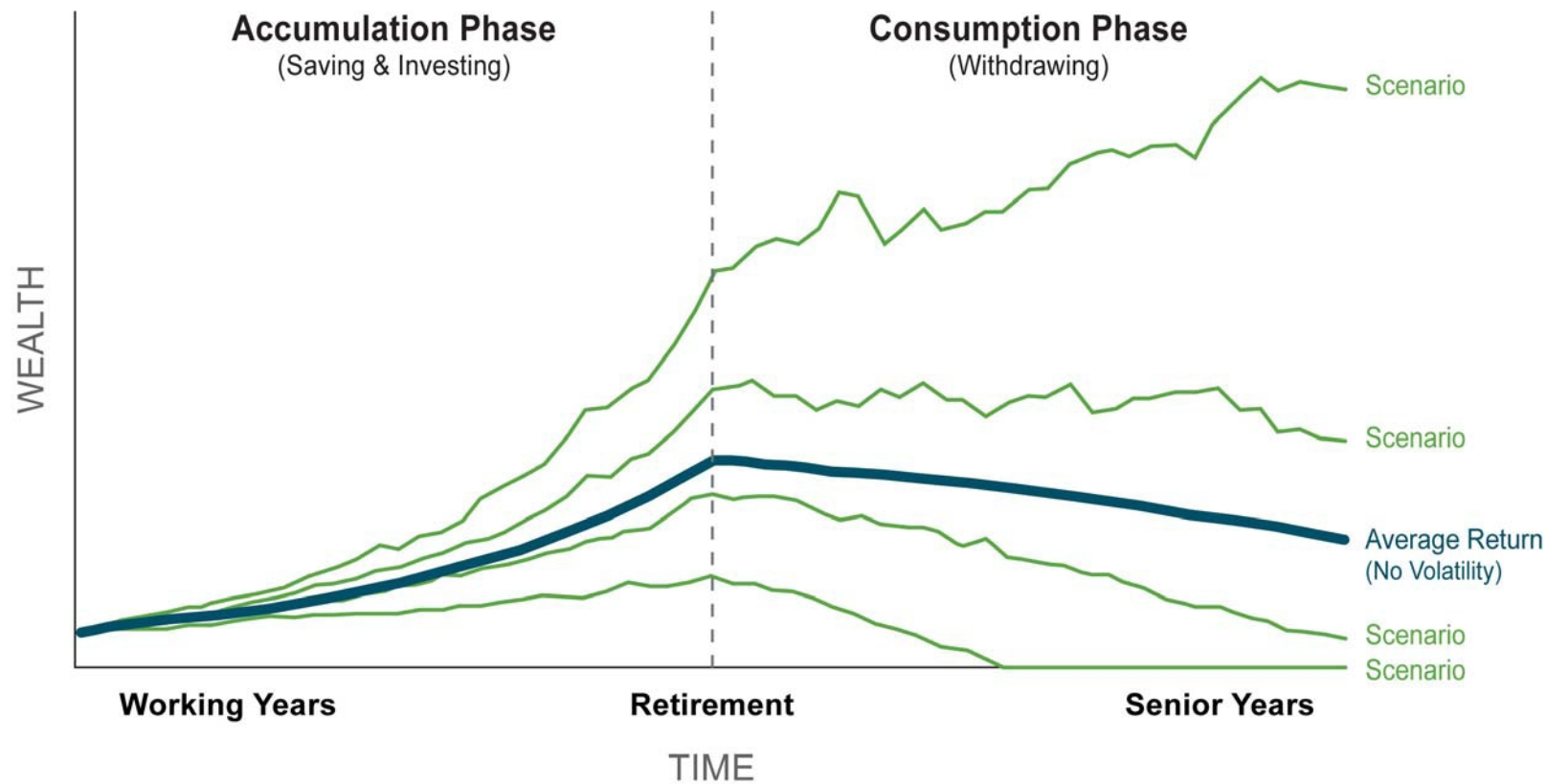
IMPORTANT

The projections or other information generated by the Monte Carlo tool regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. The Monte Carlo tool only presents a range of possible outcomes and does not represent a forecast or prediction of actual expected investment or financial outcomes. The accuracy of the model's (estimated) output is solely dependant upon modeling assumptions and the information supplied by the client and used by the advisor. There are limitations inherent in model results. In particular, model results do not represent actual trading or advisory fees and they may not reflect the impact that material economic or market factors may have had on an advisors decision making if the advisor were managing actual client money. The performance and outcomes of the simulated accounts may vary with each use and over time as the client(s) investment objectives change, portfolio values change, the target portfolio allocation is revised, and/or other changes are implemented. Past performance is not an indication of future results and there is always the risk that an investor may lose money. All materials presented are compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. This report is distributed for educational purposes, and it is not to be construed as an offer, solicitation, recommendation, or endorsement of any particular security, products or services described.

METHODOLOGY

The Monte Carlo tool uses Monte Carlo simulations to generate normally distributed annualized portfolio returns based on the annual mean and standard deviation of the portfolio entered by the user. Monte Carlo generated portfolio returns are used to simulate the performance over time of a retirement account(s). Each account is opened at age X with an initial investment of \$W. The account is invested in a selected portfolio for Y number of years. Then withdrawals start. They are made at an annual frequency until the account is empty or until age Z. If the account becomes empty before age Z, final wealth equals zero, and survived periods equal the number of periods in which the account value (before withdrawal) is positive. If the account value is positive (before withdrawal) at age Z, survived periods equal Z-X years, and final wealth equals the final value of the account.

RETIREMENT PLANNING CHALLENGE ILLUSTRATION



This conceptual graph illustrates that all investors face a wide range of potential wealth outcomes in the future. The blue line shows an average return assumption, which does not consider that a portfolio will experience up and down years (volatility) over time. The green lines show only four potential scenarios out of a much larger set of possibilities. The purpose of Monte Carlo simulation is to help investors envision the uncertain future in terms of probabilities. The Monte Carlo technique creates thousands of investment trials (or scenarios) in which the investment parameters (savings and withdrawals) are provided by the client. The investment returns used to generate each trial are drawn from a normal distribution, whose parameters are specified by the client. This is for illustration purposes only and does not reflect an actual or simulated portfolio.

ABOUT THE RETIREMENT PLANNING CHALLENGE ILLUSTRATION

- Two major phases: accumulation and consumption.
- Save and invest during accumulation; liquidate assets and withdraw cash to fund retirement during consumption phase.
- Manage assets and withdrawals to preserve wealth throughout life.
- The smooth **blue line** reflects assumed average annual return (no volatility) and does not accurately portray real world conditions.
- The **green lines** show examples of possible scenarios.
- Monte Carlo method creates thousands of simulations to estimate the probability distribution of wealth through time.
- Using this model, an investor views results from a statistical viewpoint.

PROBLEMS WITH AVERAGE RETURN SCENARIO

- Does not offer information on the probabilities of different investment outcomes.
- The average investment path may succeed in providing enough earnings growth for a life-long consumption during retirement, but does not provide guidance on the risks involved (probability of running out of savings)
- The order of the return sequence impacts portfolio value when considering contributions and withdrawals. Using a constant average fails to model this.

MONTE CARLO METHOD

- Computational algorithm that provides guidance on the solution of complex stochastic (random through time) problems.⁽¹⁾
- Uses repeated statistical sampling to model uncertainty.
- A scenario aggregates thousands of individual simulations to estimate the probabilities of possible wealth outcomes.
- Using simplifying assumptions, Monte Carlo simulations allow an investor to estimate the likelihood of achieving a wealth goal.
- Each simulation is an investment lifetime of normally distributed random returns.⁽²⁾
- Not a forecasting or portfolio management tool.

(1) A stochastic problem involves a randomly determined sequence of observations. Each observation is a sample of one element from a probability distribution.

(2) A probability distribution represents all possible values a random variable can assume. It also assigns a probability to observing each value.

HOW MONTE CARLO HELPS

- Estimates how return distribution assumptions (mean and standard deviation of normally distributed returns), accumulation contributions and retirement withdrawals impact wealth over time.
- Provides guidance on the different factors that may increase probability of success (having enough savings for life-long consumption)


BENEFITS

- Monte Carlo simulates the potential effects of volatility during an investment lifetime. Investor can evaluate and rank probability of experiencing possible wealth outcomes.
- Investor can vary assumptions to compare scenarios.

LIMITS AND CONSIDERATIONS

- The Monte Carlo distribution of outcomes and implied conclusions are sensitive to input assumptions.
- Assumptions behind inputs may not be realistic.
- Investment returns may not follow a normal distribution, which may impact the simulation outcome, especially with respect to extreme events.
- Monte Carlo simulation does not consider taxation and other important factors that may affect wealth accumulation process.

CLIENT INFORMATION

First Name:	Joe
Last Name:	Sample
Age:	55
Retirement Age:	75
Years to withdraw from savings:	25
Current value of retirement savings:	\$500,000
Data based on:	83 Years
Inflation Rate:	3.00 %
IFA's Glide Path For Retirement Success?	Use GlidePath
Current annual household gross income:	\$120,000
IFA Index Portfolio:	 IFA Index Portfolio 45
Estimated average annual salary increase:	5.00 %
Estimated percent of annual household gross income to contribute:	15.00 %
Annual withdraw in retirement:	\$80,000

ADJUSTED ACCUMULATION CASH FLOW SCHEDULE

Year	Age	IFA Index Portfolio	Average Annual Return	Annual Standard Deviation	Household Income	Deposit (15%)
2012	56	45	8.30 %	12.05 %	\$126,000.00	\$18,900.00
2013	57	44	8.23 %	11.84 %	\$132,300.00	\$19,845.00
2014	58	43	8.17 %	11.63 %	\$138,915.00	\$20,837.25
2015	59	42	8.10 %	11.43 %	\$145,860.75	\$21,879.11
2016	60	41	8.03 %	11.22 %	\$153,153.79	\$22,973.07
2017	61	40	7.96 %	11.01 %	\$160,811.48	\$24,121.72
2018	62	39	7.89 %	10.80 %	\$168,852.05	\$25,327.81
2019	63	38	7.82 %	10.59 %	\$177,294.65	\$26,594.20
2020	64	37	7.75 %	10.39 %	\$186,159.39	\$27,923.91
2021	65	36	7.68 %	10.18 %	\$195,467.36	\$29,320.10
2022	66	35	7.61 %	9.97 %	\$205,240.72	\$30,786.11
2023	67	34	7.53 %	9.77 %	\$215,502.76	\$32,325.41
2024	68	33	7.46 %	9.56 %	\$226,277.90	\$33,941.68
2025	69	32	7.39 %	9.36 %	\$237,591.79	\$35,638.77
2026	70	31	7.31 %	9.15 %	\$249,471.38	\$37,420.71
2027	71	30	7.24 %	8.95 %	\$261,944.95	\$39,291.74
2028	72	29	7.16 %	8.74 %	\$275,042.20	\$41,256.33
2029	73	28	7.08 %	8.54 %	\$288,794.31	\$43,319.15
2030	74	27	7.01 %	8.34 %	\$303,234.02	\$45,485.10
2031	75	26	6.93 %	8.14 %	\$318,395.72	\$47,759.36

Annual Inflation rate is assumed at 4% when 50 year data is used and 3% when 83 year data is used. Estimated salary percentage increase is used in place of inflation for accumulation cash flow schedule when it is greater than the inflation rate. Cash Flows are adjusted at the end of each annual period and are calculated using annualized data.

Sources, Updates and Disclosures: www.ifabt.com

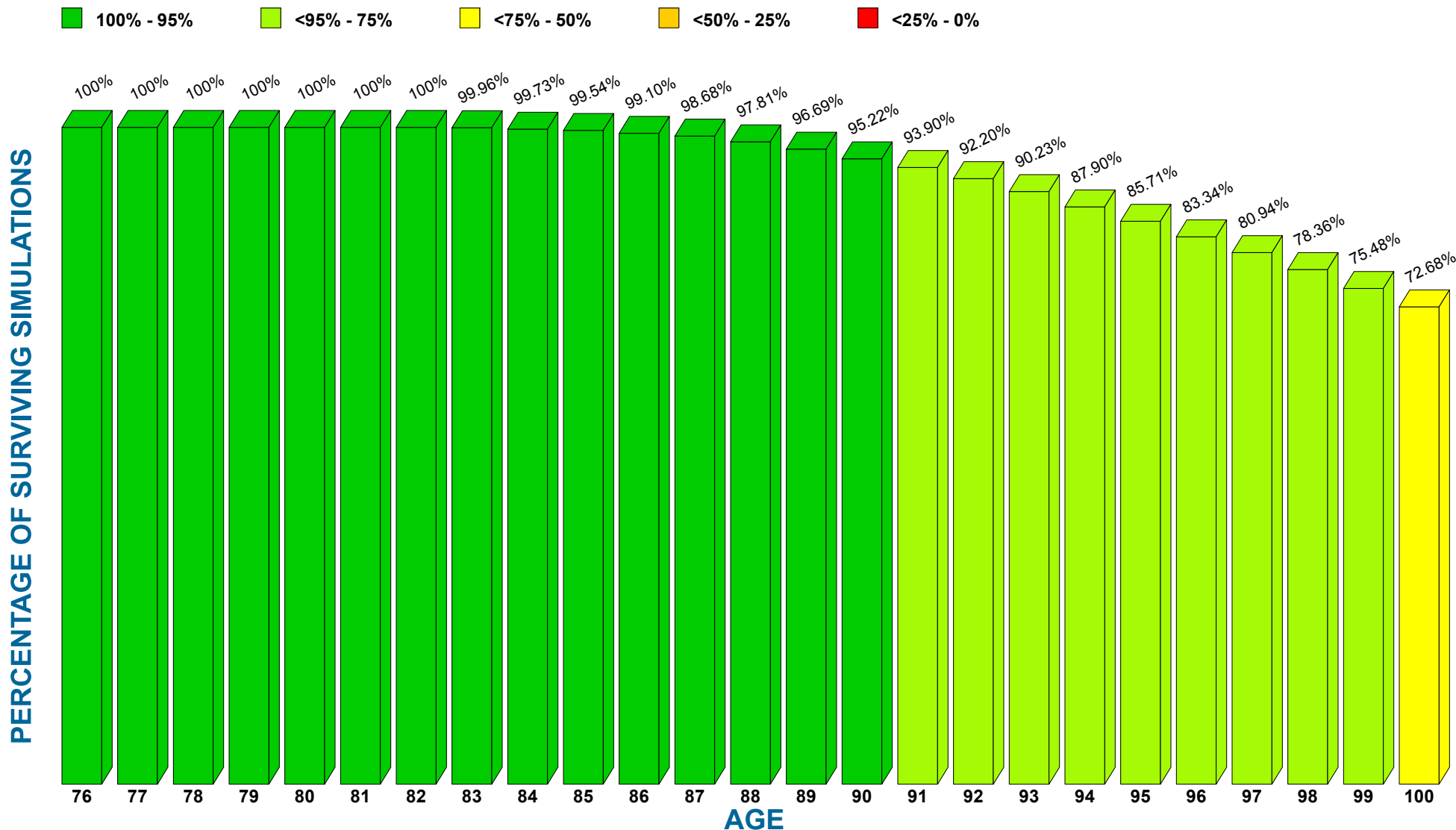
ADJUSTED WITHDRAW CASH FLOW SCHEDULE

Year	Age	IFA Index Portfolio	Average Annual Return	Annual Standard Deviation	Household Income	Withdraw (\$80,000)
2032	76	25	6.85 %	7.94 %	\$0	\$148,823.57
2033	77	24	6.77 %	7.74 %	\$0	\$153,288.27
2034	78	23	6.70 %	7.54 %	\$0	\$157,886.92
2035	79	22	6.62 %	7.34 %	\$0	\$162,623.53
2036	80	21	6.54 %	7.14 %	\$0	\$167,502.23
2037	81	20	6.45 %	6.94 %	\$0	\$172,527.30
2038	82	19	6.37 %	6.74 %	\$0	\$177,703.12
2039	83	18	6.29 %	6.55 %	\$0	\$183,034.21
2040	84	17	6.21 %	6.35 %	\$0	\$188,525.24
2041	85	16	6.13 %	6.16 %	\$0	\$194,181.00
2042	86	15	6.04 %	5.97 %	\$0	\$200,006.43
2043	87	14	5.96 %	5.78 %	\$0	\$206,006.62
2044	88	13	5.87 %	5.59 %	\$0	\$212,186.82
2045	89	12	5.79 %	5.40 %	\$0	\$218,552.42
2046	90	11	5.70 %	5.22 %	\$0	\$225,109.00
2047	91	10	5.62 %	5.04 %	\$0	\$231,862.27
2048	92	9	5.53 %	4.86 %	\$0	\$238,818.13
2049	93	8	5.44 %	4.68 %	\$0	\$245,982.68
2050	94	7	5.35 %	4.51 %	\$0	\$253,362.16
2051	95	6	5.26 %	4.34 %	\$0	\$260,963.02
2052	96	5	5.17 %	4.17 %	\$0	\$268,791.91
2053	97	4	5.08 %	4.01 %	\$0	\$276,855.67
2054	98	3	4.99 %	3.85 %	\$0	\$285,161.34
2055	99	2	4.90 %	3.70 %	\$0	\$293,716.18
2056	100	1	4.81 %	3.56 %	\$0	\$302,527.67

Annual Inflation rate is assumed at 4% when 50 year data is used and 3% when 83 year data is used. Estimated salary percentage increase is used in place of inflation for accumulation cash flow schedule when it is greater than the inflation rate. Cash Flows are adjusted at the end of each annual period and are calculated using annualized data.

Sources, Updates and Disclosures: www.ifabt.com

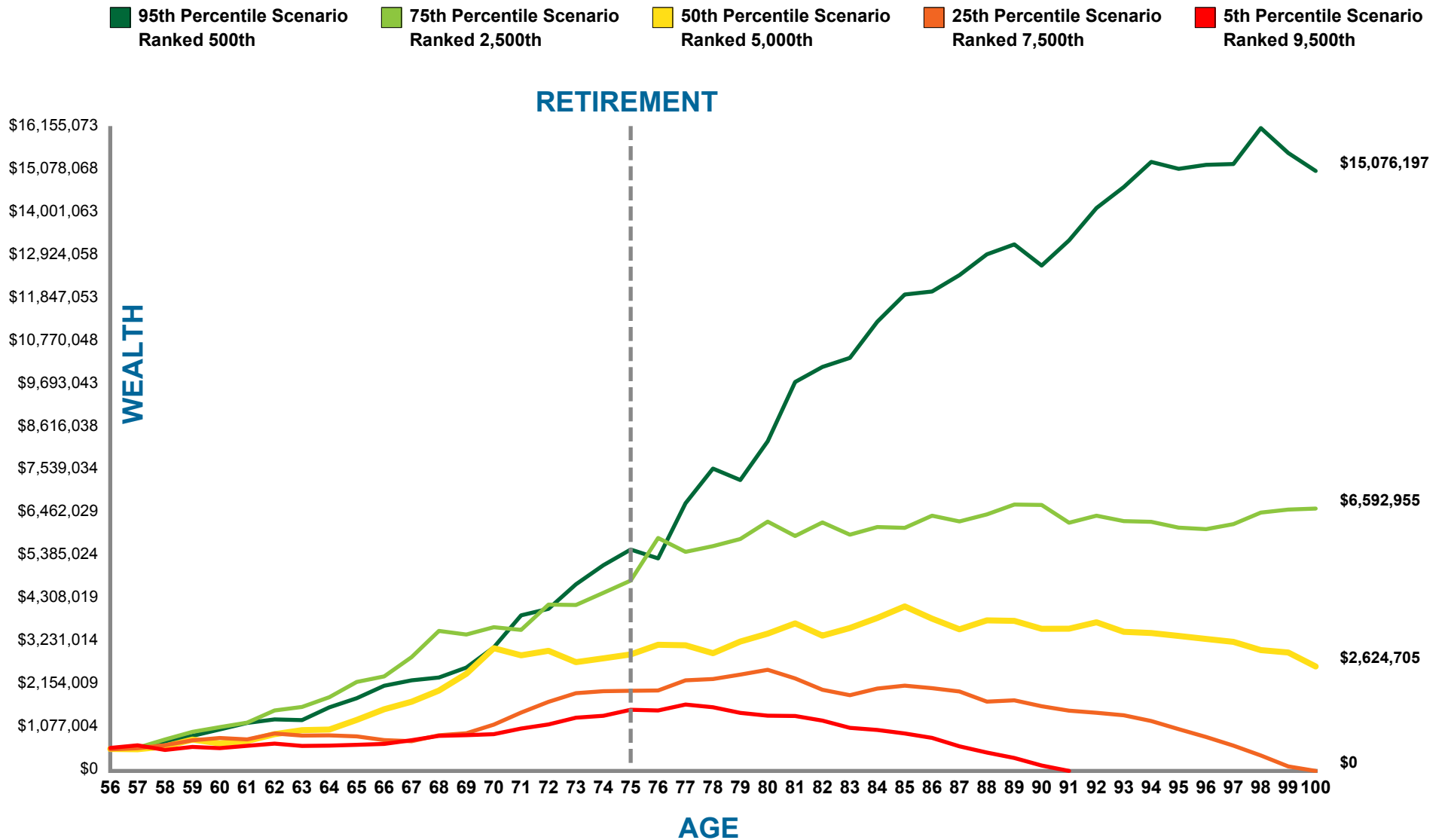
PORTFOLIO SURVIVAL OVER TIME



Portfolio Survival is defined as having a positive balance after a portfolio is adjusted for investment returns, inflation, and withdrawals. The investment returns used to generate each trial are drawn from a normal distribution, and are calculated annually using annualized return data which parameters are specified by the client. This graph is for illustration purposes only and does not reflect an actual portfolio. Sources, Updates and Disclosures: www.ifabt.com

? If you have questions about your report contact your IFA Advisor at 888-643-3133.

GROWTH OF WEALTH IN 5 POSSIBLE SCENARIOS

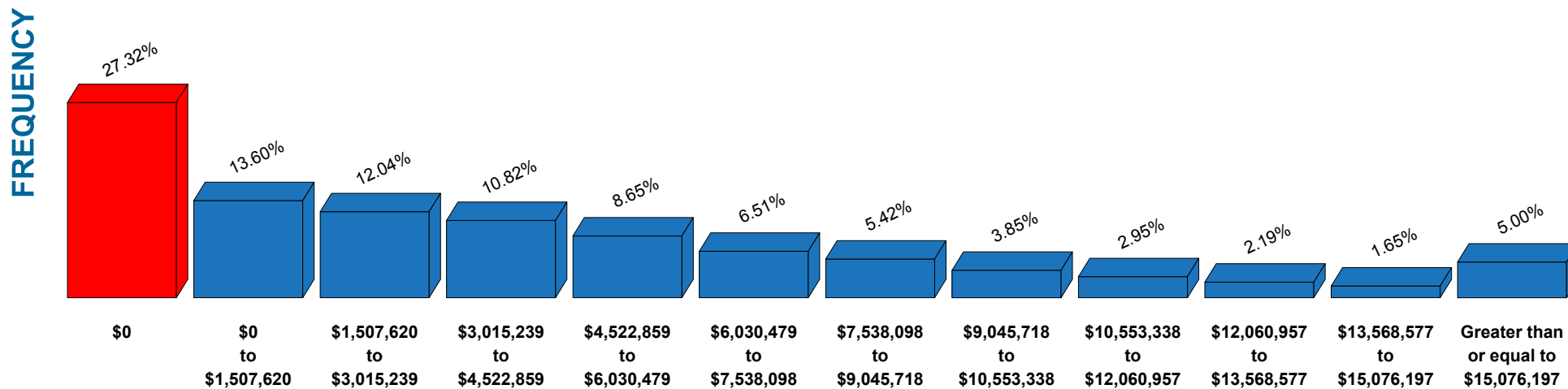


This conceptual graph illustrates a wide range of potential wealth outcomes in the future based on the investment parameters provided by the client. In the above graph each scenario (out of 10,000 simulations) is sorted by ending wealth then age. The percentiles above represent the position of each scenario from the ranked result set. This graph is for illustration purposes only and does not reflect an actual portfolio. Sources, Updates and Disclosures: www.ifabt.com.

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DISTRIBUTION OF ENDING WEALTH AT AGE 100 (BASED ON 10,000 SCENARIOS)

Scenario Description	Sorted Rank out of 10,000	Ending Wealth
Best Case Scenario:	1st	\$79,973,022
95th Percentile Scenario:	500th	\$15,076,197
75th Percentile Scenario:	2,500th	\$6,592,955
50th Percentile Scenario:	5,000th	\$2,624,705
25th Percentile Scenario:	7,500th	\$0 at age 100
5th Percentile Scenario:	9,500th	\$0 at age 91
Worst Case Scenario:	10,000th	\$0 at age 83



DISTRIBUTION

This conceptual graph illustrates a distribution of potential wealth outcomes in the future based on the investment parameters provided by the client. Ending wealth is defined as the balance after the last withdraw is made. Scenario rank is sorted by ending wealth then age. The red bar represents all scenarios (out of 10,000) that failed to have a positive balance prior to the ending wealth. This graph is for illustration purposes only and does not reflect an actual portfolio. Sources, Updates and Disclosures: www.ifabt.com

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DISCLOSURE FOR BACKTESTED PERFORMANCE DATA

Disclosure for Backtested Performance Information the IFA Indexes and IFA Index Portfolios (updates can be found at www.ifabt.com):

1. Index Funds Advisors, Inc. (IFA) was incorporated in March 1999 and placed its first independent client investments in early 2000. The performance information presented in the chart or table represents backtested performance based on combined simulated index data and live (or actual) mutual fund results from January 1, 1928 to period ending date shown using the strategy of buying, holding and first of the year annually rebalancing globally diversified portfolios of index funds. Backtested performance is hypothetical (it does not reflect trading in actual accounts) and is provided for informational purposes to indicate historical performance had the index portfolios been available over the relevant period. IFA refers to this hypothetical data as a Simulated Passive Investor Experience (SPIE). IFA did not offer the index portfolios until November 1999. Prior to 1999, IFA did not manage client assets. The IFA indexing investment strategy is based on the principles of Modern Portfolio Theory and the Fama and French Three Factor Model for Equities and Two Factor Model for Fixed Income. Index portfolios are designed to provide substantial global diversification (approximately 11,600 companies in 40 countries) in order to reduce investment concentration and the resulting increased risk caused by the volatility of individual companies, indexes, or asset classes. Client portfolios are monitored and rebalanced, taking into consideration risk exposure consistency, transaction costs, and tax ramifications to maintain target asset allocations as shown in the IFA Portfolios.

2. A review of the IFA Index Data Sources and IFA Indexes Time Series Construction is an integral part of and should be read in conjunction with this explanation of backtested performance information. Simulated index data is based on the performance of indexes and live mutual funds as described in the IFA Indexes Data Sources page. The index mutual funds used in IFA's Index Portfolios are IFA's best estimate of a mutual fund that will come closest to the index data provided in the simulated indexes. Simulated index data is used for the period prior to the inception of the relevant live mutual fund data and an equivalent mutual fund expense ratio is deducted from simulated index data. Live (or actual) mutual fund performance is used after the inception of each mutual fund. Fees and expenses of mutual funds are deducted from the monthly returns. Prior to the reporting of the returns by the mutual fund company. The IFA Indexes Times Series Construction goes back to January 1928 and consistently reflects a tilt towards small and value equities over time, with an increasing diversification to international markets and the real estate index as data became available. As of January 1928, there are 4 equity indexes and 2 bond indexes, in January 1970 there are a total of 8 indexes, and there are 15 indexes in March 1998 to present. If the original 4 equity indexes from 1928 are held constant until December 2010, the annualized rate of return of this simplified version of IFA Index Portfolio 90 is 10.44%, after the deduction of a 0.9% IFA advisor fee and a standard deviation of 22.79%. The evolving IFA Indexes over the same period have a 10.68% annualized return for IFA Index Portfolio 90 after the same IFA fees and a standard deviation of 21.99%. IFA advises clients to diversify their investments, however, this stitching together of index and live fund data and adding international and emerging markets only had a slight impact on risk and return over this 83 year period. Instead, it demonstrates the value of a small and value tilt in global equity markets, since over the same period a Simulated SP500 only had a return of 9.39% (with no advisor fee deducted), at a standard deviation of 19.31%. It is IFA's advice that the value of having a longer time series exceeds the concerns of index substitutions over the 1928 to present period. Due to the very high standard deviations of returns (21.99%) a 60 year or more sample size of data is recommended to reduce the standard error of the mean. In other words, in IFA's opinion, smaller sample sizes introduce larger errors than the errors introduced by stitching together indexes and live data over time. This is the advice IFA provides to its clients. Go to www.ifabt.com to see the analysis of the evolution of these portfolios. Backtested performance

is calculated by using a computer program and monthly returns data set that starts with the first day of the given time period and evaluates the returns of simulated indexes and index mutual funds. (see www.ifaindexes.com) In 1999, tax-managed funds became available for many different index funds. IFA uses tax-managed funds in taxable accounts. The tax-managed funds are consistent with the indexing strategy, however, they should not be expected to track the performance of corresponding non-tax-managed funds in the same or similar indexes. As such, the performance of portfolios using tax-managed funds will vary from portfolios that do not utilize these funds.

3. Backtested performance does not represent actual performance and should not be interpreted as an indication of such performance. Actual performance for client accounts may be materially lower than that of the index portfolios. Backtested performance results have certain inherent limitations. Such results do not represent the impact that material economic and market factors might have on an investment adviser's decision-making process if the adviser were actually managing client money. Backtested performance also differs from actual performance because it is achieved through the retroactive application of model portfolios (in this case, IFA's Index Portfolios) designed with the benefit of hindsight. As a result, the models theoretically may be changed from time to time to obtain more favorable performance results.

4. History of Changes to the IFA Indexes: 1991-1999: IFA Index Portfolios 10, 30, 50, 70 and 90 were originally suggested by Dimensional Fund Advisors (DFA), merely as an example of globally diversified investments using their many custom index mutual funds, back in 1991 with moderate modifications in 1996 to reflect the availability of index funds that tracked the emerging markets asset class. Index Portfolios between each of the above listed portfolios were created by IFA in 1999 by interpolating between the above portfolios. Portfolios 5, 95 and 100 were created by IFA in 1999, as a lower and higher extension of the DFA 1991 risk and return line. As of March 1, 2010, 100 Index Portfolios are available to IFA clients, with Index Portfolios between the shown allocations being interpolations of the 10 allocations shown. In January 2008, IFA introduced three new indexes and twenty socially responsible portfolios constructed from these three indexes and five pre-existing IFA indexes. The new indexes introduced were: IFA US Social Core Equity, IFA Emerging Markets Social Core, and IFA International Real Estate. All three use live DFA fund data as long as it has been available. Prior to live fund data, they use index data supplied by DFA modified for fund management fees. Go to www.ifa.com/btp/historyofchange.html to see a summary of changes made to the IFA Indexes and Index Portfolios.

5. Backtested performance results assume the reinvestment of dividends and capital gains and annual rebalancing at the beginning of each year. In reality, client's accounts will be rebalanced either more or less frequently depending on the fluctuation of the asset classes and the cash flow activity of the client. It is IFA's opinion that the assumption of annual rebalancing is a reasonable approximation to reality. It is important to understand that the assumption of annual rebalancing has an impact on the monthly returns reported for the IFA Index Portfolios in the Index Calculator found at www.ifacalc.com. The reason for this difference is that with annual rebalancing, the monthly returns are calculated by applying the asset class percentages to the year-to-date returns as of the beginning and the end of the month, unlike monthly rebalancing which assumes that the portfolio is perfectly in balance at the beginning of the month. At www.ifabt.com in section 5 there is an example of the monthly and year-to-date returns for October 2009 and how they would have differed if monthly rebalancing had been assumed. The reason for the small difference in the monthly returns observed at that page is a mixed equity and fixed income portfolio like IFA Index Portfolios 50 that started on January 1st would be overweight in equities and underweight in fixed income

at the beginning of October. Since equities did worse than fixed income in October, the annually rebalanced portfolio did worse than the monthly rebalanced portfolio. However, on a year-to-date basis, the annually rebalanced portfolio did better because the monthly rebalanced portfolio would have sold equities only to see them rise further. It is IFA's opinion that the overall impact of the assumption of annual rebalancing on the reported monthly and year-to-date returns is not material enough to warrant the creation of a second set of monthly figures. It is important to bear in mind that for any given month, the difference in the expected returns between annually and monthly rebalanced portfolios is statistically insignificantly different from zero. The performance of the IFA Index Portfolios reflects and is net of the effect of IFA's annual investment management fee of 0.9%, billed monthly. Monthly fee deduction is a requirement of our software used for backtesting. Actual IFA advisory fees are deducted quarterly, in advance. This fee is the highest fee IFA has ever charged. Depending on the size of your assets under management, your investment management fee may be less. Backtested risk and return data is a combination of live (or actual) mutual fund results and simulated index data, and mutual fund fees and expenses have been deducted from both the live (or actual) results and the simulated index data. When IFA Indexes are shown in IFA Index Portfolios, all returns data reflects a deduction of 0.9% annual investment advisory fee, which is the maximum IFA fee. Your fee may be less depending on assets under management at IFA. Unless indicated otherwise, data shown for each individual IFA Index is shown without a deduction of the IFA advisory fee. We choose this method because the creation, choice, monitoring and rebalancing of diversified index portfolios are the services of the independent investment advisor and at that point the fees are appropriate to deduct from the whole portfolio returns. Since we accept no fees from investment product firms, IFA compares index funds based on net asset value returns, which are net of the mutual fund company expense ratios only. Although index mutual funds minimize tax liabilities from short and long term capital gains, any resulting tax liability is not deducted from performance results. Performance results also do not reflect transaction fees (as seen at www.ifafee.com) and other expenses charged by broker-dealers, which reduce returns. IFA is not paid any brokerage commissions, sales loads, 12b1 fees, or any form of compensation from any mutual fund company or broker dealer. The only source of compensation from client investments is obtained from asset based advisory fees paid by the client. More information about advisory fees, expenses, no-load mutual fund fees, prospectuses for no-load index mutual funds, brokerage and custodian fees can be found at www.ifa.com/Admin/fees.asp and on the gold navigation bar at the bottom of every page of www.ifa.com.

6. For all data periods, annualized standard deviation is presented as an approximation by multiplying the monthly standard deviation number by the square root of twelve. Please note that the number computed from annual data may differ materially from this estimate. We have chosen this methodology because Morningstar uses the same method. Go to www.ifabt.com for details. In those charts and tables where the standard deviation of daily returns is shown, it is estimated as the standard deviation of monthly returns divided by the square root of 22.

7. Not all of IFA clients follow our recommendations and depending on unique and changing client and market situations we may customize the construction and implementation of the index portfolios for particular clients, including the use of tax-managed mutual funds, tax-loss-harvesting techniques and rebalancing frequency and precision. In taxable accounts, IFA uses tax-managed index funds to manage client assets. However, the tax-managed index funds are not used in calculating the backtested performance of the index portfolios, unless specified in the table or chart. Some clients substitute the mutual funds recommended by IFA with investment options available through their 401k or other accounts, thereby creating a custom asset

allocation. The performance of custom asset allocations may differ materially from (and may be lower than) that of the index portfolios.

8. Performance results for clients that invested in accordance with the Index Portfolios will vary from the backtested performance provided on the site due to market conditions and other factors, including investments cash flows, mutual fund allocations, frequency and precision of rebalancing, tax-management strategies, cash balances, lower than 0.9% advisory fees, varying custodian fees, and/or the timing of fee deductions. As the result of these and potentially other variances, our clients have not and are not expected to have achieved the exact results shown since November 1999, when we placed our first investment. Actual performance for client accounts may differ materially from (and may be lower than) that of the index portfolios. Clients should consult their account statements for information about how their actual performance compares to that of the index portfolios.

9. As with any investment strategy, there is potential for profit as well as the possibility of loss. IFA does not guarantee any minimum level of investment performance or the success of any index portfolio or investment strategy. All investments involve risk (the amount of which may vary significantly) and investment recommendations will not always be profitable.

10. Past performance does not guarantee future results.

11. IFA Index Portfolio Value Data is based on a starting value of one, as of January 1, 1928.

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Updated 5-16-2011, for additional updates see www.ifabt.com

SOURCES AND DESCRIPTION OF DATA

The following descriptions of IFA Indexes indicate how indexes are strung together to simulate similar risk and return characteristics back to 1928. This reduces the standard error of the mean which is unacceptably high for periods less than 20 or 30 years. When IFA Indexes are shown in Index Portfolios, all returns data reflects a deduction of 0.9% annual investment advisory fee, which is the maximum Index Funds Advisors (IFA) fee. Fees are based on assets under management at IFA. Unless indicated otherwise, data shown for each individual IFA Index is shown without a deduction of the IFA advisory fee. This method is used because the creation, choice, monitoring and rebalancing of diversified index portfolios are the services of the independent investment advisor. Therefore, fees are deducted from the whole portfolio data but not the index data.

Live Dimensional Fund Advisors' (DFA) fund data reflects the deduction of mutual fund advisory fees, mutual fund company brokerage fees, other expenses incurred by the mutual funds and incorporates actual trading results. Simulated index data also reflects DFA's current mutual fund expense ratios for the entire period. Both simulated and live data reflect total returns, including dividends, except for IFA/NSDQ.

For updates on sources and descriptions of data see www.ifaindexes.com.

LC	IFA U.S. Large Company Index (LC)	Time-Series Construction	January 1928 – December 1990: S&P 500 minus 0.0125%/month		501	Price/Earning (exclude negatives)	15.13
			January 1991 – April 2010: DFA US Large Company Symbol: DFLCX				
			May 2010 – Present : DFA US Large Company Symbol: DFUSX				
<p>Investment Objective of DFA US Large Company Institutional Index (DFUSX) The US Large Company Portfolio is a no-load mutual fund designed to approximate the investment performance of the S&P 500 Index, both in terms of the price of the Portfolio's shares and its total investment return. The Portfolio intends to invest in all of the stocks that comprise the S&P 500 Index in approximately the same proportions as they are represented in the Index. The S&P 500 Index is comprised of a broad and diverse group of stocks, most of which are traded on the NYSE. Generally, these are the US stocks with the largest market capitalizations and, as a group, they represent approximately 70% of the total market capitalization of all publicly traded US stocks.</p>							
Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Number of Holdings	Price/Earning (exclude negatives)	
US Large Company Portfolio	15.57%	2.51%	2.73%	3.30%	Weighted Average Market Cap	Dividend Yield	1.91%
S&P 500 Index	15.64%	2.36%	2.62%	3.29%	Weighted Average Book-to-Market	Expense Ratio (as of 10/31/10)	0.10%
*All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com							

LV	IFA U.S. Large Cap Value Index (LV)	Time-Series Construction	January 1928 – February 1993: Dimensional US Large Cap Value Index minus 0.0225%/month		213	Price/Earning (exclude negatives)	14.15
			March 1993 – Present: DFA US Large Cap Value Symbol: DFLVX				
<p>Investment Objective of DFA US Large Cap Value Portfolio Class I (DFLVX) The US Large Cap Value Portfolio is a no-load mutual fund designed to capture the returns and diversification benefits of a broad cross-section of US value companies, on a market-cap weighted basis. The Portfolio invests in securities of US companies with market capitalizations within the largest 90% of the market universe or larger than the 1,000th largest US company, whichever results in a higher market capitalization break. The market universe is comprised of companies listed on the NYSE, American Stock Exchange, and NASDAQ National Market System. After identifying the aggregate market capitalization break, a value screen is applied to the universe. Securities are considered value stocks primarily because a company's shares have a high book value in relation to their market value (B/M). This B/M sort excludes firms with negative or zero book values. In assessing value, additional factors such as price to cash flow or price to earning ratios may be considered, as well as economic conditions and developments in the issuer's industry. The criteria for assessing value are subject to change from time to time.</p>							
Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Number of Holdings	Price/Earning (exclude negatives)	
US Large Cap Value Portfolio (I)	19.59%	3.12%	2.18%	6.07%	Weighted Average Market Cap	Dividend Yield	1.72%
Russell 1000 Value Index	15.15%	0.60%	1.38%	4.53%	Weighted Average Book-to-Market	Expense Ratio (as of 10/31/10)	0.28%
*All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com							

SC	IFA U.S. Small Cap Index (SC)	Time-Series Construction	January 1928 – March 1992: Dimensional US Small Cap Index minus 0.0317%/month		2,613	Price/Earning (exclude negatives)	18.56
			April 1992 – Present : DFA US Small Cap Symbol: DFSTX				
<p>Investment Objective of DFA US Small Cap Portfolio Class I (DFSTX) The US Small Cap Portfolio is a no-load mutual fund designed to capture the returns and diversification benefits of a broad cross-section of US small companies, on a market-cap weighted basis. The Portfolio invests in securities of US companies with market capitalizations within the smallest 10% of the market universe or smaller than the 1,000th largest US company, whichever results in a higher market capitalization break. The market universe is comprised of companies listed on the New York Stock Exchange, American Stock Exchange, and NASDAQ National Market System.</p>							
Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Number of Holdings	Price/Earning (exclude negatives)	
US Small Cap Portfolio (I)	29.17%	11.10%	4.24%	9.59%	Weighted Average Market Cap	Dividend Yield	0.73%
Russell 2000 Index	25.79%	8.56%	3.35%	7.87%	Weighted Average Book-to-Market	Expense Ratio (as of 10/31/10)	0.37%
*All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com							

MC	IFA U.S. Micro Cap Index (MC)	Time-Series Construction	Jan 1928 - Dec 1981: Dimensional US Micro Cap Index minus 0.045%/month		2,217	Price/Earning (exclude negatives)	18.93
			Jan 1982 - Present: DFA US Micro Cap: DFSCX				
<p>Investment Objective of DFA US Micro Cap Portfolio (DFSCX) The US Micro Cap Portfolio is a no-load mutual fund designed to capture the returns and diversification benefits of a broad cross-section of US small cap companies, on a market cap-weighted basis. The portfolio generally invests in securities of US companies whose size (based primarily on market capitalization) falls within the smallest 5% of the market universe or smaller than the 1,500 largest US companies, which results in a higher market capitalization break. The market universe is comprised of companies listed on the New York Stock Exchange, American Stock Exchange, and the NASDAQ Market System.</p>							
Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Number of Holdings	Price/Earning (exclude negatives)	
US Micro Cap Portfolio	29.61%	8.63%	2.06%	10.41%	Weighted Average Market Cap	Dividend Yield	0.75%
Russell 2000 Index	25.79%	8.56%	3.35%	7.87%	Weighted Average Book-to-Market	Expense Ratio (as of 10/31/10)	0.52%
*All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com							

SV	IFA U.S. Small Cap Value Index (SV)	Time-Series Construction	January 1928 – February 2000: Dimensional US Targeted Value Index minus 0.0342%/month		1,538	Price/Earning (exclude negatives)	15.85
			March 2000 – Present: DFA US Targeted Value Symbol: DFFVX				
<p>Investment Objective of DFA Targeted Value Portfolio Class I (DFFVX) The US Targeted Value Portfolio is a no-load mutual fund designed to capture the returns and diversification benefits of a broad cross-section of US small value companies, on a market cap-weighted basis. The Portfolio invests in securities of US companies whose size (market capitalization) falls in the smallest 18% of the market universe. The market universe is comprised of companies listed on the New York Stock Exchange, American Stock Exchange, and NASDAQ National Market System. After identifying the smallest 18% of aggregate market capitalization, a value screen is applied to the universe. Securities are considered value stocks primarily because a company's shares have a high book value in relation to their market value (B/M). This B/M sort excludes firms with negative or zero book values. In assessing value, additional factors such as price to cash flow or price to earning ratios may be considered, as well as economic conditions and developments in the issuer's industry. The criteria for assessing value are subject to change from time to time.</p>							
Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Number of Holdings	Price/Earning (exclude negatives)	
US Targeted Value Portfolio (I)	25.18%	9.28%	3.81%	11.37%	Weighted Average Market Cap	Dividend Yield	0.74%
Russell 2000 Value Index	20.63%	6.76%	2.23%	9.01%	Weighted Average Book-to-Market	Expense Ratio (as of 10/31/10)	0.38%
*All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com							

RE IFA Real Estate Index (RE)

Time-Series Construction	January 1928 – December 1977: 50% IFA US Small Cap Index and 50% IFA Small Cap Value Index
	January 1978 – December 1992: Dow Jones US Select REIT Index minus 0.0275%/month
	January 1993 – June 2008: DFA US Real Estate Securities Symbol: DFREX
	July 2008 – Present: DFA Global Real Estate Securities Symbol: DFGEX

Investment Objective of DFA Global Real Estate Securities (DFGEX) The Global Real Estate Securities Portfolio is a no-load mutual fund designed to achieve long-term capital appreciation. The Portfolio invests in a broad range of securities of US and non-US companies in the real estate industry, including companies in developed and emerging markets, with a focus on real estate investment trusts or companies that Dimensional considers to be REIT-like entities. The Portfolio primarily purchases shares of Dimensional's Real Estate Securities Portfolio and International Real Estate Securities Portfolio. In addition to investing in these underlying funds, the Portfolio also may invest directly in securities of companies in the real estate industry. The Portfolio is currently authorized to invest in companies in the following countries: Australia, Belgium, Canada, China, France, Germany, Greece, Hong Kong, Japan, the Netherlands, New Zealand, Singapore, South Africa, Taiwan, the United Kingdom, and the United States. Other countries may be authorized for investment in the future.

Average Annual Total Return	One Year	Three Years	Five Years	Inception*	Number of Holdings	Price/Earning (exclude negatives)	23.76
Global Real Estate Sec. Portfolio	24.27%	NA	NA	-0.76%	304		
S&P Global REIT Index**	22.50%	NA	NA	-2.70%	Weighted Average Market Cap	\$8,763M	Dividend Yield 4.19%
					Weighted Average Book-to-Market	0.64	Expense Ratio (as of 10/31/10) 0.41%

*Inception Date 6/4/08 **Gross Dividends *All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com

IRE IFA International Real Estate Index (IRE)

Time-Series Construction	January 1928 - June 1989: IFA Real Estate Index
	July 1989 - March 2007: S&P Global (ex-US) REIT Index Gross minus 0.04%/month
	April 2007 - Present: DFA International Real Estate Portfolio Symbol: DFITX

Investment Objective of DFA International Real Estate Securities Portfolio (DFITX) The DFA International Real Estate Securities Portfolio (DFITX) is a no-load mutual fund designed to achieve long-term capital appreciation. The Portfolio invests in a broad range of securities of non-US companies in the real estate industry including developed and emerging markets with a focus on non-US real estate investment trusts (REITs) and companies that Dimensional considers REIT-like entities. It is well diversified with respect to both geography and property type. The Portfolio may invest in the securities of real estate companies in developed and emerging markets and is currently authorized to invest in companies in the following countries: Australia, Belgium, Canada, China, France, Hong Kong, Japan, the Netherlands, New Zealand, Singapore, South Africa, and the United Kingdom. Other countries may be authorized for investment in the future.

Average Annual Total Return	One Year	Three Years	Five Years	Inception*	Number of Holdings	Price/Earning (exclude negatives)	15.39
Intl. Real Estate Sec. Portfolio	23.74%	-5.20%	NA	-7.32%	197		
S&P Global REIT ex US REIT Index	22.24%	-4.93%	NA	-7.27%	Weighted Average Market Cap	\$6,917M	Dividend Yield 5.15%
					Weighted Average Book-to-Market	0.92	Expense Ratio (as of 10/31/10) 0.41%

*Inception date 3/1/07 **Gross Dividends *All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com

IV IFA International Value Index (IV)

Time-Series Construction	January 1928 – December 1969: IFA US Large Value Index
	January 1970 – December 1974: MSCI EAFE Gross Dividends minus 0.0367%/month
	January 1975 – June 1993: MSCI EAFE Value Gross minus 0.0367%/month
	July 1993 – February 1994: LWAS/DFA International High BIM Portfolio
March 1994 – Present: DFA International Value Symbol: DFIVX	

Investment Objective of DFA International Value Portfolio Class I (DFIVX) The DFA International Value Portfolio is a no-load mutual fund designed to achieve long-term capital appreciation. The Portfolio pursues its objective by investing in the stocks of large non-US companies which 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 value in relation to their market value (BIM). This BIM sort excludes firms with negative or zero book values. In assessing value, additional factors such as price to cash flow or price to earning ratios may be considered, as well as economic conditions and developments in the issuer's industry. The criteria for assessing value are subject to change from time to time. The Portfolio currently invests in companies in Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and United Kingdom.

Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Number of Holdings	Price/Earning (exclude negatives)	13.59
Intl. Value Index Portfolio	13.48%	-1.91%	2.66%	9.26%	525		
MSCI EAFE Index*	11.60%	-2.23%	1.99%	5.96%	Weighted Average Market Cap	\$42,510M	Dividend Yield 3.16%
					Weighted Average Book-to-Market	0.91	Expense Ratio (as of 10/31/10) 0.45%

*Net Dividends *All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com

IS IFA International Small Company Index (IS)

Time-Series Construction	January 1928 – December 1969: IFA US Small Cap Index
	January 1970 – September 1996: Dimensional International Small Cap Index minus 0.0458%/month
	October 1996 – Present: DFA International Small Company Symbol: DFISX

Investment Objective of DFA International Small Company Portfolio I (DFISX) The International Small Company Portfolio is a no-load mutual fund designed to achieve long-term capital appreciation. The Portfolio pursues its objective by investing in the small companies of Canada (0-15%), Europe (25-50%), Japan (15-40%), Pacific Rim (0-25%), and the United Kingdom (15-35%). The Portfolio currently invests in companies in Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Number of Holdings	Price/Earning (exclude negatives)	13.48
Intl. Small Cap Index	25.51%	2.73%	4.07%	12.70%	4,724		
MSCI EAFE Small Cap Index*	19.53%	0.15%	0.22%	8.96%	Weighted Average Market Cap	\$1,719M	Dividend Yield 2.36%
					Weighted Average Book-to-Market	0.72	Expense Ratio (as of 10/31/10) 0.57%

*Price-Only *All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com

ISV IFA International Small Cap Value Index (ISV)

Time-Series Construction	January 1928 – December 1969: IFA Small Cap Value Index
	January 1970 – June 1981: IFA International Small Company Index
	July 1981 – December 1994: Dimensional International Small Cap Value Index minus 0.0575%/month
	January 1995 – Present: DFA International Small Cap Value Symbol: DISVX

Investment Objective of DFA International Small Cap Value Portfolio I (DISVX) The DFA International Small Cap Value Portfolio is a no-load mutual fund designed to achieve long-term capital appreciation. The Portfolio pursues its objective by investing in the stocks of small non-US companies which 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 value in relation to their market value (BIM). This BIM sort excludes firms with negative or zero book values. In assessing value, additional factors such as price to cash flow or price to earning ratios may be considered, as well as economic conditions and developments in the issuer's industry. The criteria for assessing value are subject to change from time to time. The Portfolio currently invests in companies in Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and United Kingdom.

Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Number of Holdings	Price/Earning (exclude negatives)	11.12
Intl. Small Cap Value	18.71%	1.74%	3.54%	14.29%	2,166		
MSCI EAFE Small Cap Index*	17.42%	-1.01%	-0.80%	8.27%	Weighted Average Market Cap	\$1,617M	Dividend Yield 2.28%
					Weighted Average Book-to-Market	1.20	Expense Ratio (as of 10/31/10) 0.70%

*Price-Only *All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com

EM IFA Emerging Market Index (EM)

Time-Series Construction	January 1928 – December 1969: 50% IFA US Large Value Index and 50% IFA US Small Cap Index
	January 1970 – December 1987: 50% IFA Intl Value and 50% IFA Intl Small Cap
	January 1988 – April 1994: DFA Equally Weighted Emerging Markets Index minus 0.05%/month
	May 1994 – Present: DFA Emerging Markets Portfolio Symbol: DFEMX

Investment Objective of DFA Emerging Markets Portfolio Class I (DFEMX) The Emerging Markets Portfolio is a no-load mutual fund designed to achieve long-term capital appreciation. The Portfolio pursues its objective by investing in emerging markets equity securities that Dimensional deems to be large company stocks at the time of purchase. Dimensional will consider, among other things, information disseminated by the International Finance Corporation in determining and approving countries that have emerging markets. The Portfolio currently invests in companies in Brazil, Chile, China, the Czech Republic, Hungary, India, Indonesia, Israel, Malaysia, Mexico, Philippines, Poland, South Africa, South Korea, Taiwan, Thailand, and Turkey. Due to repatriation restrictions, the Portfolio currently holds but does not purchase securities in Argentina.

Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Number of Holdings	Price/Earning (exclude negatives)	14.71
Emerging Markets Portfolio I	19.91%	5.94%	11.48%	17.01%	740		
MSCI Emerging Markets Index*	18.78%	4.62%	11.01%	17.12%	Weighted Average Market Cap	\$56,359M	Dividend Yield 2.18%
					Weighted Average Book-to-Market	0.45	Expense Ratio (as of 10/31/10) 0.62%

*Gross Dividend *All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com



IFA Emerging Market Value Index (EV)

Time-Series Construction January 1928 – December 1969: IFA US Small Cap Value Index
 January 1970 – December 1988: IFA Emerging Markets Index
 January 1989 – March 1998: Fama/French Emerging Markets Value Index minus 0.05%/month
 April 1998 – Present: DFA Emerging Markets Value Portfolio Symbol DFEVX

Investment Objective of DFA Emerging Value Markets Portfolio Class I (DFEVX) The Emerging Markets Value Portfolio is a no-load mutual fund designed to achieve long-term capital appreciation. The Portfolio pursues its objective by investing in emerging markets equity securities that Dimensional deems to be value stocks at the time of purchase. Dimensional will consider, among other things, information disseminated by the International Finance Corporation in determining and approving countries that have emerging markets. Securities are considered value stocks primarily because a company's shares have a high book value in relation to their market value (BtM). This BtM sort excludes firms with negative or zero book values. In assessing value, additional factors such as price to cash flow or price to earning ratios may be considered, as well as economic conditions and developments in the issuer's industry. The criteria for assessing value are subject to change from time to time. The Portfolio currently invests in companies in Brazil, Chile, China, the Czech Republic, Hungary, India, Indonesia, Israel, Malaysia, Mexico, Philippines, Poland, South Africa, South Korea, Taiwan, Thailand, and Turkey. Due to repatriation restrictions, the Portfolio currently holds but does not purchase securities in Argentina.

Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Number of Holdings	2,129	Price/Earning (exclude negatives)	12.69
Emerging Markets Value Portfolio I	18.89%	6.36%	13.98%	22.36%	Weighted Average Market Cap	\$35,482M	Dividend Yield	1.93%
MSCI Emerging Markets Index*	18.78%	4.62%	11.01%	17.12%	Weighted Average Book-to-Market	0.75	Expense Ratio (as of 10/31/10)	0.60%

*Gross Dividend *All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com



IFA Emerging Market Small Cap Index (ES)

Time-Series Construction January 1928 – December 1969: IFA US Small Cap Index
 January 1970 – December 1988: IFA Emerging Markets Index
 January 1989 – February 1998: Fama/French Emerging Markets Small minus 0.065%/month
 March 1998 – Present: DFA Emerging Markets Small Cap Symbol: DEMSX

Investment Objective of DFA Emerging Markets Small Cap Portfolio I (DEMSX) The Emerging Markets Small Cap Portfolio is a no-load mutual fund designed to achieve long-term capital appreciation. The Portfolio pursues its objective by investing in emerging markets equity securities that Dimensional deems to be small company stocks at the time of purchase. Dimensional will consider, among other things, information disseminated by the International Finance Corporation in determining and approving countries that have emerging markets. The Portfolio will invest in companies whose market capitalization is less than \$2.3 billion. The Portfolio currently invests in companies in Brazil, Chile, China, Hungary, India, Indonesia, Israel, Malaysia, Mexico, Philippines, Poland, South Africa, South Korea, Taiwan, Thailand, and Turkey. Due to repatriation restrictions, the Portfolio currently holds but does not purchase securities in Argentina.

Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Number of Holdings	2,780	Price/Earning (exclude negatives)	13.04
Eng. Markets Small Cap Portfolio I	21.01%	10.39%	14.26%	20.75%	Weighted Average Market Cap	\$1,716M	Dividend Yield	2.20%
MSCI Emerging Markets Index*	18.78%	4.62%	11.01%	17.12%	Weighted Average Book-to-Market	0.62	Expense Ratio (as of 10/31/10)	0.78%

*Gross Dividend *All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com



IFA One-Year Fixed Income Index (1F)

Time-Series Construction January 1928 – June 1963: One-Month T-Bills minus 0.015%/month
 July 1963 – July 1983: One-Year T-Note Index minus 0.015%/month
 August 1983 – Present: DFA One-Year Fixed Income Symbol DF1HX

Investment Objective of Investment Objective of DFA One-Year Fixed Income (DF1HX) The investment objective of the DFA One-Year Fixed Income Portfolio is to achieve stable real returns in excess of the rate of inflation with a minimum of risk. Generally, the Portfolio will acquire high quality obligations which mature within one year from the date of settlement. However, when greater returns are available, substantial investments may be made in securities maturing within two years from the date of settlement as well. In addition, the Portfolio intends to concentrate investments in the banking industry under certain circumstances. The Portfolio is diversified, and with respect to corporate debt obligations and commercial paper, the Portfolio generally invests in securities rated A1/P1 or better.

Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Duration	0.89 Years
One-Year Fixed Income Index Portfolio	0.95%	2.14%	3.24%	3.00%	Average Portfolio Maturity Range	0.91 Years
One-Year US Treasury Note*	0.74%	1.45%	3.18%	2.94%	Expense Ratio (as of 10/31/10)	0.17%

*BofA Merrill Lynch Index *All Data as of Mar 31, 2011. For updates, see ifaindexes.com



IFA Two-Year Global Fixed Income Index (2F)

Time-Series Construction January 1928 – June 1977: Five-Year T-Notes minus 0.015%/month
 July 1977 – December 1989: ML US Treasury Index 1-3 Years minus 0.015%/month
 January 1990 – February 1996: Citi World Gov't Bond 1-3 Years Hedged minus 0.015%/month
 March 1996 – December 2007: DFA Two-Year Global Fixed Income Symbol: DFGFX

Investment Objective of DFA Two-Year Global Fixed Income Portfolio (DFGFX) The investment objective of the DFA Two-Year Global Fixed Income Portfolio is to maximize total returns consistent with preservation of capital. Generally, the Portfolio will acquire high quality obligations which mature within two years from the date of settlement. The Portfolio expects to invest in obligations issued or guaranteed by countries that are members of the Organization of Economic Cooperation and Development, but may invest in other countries as well. Investments in corporate debt obligations, bank obligations, commercial paper, repurchase agreements, and obligations of other domestic and foreign issuers with high quality ratings may also be included. The Portfolio will also enter into forward foreign currency contracts solely for the purpose of hedging against fluctuations in currency exchange rates. The Portfolio is diversified; and with respect to corporate debt obligations and commercial paper, the Portfolio generally invests in US securities rated A1/P1 or better and non-US securities rated AA/Aa2 or better.

Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Duration	1.24 Years
Two-Year Global Fixed Income Portfolio	1.34%	2.47%	3.41%	3.20%	Average Portfolio Maturity Range	1.27 Years
World Gov't Bond Index 1-3 Years*	0.70%	2.35%	3.72%	3.40%	Expense Ratio (as of 10/31/10)	0.18%

*Citigroup Index, Hedged *All Data as of Mar 31, 2011. For updates, see ifaindexes.com



IFA Short Term Government Index (3G)

Time-Series Construction January 1928 – December 1972: Five-Year T-Notes minus 0.0192%/month
 January 1973 – May 1987: Barclays Intermediate Government Bond Index minus 0.0192%/month
 June 1987 – Present: DFA Short-Term Govt. Portfolio (Five-Year Gov't Income) Symbol: DFFGX

Investment Objective of DFA Short-Term Government Portfolio (DFFGX) The investment objective of the DFA Short-Term Government Portfolio (Formerly the DFA Five-Year Government Portfolio) is to maximize total returns available from the universe of debt obligations of the US government and US government agencies. Ordinarily, the Portfolio will invest at least 80% of its assets in US government obligations and US government agency obligations that mature within five years from the date of settlement. The Portfolio may also acquire repurchase agreements.

Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Duration	2.75 Years
DFA Short-Term Gov't Portfolio	3.44%	4.12%	4.58%	4.66%	Average Portfolio Maturity Range	2.91 Years
Capital US Gov't Bond Index Intermediate*	3.83%	3.54%	5.48%	4.81%	Expense Ratio (as of 10/31/10)	0.23%

*Barclays Index *All Data as of Mar 31, 2011. For updates, see ifaindexes.com



IFA Five-Year Global Fixed Income Index (5F)

Time-Series Construction January 1928 – December 1984: IFA Five-Year Government Fixed Income Index
 January 1985 – November 1990: Citi Global Government Bond Hedged minus 0.0233%/month
 December 1990 – Present: DFA Five-Year Global Fixed Income Symbol: DFGBX

Investment Objective of DFA Five-Year Global Fixed Income Portfolio (DFGBX) 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. Generally, the Portfolio will invest in high quality obligations which mature within five years from the date of settlement. The Portfolio expects to invest primarily in obligations issued or guaranteed by any of the following countries (but may invest in other countries as well): Australia, Canada, Denmark, EMU countries, Japan, Sweden, Switzerland, the United Kingdom, and the United States. Investments in obligations of other foreign issuers rated AA or better, corporate debt obligations, bank obligations and commercial paper may also be included. The Portfolio will also enter into forward foreign currency contracts solely for the purpose of hedging against fluctuations in currency exchange rates.

Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Duration	3.82 Years
Five-Year Global Fixed Portfolio	3.69%	4.25%	4.58%	4.47%	Average Portfolio Maturity Range	4.12 Years
World Gov't Bond 1-5 Years*	0.99%	2.80%	4.15%	3.76%	Expense Ratio (as of 10/31/10)	0.28%

*Citigroup Index, Hedged *All Data as of Mar 31, 2011. For updates, see ifaindexes.com



IFA US Social Core Equity Index (SCE)

Time-Series Construction January 1928 - September 2005: Dimensional Adjusted Market 2 Index minus 0.04%/month
October 2005 - October 2007: DFA US Core Equity 2 Portfolio Symbol: DFOTX minus 0.02%/month
November 2007 - Present: DFA US Social Core Equity 2 Portfolio Symbol: DFUEX

Investment Objective of DFA US Social Core Equity 2 Portfolio (DFUEX) The US Social Core Equity 2 Portfolio is a no-load mutual fund designed to achieve long-term capital appreciation. The Portfolio seeks to purchase a broad and diverse range of US securities with an increased exposure to small cap stocks and those it considers to be value stocks, relative to the market universe. In assessing value, Dimensional may consider factors such as the issuer's securities having a high book value in relation to their market value, as well as price to cash flow or price to earnings ratios. The Portfolio seeks to exclude from investment certain companies that are identified by the Portfolio's social screens, as reflected in the prospectus. These screens were designed to meet the social investing needs of shareholders. An independent, third-party service provider has been engaged to monitor the Portfolio's social screens and determine which securities to exclude from the Portfolio based upon the social screens. The purchase, sale, or exclusion of any specific security does not reflect a judgment by Dimensional relating to any social issue.

Average Annual Total Return	One Year	Three Years	Five Years	Inception*	Number of Holdings	2,289	Price/Earning (exclude negatives)	16.33
US Social Core Equity 2 Portfolio	22.83%	4.97%	NA	-0.49%	Weighted Average Market Cap	\$44,031M	Dividend Yield	1.53%
Russell 3000 Index	17.41%	3.42%	NA	-1.34%	Weighted Average Book-to-Market	0.61	Expense Ratio (as of 10/31/10)	0.33%

*Inception Date 10/1/07 *All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com



IFA Emerging Markets Social Core Index (EMS)

Time-Series Construction January 1928 - April 2004: 30/30/40 blend of IFA Emg. Markets & IFA Emg. Markets Value & IFA Emg. Markets Small Indexes
May 2005 - August 2006: DFA Core Emerging Markets Portfolio Symbol: DFCEX
September 2006 - Present: DFA Social Core Emerging Markets Portfolio Symbol: DFESX

Investment Objective of Emerging Markets Social Core Equity Portfolio (DFESX) The Emerging Markets Social Core Equity Portfolio is a no-load mutual fund designed to achieve long-term capital appreciation. The Portfolio seeks to purchase a broad and diverse group of securities, with an increased exposure to securities of small cap issuers and securities that it considers to be value securities. In assessing value, Dimensional may consider factors such as the issuer's securities having a high book value in relation to their market value, as well as price to cash flow or price to earnings ratios. Dimensional considers, among other factors, information disseminated by the International Finance Corporation in determining and approving countries that have emerging markets. The Portfolio seeks to exclude from investment certain companies that are identified by the Portfolio's social screens. These screens were designed to meet the social investing needs of shareholders, and currently include limitations on businesses participating in gambling; the production and/or sale of alcohol, tobacco, or military weapons; those actively conducting business in or with Sudan; and other screens as reflected in the prospectus. An independent third-party service provider has been engaged to monitor the Portfolio's social screens and determine which securities to exclude from the Portfolio based upon the social screens. The Portfolio is constructed to meet the social investing needs of shareholders; and as such, the purchase or sale of specific securities in the portfolio should not be construed as a judgment of Dimensional Fund Advisors relating to any social issue. The Portfolio currently invests in companies in Brazil, Chile, China, the Czech Republic, Hungary, India, Indonesia, Israel, Malaysia, Mexico, the Philippines, Poland, South Africa, South Korea, Taiwan, Thailand, and Turkey.

Average Annual Total Return	One Year	Three Years	Five Years	Inception*	Number of Holdings	2,242	Price/Earning (exclude negatives)	13.76
DFESX Portfolio	19.57%	6.72%	NA	13.80%	Weighted Average Market Cap	\$36,701M	Dividend Yield	2.08%
MSCI Emerging Market Index**	18.46%	4.32%	NA	11.85%	Weighted Average Book-to-Market	0.56	Expense Ratio (as of 10/31/10)	0.70%

*Inception Date 10/1/07 **Net Dividend *All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com



IFA Simulated SP500 Index (SP500)

Time-Series Construction January 1928 - December 1990: S&P 500 minus 0.0125%/month
January 1991 - April 2010: DFA US Large Company Index Symbol: DFUSX
May 2010 - Present : DFA US Large Company Symbol: DFUSX

Investment Objective of IFA Simulated SP500 Index IFA Simulated SP500 Index is provided to simulate the returns of S&P500 Index over history. The returns are the same as IFA U.S. Large Company Index (LC). The US Large Company Portfolio is a no-load mutual fund designed to approximate the investment performance of the S&P 500 Index, both in terms of the price of the Portfolio's shares and its total investment return. The Portfolio intends to invest in all of the stocks that comprise the S&P 500 Index in approximately the same proportions as they are represented in the Index. The S&P 500 Index is comprised of a broad and diverse group of stocks, most of which are traded on the NYSE. Generally, these are the US stocks with the largest market capitalizations and, as a group, they represent approximately 70% of the total market capitalization of all publicly traded US stocks.

Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Number of Holdings	501	Price/Earning (exclude negatives)	15.13
US Large Company Portfolio	15.57%	2.51%	2.73%	3.30%	Weighted Average Market Cap	\$93,195M	Dividend Yield	1.91%
S&P 500 Index	15.64%	2.36%	2.62%	3.29%	Weighted Average Book-to-Market	0.49	Expense Ratio (as of 10/31/10)	0.10%

*All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com



IFA NSDQ Index (N)

Time-Series Construction January 1928 - February 1971: Fama/French US Small Growth Simulated Portfolio (ex Utilities)
Mar 1971 - Present: NASDAQ % Change; Excluding Dividends (Source: Yahoo! Finance)

Investment Objective of IFA NSDQ Index To capture the return of the NASDAQ-100 Index, excluding the impact of dividends. The NASDAQ-100 Index includes 100 of the largest domestic and international non-financial securities listed on The Nasdaq Stock Market based on market capitalization. The Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology. It does not contain securities of financial companies including investment companies.

*All Data as of December 31, 2010. For updates, see ifaindexes.com



IFA U.S. Total Market Index (TM)

Time-Series Construction Jan 1928 - Apr 1992 = Fama/French Total Market Index Minus 0.01% per month
May 1992 - Present = Vanguard US Total Market Index Inst'l :VITX

Investment Objective of Vanguard US Total Market Index (VITX) The investment seeks to track the performance of a benchmark index that measures the investment return of the overall stock market. The fund employs a passive management strategy designed to track the performance of the MSCI US Broad Market index, which consists of all the U.S. common stocks traded regularly on the New York Stock Exchange and the Nasdaq over-the-counter market. It typically holds 1,200-1,300 of the stocks in its target index.

Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Number of Holdings	3,380	Price/Earning (exclude negatives)	17.8
Vanguard US Total Market Index	17.60%	3.81%	3.26%	4.57%	Median Market Cap	\$31.4B	Dividend Yield	1.71%
					Weighted Average Book-to-Market	0.43	Expense Ratio (as of 12/31/10)	0.06%

*All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com



IFA U.S. Large Growth Index (LG)

Time-Series Construction Jan 1928 - Nov 1992 = Fama/French Large Growth ex. Utilities Minus 0.01% per month
Dec 1992 - Present = Vanguard Growth Index Inst'l: VIGIX

Investment Objective of Vanguard Growth Index (VIGIX) The investment seeks to track the performance of a benchmark index that measures the investment return of large-capitalization growth stocks. The fund employs a passive management investment approach designed to track the performance of the MSCI US Prime Market Growth index, a broadly diversified index of growth stocks of large U.S. companies. It attempts to replicate the target index by investing all, or substantially all, of assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Number of Holdings	433	Price/Earning (exclude negatives)	19.4
Vanguard Growth Index	17.30%	4.86%	4.33%	3.92%	Median Market Cap	\$35.1B	Dividend Yield	1.10%
					Weighted Average Book-to-Market	0.29	Expense Ratio (as of 12/31/10)	0.08%

*All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com



IFA U.S. Small Growth Index (SG)

Time-Series Construction Jan 1928 - May 1998 = Fama/French Small Growth ex. Utilities Minus 0.01% per month
Jun 1998 - Present = Vanguard Small-Cap Growth Index Inst'l :VSGIX

Investment Objective of Vanguard Small-Cap Growth Index (VSGIX) The investment seeks to track the performance of a benchmark index that measures the investment return of small capitalization growth stocks. The fund employs a passive management investment approach designed to track the performance of the MSCI US Small Cap Growth index, a broadly diversified index of growth stocks of smaller U.S. companies. It attempts to replicate the target index by investing all, or substantially all, of assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Average Annual Total Return	One Year	Three Years	Five Years	Ten Years	Number of Holdings	983	Price/Earning (exclude negatives)	34.1
Vanguard Small-Cap Growth Index	32.79%	11.90%	6.09%	10.32%	Median Market Cap	\$1.9B	Dividend Yield	0.22%
					Weighted Average Book-to-Market	0.30	Expense Ratio (as of 12/31/10)	0.08%

*All Data as of Mar 31, 2011. For updates, see www.ifaindexes.com