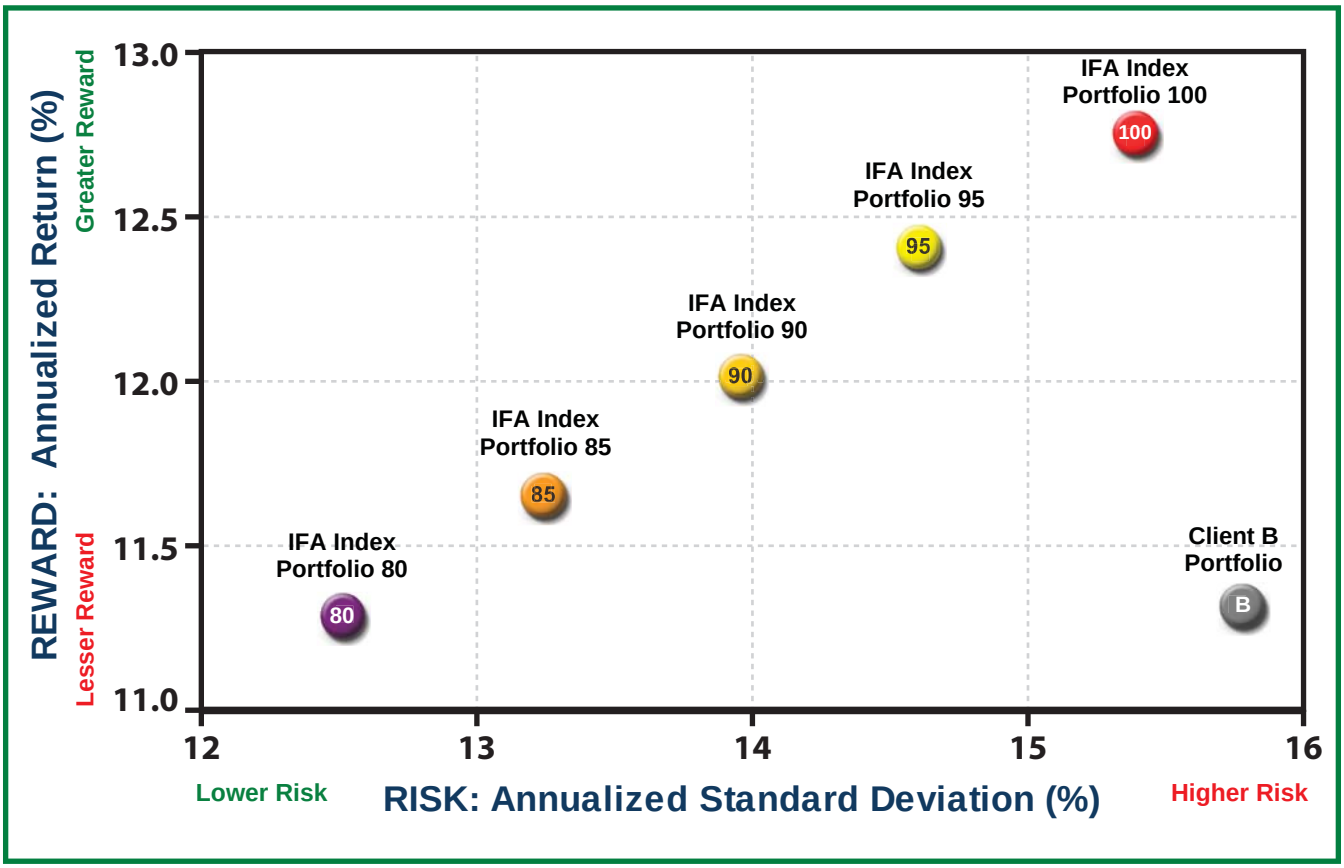
Client B Portfolio Comparison

10-years and 3-months (from January 1997 to March 2007)



	B	80	85	90	95	100
	Client B Portfolio	IFA Index Portfolio 80	IFA Index Portfolio 85	IFA Index Portfolio 90	IFA Index Portfolio 95	IFA Index Portfolio 100
REWARD: Annualized Return	11.33%	11.30%	11.67%	12.02%	12.40%	12.75%
RISK: Annualized Std. Dev.**	15.76%	12.52%	13.24%	13.95%	14.61%	15.39%
Growth of $1	$3.00	$3.00	$3.10	$3.20	$3.31	$3.42

NOTES:

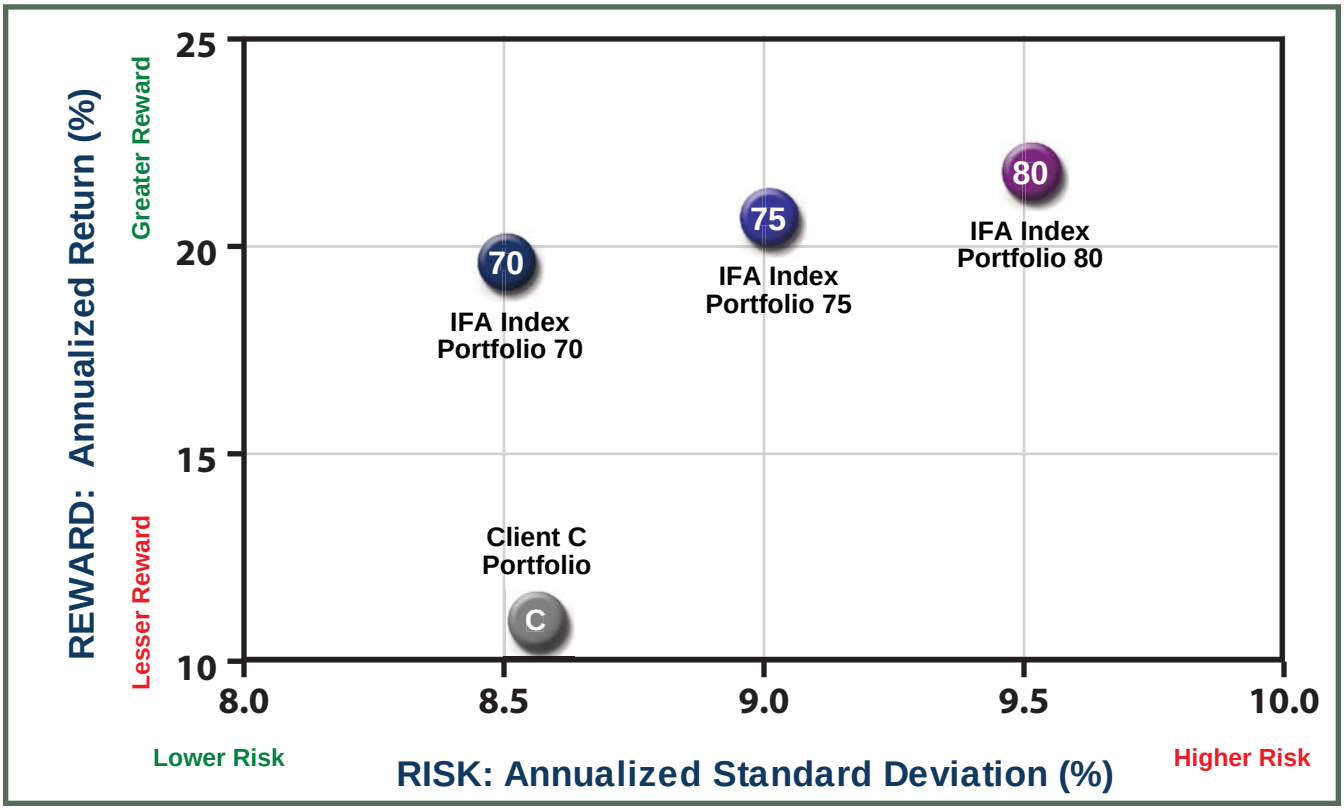
The IFA portfolios are net of advisory fees.

The Client B portfolio does not have advisory fees removed. It consists of:

Mid-Cap:	VIMSX	45%
S&P 500:	VFINX	14%
Emerging:	VEIEX	14%
Total Intl.:	VGTSX	11%
Growth:	VGEQX	10%
ST Bond:	VBIRX	6%

Client C Portfolio Comparison

4-Year and 3 Month (from January 2003 to March 2007)



	C	70	75	80
	Client C Portfolio	IFA Index Portfolio 70	IFA Index Portfolio 75	IFA Index Portfolio 80
REWARD: Annualized Return	10.93%	19.62%	20.72%	21.81%
RISK: Annualized Std. Dev.**	8.56%	8.51%	9.01%	9.51%
Growth of $1	$1.55	$2.14	$2.23	$2.31

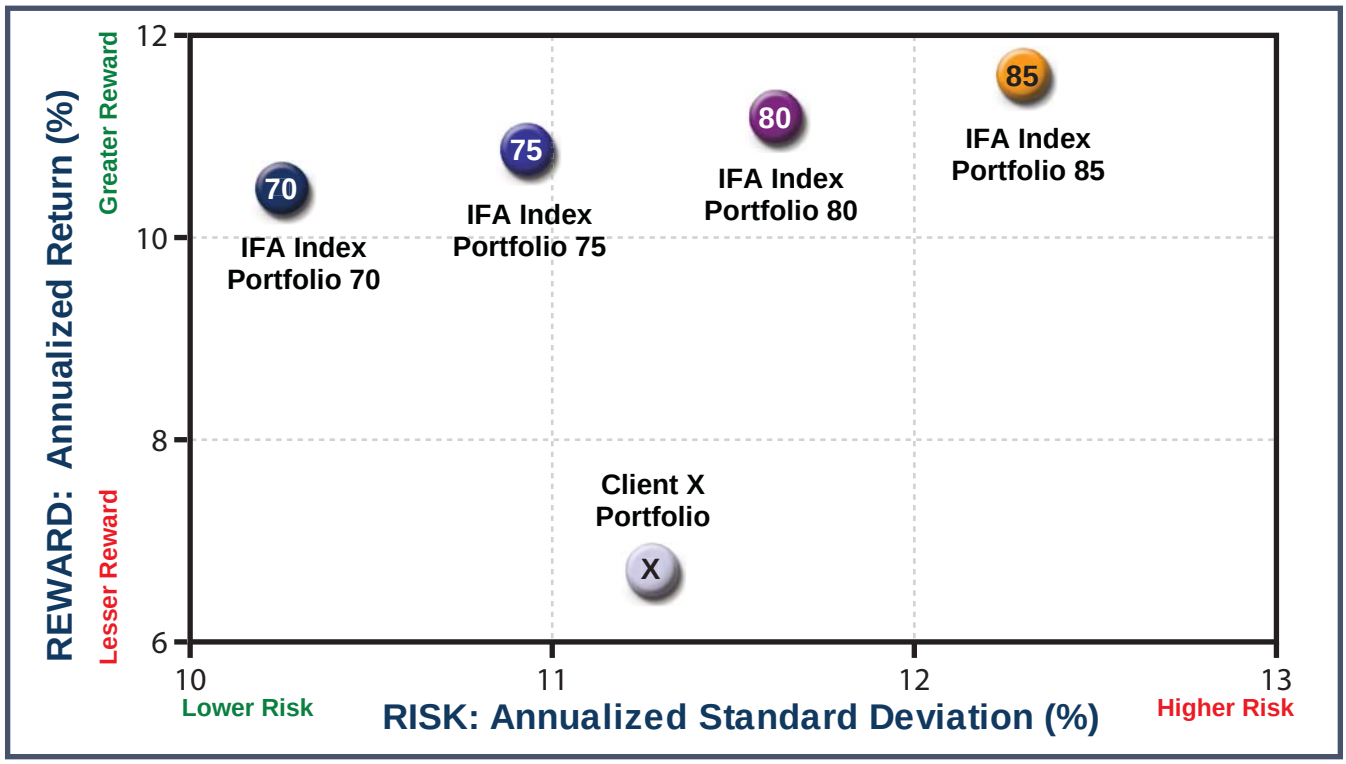
NOTE: The sample portfolio has no advisory fees deducted while the IFA portfolios are net of a 0.9% advisory fee.

Composition of Client C Portfolio

Fidelity Dividend Growth	FDGFX	$20,225	13.05%
Fidelity Growth	FDGRX	$16,492	10.64%
Fidelity Value	FDVLX	$15,950	10.29%
Fidelity Int'l Discovery	FIGRX	$17,411	11.23%
Fidelity Low Price Stock	FLPSX	$19,898	12.84%
Fidelity Mid Cap	FMCSX	$21,149	13.65%
Pimco All Asset Return	PAALX	$31,466	20.30%
Pimco Real Return R	PRRRX	$12,392	8.00%
		$154,983	100.00%

Client X Portfolio vs. IFA Portfolios

7 Year, 6 Month Time Period (from January 2000 to June 2007)*



	X	70	75	80	85
	Client X Portfolio	IFA Index Portfolio 70	IFA Index Portfolio 75	IFA Index Portfolio 80	IFA Index Portfolio 85
REWARD: Annualized Return %	6.74%	10.50%	10.88%	11.25%	11.62%
RISK: Annualized Std. Dev. %	11.27%	10.25%	10.93%	11.61%	12.30%
Growth of $1.0 M	$1.63 M	$2.11 M	$2.17 M	$2.23 M	$2.28 M

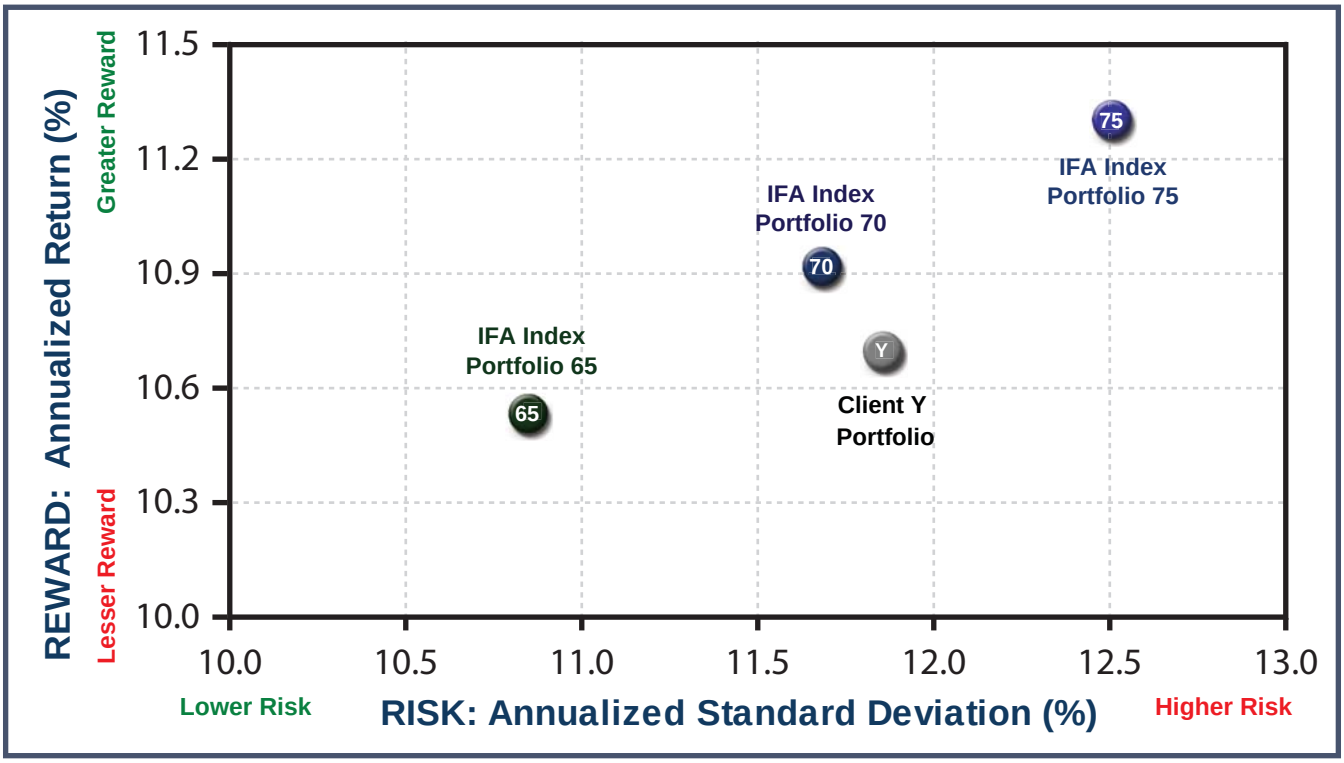
Ticker	Name	% of Portfolio
VFINX	Vanguard S&P 500	26.28%
CMCSA	Comcast	4.14%
KO	Coca-Cola	7.54%
VGHCX	Vanguard Health Care Fund	17.52%
PEP	Pepsi	6.33%
PG	Proctor & Gamble	6.08%
WYE	Wyeth	9.00%
INTC	Intel	4.14%
JCVCX	John Hancock Classic Value	6.08%
MDLRX	Black Rock Large Cap Core Fund	12.89%
		100.00%

*The returns data begins at the inception date of MDLRX (Black Rock Large Cap Core Fund)

The IFA Portfolios are net of a 0.90% advisory fee.

Client Y vs. IFA Index Portfolios

11 Year Time Period (from 1996 to 2006)



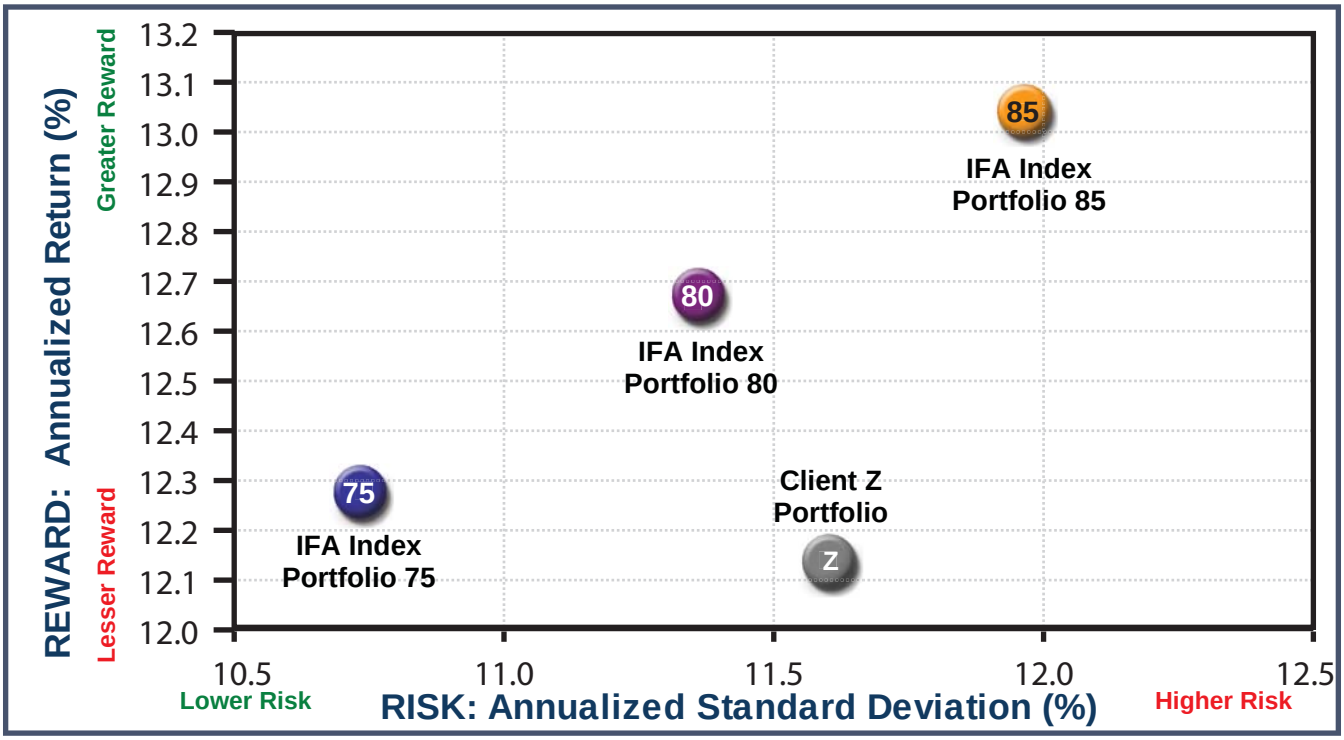
	65 IFA Index Portfolio 65	70 IFA Index Portfolio 70	75 IFA Index Portfolio 75	Y Client Y Portfolio
REWARD: Annualized Return %	10.54%	10.92%	11.30%	10.70%
RISK: Annualized Std. Dev. %	10.86%	11.68%	12.50%	11.86%

	Client Y Ending Value	Client Y Annual Return	Annual Return P65	Annual Return P70	Annual Return P75
1995	$1,626,021	- -	- -	- -	- -
1996	$1,973,030	21.34%	14.24%	14.75%	15.26%
1997	$2,399,948	21.64%	11.87%	12.28%	12.70%
1998	$2,840,292	18.35%	5.69%	5.70%	5.71%
1999	$3,177,389	11.87%	15.73%	16.57%	17.40%
2000	$3,265,306	2.77%	0.72%	0.39%	0.06%
2001	$3,027,726	-7.28%	1.83%	1.60%	1.37%
2002	$2,854,869	-5.71%	-6.44%	-7.33%	-8.22%
2003	$2,987,625	4.65%	34.20%	36.39%	38.57%
2004	$3,824,804	28.02%	16.50%	17.54%	18.58%
2005	$4,099,902	7.19%	8.68%	9.21%	9.74%
2006	$4,974,436	21.33%	18.10%	19.07%	20.04%

Note: The returns of the IFA Portfolios are net of a 0.90% advisory fee.

Client Z Portfolio vs. IFA Index Portfolios

19 Years, 6 Month Time Period (from January 1988 to June 2007)



	Z	75	80	85
	Client Z Portfolio	**IFA Index Portfolio 75**	**IFA Index Portfolio 80**	**IFA Index Portfolio 85**
REWARD: Annualized Return (%)	12.14%	12.28%	12.26%	**13.04%**
RISK: Annualized Std. Dev. (%)	11.60%	10.74%	11.35%	**11.97%**

Client Z Portfolio Analysis 3/31/2007

Fund Name	Ticker	Value	% of Port.
Van Kampen Reserve*	ACZXX	$11,396	13.27%
Van Kampen Equity & Income	ACEIX	$22,952	26.73%
Van Kampen Growth & Income	ACGIX	$26,964	31.40%
Van Kampen Strategic Growth	ACEGX	$24,558	28.60%
		$85,870	100.00%

*Since Van Kampen Reserve is a money market fund, its returns were approximated with the historical 3-Month T-Bill Rate.

Note: No advisory fees were deducted for the Client Z portfolio, while the IFA portfolios are net of a 0.90% advisory fee. The returns of Client Z's portfolio do not reflect the impact of front-end loads.

Disclosure for Backtested Performance Information on the Simulated Strategies of IFA Indexes and IFA Index Portfolios (Indexfolios):

IFA Announces Changes to its Index Portfolios for New Investors
As of January 1, 2008, DFA has enacted a "soft close" of two of its funds. This means that existing investors will be able to add to their current positions, but new investors will not be able to purchase positions in these funds. Therefore, IFA will no longer be using the DFA U.S. Micro Cap Portfolio or the DFA U.S. Small Cap Value Portfolio for new investors (or for new non-taxable accounts added by existing investors). In place of Micro Cap, the DFA U.S. Small Cap Portfolio (DFSTX) will be used. DFSTX includes holdings in micro cap companies. In place of Small Cap Value, the DFA U.S. Targeted Value Portfolio (DFFVX) will be used. DFFVX has a slightly larger range of acceptable company sizes than Small Value. These changes apply to non-taxable accounts only. For taxable accounts, no changes are being made. It is anticipated that the future performance of these new portfolios will be quite close to the "classic" IFA portfolios.

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 Jan 1, 1927 to period ending date shown using the strategy of buying, holding and annual 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 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 15,000 companies in 35 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 twenty index 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. For detailed descriptions and definitions of the underlying criteria and data used to construct backtested performance, see these two links: Data Sources and IFA Indexes Time Series Construction. Simulated index data is based on the performance of indexes as described in the Data Sources page. The index mutual funds used in IFA's twenty 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 an equivalent mutual fund expense ratio is deducted from both live and simulated data. Live (or actual) mutual fund performance is used after the inception of each mutual fund. The IFA Indexes Times Series Construction goes back to Jan. 1927 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. In Jan. 1927, there are 5 equities indexes and 2 bond indexes, in Feb. 1955 there are a total of 10 indexes, and there are 15 indexes in March 1998 to present. If the original 5 equity indexes from 1927 are held constant until July 2005, the annualized rate of return is 11.23%, after the deduction of a 0.9% IFA advisor fee and a standard deviation of 25.59%. The evolving IFA Indexes over the same period have a 12.02% annualized return after the same IFA fees and a 25.18% standard deviation. It is IFA's advice that the value of having a longer time series exceeds the concerns of index substitutions over the 1927 to present period. Due to the very high standard deviations of returns (25%) 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 over time. This is the advice IFA provides to it's clients. Click HERE 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 Data Sources. 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 taxable 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 twenty 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:
1. 1991-1999: Index portfolios 10, 30, 50, 70 and 90 were originally suggested by Dimensional Fund Advisors (DFA), merely as a 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. 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 Index Funds Advisors in 1999, as a lower and higher extension of the DFA 1991 risk and return line. **2. November 2002:** Due to the high similarity of the 1999 versions of index portfolios 95 and 100 to index portfolio 90, the 95 and 100 portfolios were moderately modified in November 2002 to have higher exposure to small and value equities through out the world. According to the extensive research of Eugene Fama, Kenneth French and Jim Davis, utilizing data from the Center for Research of Security Prices (CRSP) over a 68 year period from July 1929 to June 1997, this change has higher risk and return expectations than the previous versions of 95 and 100. (see Characteristics, Covariances, and Average Returns: 1929-1997) **3. January 2004:** IFA changed the computer program setting to calculate annual rebalancing on the various indexes in the index portfolios in January 2004. Previous to that they were rebalanced monthly. Annual rebalancing is closer to the actual rebalancing of client accounts, therefore it was adopted as the new method in January 2005. **4. June 2006**: The historical monthly returns of the fifteen IFA indexes and the twenty IFA index portfolios were reconstructed in June of 2006 to address the following issues: 1) The availability of new and better sources of data for historical returns. 2) The correction of errors in the prior data. 3) Changes to the substitution of U.S. index data for international indexes in years prior to the existence of international data.
4) The overall impact of these changes to the returns is small. To illustrate, the 79-year average annualized returns for Portfolios 5, 50, and 100 changed as follows:

Average Annualized Return from Jan. 1927 to Dec. 2005

	Portfolio 5	Portfolio 50	Portfolio 100
Old Return	5.66%	9.65%	12.58%
New Return	5.54%	9.58%	12.62%

The Big Table and the Returns Calculator reflect this new data, and the rest of the Website will be updated as time permits. All new tables and charts updated after June 22, 2006 will be based on the updated data series.

5. January 2008: The historical monthly returns of the fifteen IFA indexes and the twenty IFA index portfolios were reconstructed in January of 2008 to address the following issues: 1) The availability of new and better sources of data for historical returns. 2) The substitution of U.S. Small Cap for U.S. Micro Cap. 3) The substitution of U.S. Targeted Value for U.S. Small Value.

4) The overall impact of these changes for 80 years is shown in the table below:
Average Annualized Returns from 1/1928 to 12/2007:

	Portfolio 5	Portfolio 50	Portfolio 100
Old Return	5.51%	9.43%	12.38%
New Return	5.24%	8.87%	11.66%
Old Standard Deviation	4.49%	15.00%	26.56%
New Standard Deviation	4.18%	13.00%	22.65%
Old Reward-to-Risk Ratio	1.23	0.63	0.47
New Reward-to-Risk Ratio	1.25	0.68	0.51

5) The overall impact of these changes for 50 years is shown in the table below:
Average Annualized Returns from 1/1958 to 12/2007:

	Portfolio 5	Portfolio 50	Portfolio 100
Old Return	6.99%	10.97%	14.68%
New Return	6.75%	10.63%	14.30%
Old Standard Deviation	3.22%	8.71%	15.32%
New Standard Deviation	3.59%	8.63%	14.82%
Old Reward-to-Risk Ratio	2.17	1.26	0.96
New Reward-to-Risk Ratio	1.88	1.23	0.96

The Big Table and the Returns Calculator reflect this new data, and the Website, www.ifa.com, will be updated as time permits. All new tables and charts updated after January 1, 2008 will be based on the updated data series.

5. Backtested performance results assume the reinvestment of dividends, ordinary and capital gains and annual rebalancing. The performance of the strategy 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. 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 here) 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 on the HERE and on the Fee link in the gold navigation bar below and on every page at 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. (see IFA Indexes Time Series Construction)

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-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 Indexes and Index Portfolios (Indexfolios) Value Data are based on a starting value of one, as of Jan 1, 1927. Sources and Disclosures: As stated above, dfaus.com, and yahoo.com

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