

Performance Monitoring Report

Fourth Quarter

2018



Sample Client PMR

An Index Fund Advisors, Inc. Quarterly Fiduciary Report on the
Performance of Peer Groups and Their Comprised Funds.

Summary

#	Fund Name	Peer Group	Score	PCTL	Expense Ratio	PB Ratio	Turnover Ratio	Sharpe Ratio (3 yr)	Sharpe Ratio (5 yr)	Sharpe Ratio (10 yr)
1	DFA Emerging Markets (DFEMX)	US Fund Diversified Emerging Mkts	88.70	99.77%	0.48%	1.49	8%	0.63	0.15	0.48
2	DFA Emerging Markets Core Equity (DFCEX)	US Fund Diversified Emerging Mkts	84.50	98.38%	0.53%	1.38	4%	0.59	0.15	0.5
3	DFA Emerging Markets Small Cap (DEMSX)	US Fund Diversified Emerging Mkts	81.00	96.99%	0.73%	1.17	15%	0.46	0.23	0.6
4	DFA Emerging Markets Social Core Equity (DFESX)	US Fund Diversified Emerging Mkts	85.00	99.08%	0.55%	1.38	11%	0.63	0.16	0.49
5	DFA Emerging Markets Value (DFEVX)	US Fund Diversified Emerging Mkts	83.40	98.15%	0.57%	0.88	14%	0.72	0.15	0.45
6	DFA Global Real Estate Securities I (DFGEX)	US Fund Global Real Estate	69.60	92.51%	0.24%	1.68	3%	0.28	0.55	0.67
7	DFA International Small Cap Value (DISVX)	US Fund Foreign Small/Mid Value	81.60	96.49%	0.68%	0.80	23%	0.13	0.08	0.53
8	DFA International Small Company (DFISX)	US Fund Foreign Small/Mid Blend	81.80	96.04%	0.53%	1.30	22%	0.25	0.16	0.61
9	DFA International Value (DFIVX)	US Fund Foreign Large Value	85.40	98.32%	0.43%	0.92	17%	0.28	-0.01	0.38
10	DFA International Vector Equity (DFVQX)	US Fund Foreign Small/Mid Value	76.10	94.74%	0.49%	1.15	12%	0.27	0.08	0.49
11	DFA Intl Core Equity (DFIEX)	US Fund Foreign Large Value	83.50	94.40%	0.3%	1.29	4%	0.27	0.08	0.48
12	DFA Intl Social Core Equity (DSCLX)	US Fund Foreign Large Value	81.58	90.48%	0.36%	1.30	8%	0.28	0.06	N/A
13	DFA Tax-Managed International Value (DTMIX)	US Fund Foreign Large Value	81.90	98.04%	0.53%	0.95	21%	0.28	-0.02	0.37
14	DFA Tax-Managed US Eq (DTMEX)	US Fund Large Blend	88.70	98.87%	0.22%	2.98	8%	0.72	0.66	0.92
15	DFA Tax-Managed US Marketwide Value (DTMMX)	US Fund Large Value	71.00	92.79%	0.37%	1.83	7%	0.53	0.46	0.79
16	DFA Tax-Managed US Small Cap (DFTSX)	US Fund Small Blend	87.50	99.11%	0.52%	1.89	11%	0.41	0.28	0.71
17	DFA Tax-Managed US Targeted Value (DTMVX)	US Fund Small Value	83.80	98.43%	0.44%	1.36	14%	0.31	0.23	0.67
18	DFA U.S. Large Cap Value (DFLVX)	US Fund Large Value	74.20	96.02%	0.27%	1.76	15%	0.56	0.47	0.79
19	DFA U.S. Micro Cap (DFSCX)	US Fund Small Blend	71.50	88.06%	0.52%	1.70	19%	0.45	0.30	0.72
20	DFA U.S. Small Cap (DFSTX)	US Fund Small Blend	88.00	99.36%	0.37%	1.85	14%	0.39	0.28	0.74
21	DFA U.S. Small Cap Value (DFSVX)	US Fund Small Value	80.70	97.76%	0.52%	1.19	24%	0.32	0.17	0.64
22	DFA U.S. Targeted Value (DFFVX)	US Fund Small Value	85.70	99.11%	0.37%	1.32	23%	0.33	0.20	0.65
23	DFA US Social Core Equity 2 (DFUEX)	US Fund Mid-Cap Blend	72.40	92.00%	0.28%	2.37	9%	0.58	0.43	0.78
24	DFA US Vector Equity Portfolio (DFVEX)	US Fund Mid-Cap Value	81.90	96.81%	0.32%	1.78	10%	0.43	0.31	0.72
25	Fidelity® Emerging Markets Idx Instl (FPMIX)	US Fund Diversified Emerging Mkts	85.00	99.08%	0.08%	1.53	4%	N/A	N/A	N/A
26	Northern Global Real Estate Index (NGREX)	US Fund Global Real Estate	87.70	99.56%	0.5%	1.27	9.53%	0.28	0.39	0.57
27	Schwab Fdmtl Emerg Mkts Lg Co Idx (SFENX)	US Fund Diversified Emerging Mkts	83.60	98.27%	0.39%	0.89	19%	0.82	0.13	0.4
28	Schwab Fdmtl Intl Lg Co Idx (SFNNX)	US Fund Foreign Large Value	89.70	99.44%	0.25%	1.17	13%	0.36	0.05	0.41
29	Schwab Fdmtl Intl Sm Co Idx (SFILX)	US Fund Foreign Small/Mid Blend	86.80	97.03%	0.39%	1.11	26%	0.35	0.24	0.62
30	Schwab Fundamental US Large Company Idx (SFLNX)	US Fund Large Value	97.00	99.92%	0.25%	2.12	10%	0.65	0.58	0.88
31	Vanguard Emerging Market Index (VEMIX)	US Fund Diversified Emerging Mkts	84.80	98.50%	0.32%	1.61	11%	0.5	0.1	0.43
32	Vanguard FTSE All-Wld ex-US SmCp Idx I (VFSVX)	US Fund Foreign Small/Mid Blend	88.00	98.02%	0.25%	1.29	15%	0.24	0.08	N/A

33	Vanguard REIT Index I (VGSNX)	US Fund Real Estate	89.20	99.28%	0.1%	2.22	6%	0.15	0.53	0.63
34	Vanguard Small Cap Index Inv (VSCIX)	US Fund Small Blend	86.80	98.73%	0.17%	1.91	14%	0.50	0.38	0.78
35	Vanguard Small Cap Value Index I (VSIIX)	US Fund Small Value	88.80	99.78%	0.06%	1.48	19%	0.47	0.39	0.73
36	Vanguard Value Index I (VIVIX)	US Fund Large Value	80.80	98.80%	0.04%	2.05	9%	0.74	0.69	0.84
37	DFA Intl Sustainability Core 1 (DFSPX)	US Fund Foreign Large Blend	74.00	92.34%	0.35%	1.63	8%	0.25	0.06	0.45
38	DFA US Sustainability Core 1 (DFSIX)	US Fund Large Blend	82.20	94.85%	0.25%	2.90	4%	0.66	0.58	0.88
39	Schwab® S&P 500 Index (SWPPX)	US Fund Large Blend	87.30	98.47%	0.02%	2.86	2%	0.76	0.73	0.94
40	DFA Global Sustainability Fixed Inc Ins (DGSFX)	US Fund World Bond	100.00	99.75%	0.28%	N/A	N/A	N/A	N/A	N/A
41	DFA Em Mkts Sustnby Cor 1 Instl (DESIX)	US Fund Diversified Emerging Mkts	81.67	97.92%	0.65%	1.54	6%	N/A	N/A	N/A

*Note: N/A values indicate insufficient data

Summary

#	Fund Name	Peer Group	Score	Percentile	Expense Ratio	Credit Rating	Avg. Credit Duration	Standard Deviation (3 yr)	Standard Deviation (5 yr)	Standard Deviation (10 yr)
1	DFA Five Year Global Fixed Income (DFGBX)	US Fund World Bond	96.00	99.26%	0.27%	AA	3.78 yrs.	1.76%	1.86%	2.21%
2	DFA One Yr Fixed Income (DFIHX)	US Fund Ultrashort Bond	80.50	89.42%	0.17%	AA	0.89 yrs.	0.41%	0.39%	0.42%
3	DFA Short-Term Government (DFFGX)	US Fund Short Government	64.00	66.90%	0.19%	AAA	2.69 yrs.	1.48%	1.36%	1.57%
4	DFA Social Fixed Income Institutional (DSFIX)	US Fund Intermediate-Term Bond	93.33	98.94%	0.27%	A	5.99 yrs.	N/A	N/A	N/A
5	DFA Two Year Global Fixed Income (DFGFX)	US Fund World Bond	94.00	99.01%	0.17%	AA	1.51 yrs.	0.53%	0.50%	0.49%
6	Fidelity® Short-Term Treasury Bd Idx Prm (FSBAX)	US Fund Short Government	96.67	98.59%	0.03%	AAA	2.6 yrs.	N/A	N/A	N/A
7	Fidelity® US Bond Index Institutional (FXSTX)	US Fund Intermediate-Term Bond	93.33	98.94%	0.03%	AA	5.92 yrs.	N/A	N/A	N/A
8	Vanguard Short-Term Treasury Adm (VFIRX)	US Fund Short Government	82.00	93.66%	0.1%	AA	2.34 yrs.	1.11%	1.01%	1.13%
9	Vanguard Total Bond Market Index I (VBTIX)	US Fund Intermediate-Term Bond	76.50	88.73%	0.04%	AA	5.94 yrs.	2.97%	2.90%	2.93%
10	Vanguard Ltd-Term Tx-Ex Adm (VMLUX)	US Fund Muni National Short	77.50	80.63%	0.19%	A	2.58 yrs.	1.62%	1.42%	1.57%
11	DFA CA Short-Term Municipal Bond I (DFCMX)	US Fund Muni Single State Short	91.50	92.31%	0.22%	AA	1.24 yrs.	1.11%	1.03%	1.17%
12	Vanguard CA Long-Term Tax-Exempt Adm (VCLAX)	US Fund Muni California Long	82.00	92.79%	0.09%	A	7.11 yrs.	4.22%	3.82%	4.81%
13	DFA NY Municipal Bond Institutional (DNVMX)	US Fund Muni Single State Short	92.31	94.87%	0.25%	AA	1.90 yrs.	1.63%	N/A	N/A
14	Vanguard NY Long-Term Tax-Exempt Adm (VNYUX)	US Fund Muni New York Long	80.50	84.42%	0.09%	A	6.94 yrs.	3.67%	3.36%	4.08%
15	Vanguard Interm-Term Tx-Ex Adm (VWIUX)	US Fund Muni National Interm	84.00	94.52%	0.09%	A	5.3 yrs.	3.09%	2.77%	3.58%

Performance Monitoring System

Introduction

The investment advisor has implemented a set of monitoring guidelines to ensure that all funds meet IFA's standard of a sound investment. The guidelines include a fiduciary monitoring scoring system to analyze every fund. There are nine equity scoring categories and five fixed income scoring categories as shown in Table 1.

Monitoring vs Selection

IFA monitors the ongoing prudence of the funds in its portfolios. IFA uses framework of Modern Portfolio Theory rather than the monitoring guidelines to select the Funds. Almost all live mutual fund returns data are insufficient to provide meaningful information about expectations of the future investment performance. Nevertheless, all selections at the time of inclusion are prudent according to the monitoring guidelines and are monitored on an ongoing basis to ensure they remain prudent.

Scoring System

Using the factors listed in Table 1, each fund is assigned a percentile rank between 0 (Worst) to 100 (Best) by summing the individual scores for the fourteen factors. If a fund is missing a scored factor, then the populated factors are reweighted. If the fund scores greater than the 66th percentile it is considered satisfactory. If a fund falls below the 66th percentile it will be placed under review and may be removed.

Note on funds of funds: If the fund scores greater than the 66th percentile it is considered satisfactory. If a fund falls below the 66th percentile it will be placed under review and may be removed.

Below is the scoring system for each of the fourteen factors. Funds are scored based on how they perform relative to their peers.

IFA assigns points for each factor according to which decile the fund falls relative to its peers. Every factor is scored one of these three ways: Lowest to highest, highest to lowest, and middle out. For Example: Prospectus Net Expense ratio is ranked from lowest to highest because to us, a cheaper fund is preferable. Scores are shown in Table 1.

In this system, factors that can be directly controlled such as net expense ratio, turnover, and total number of holdings are given more weight compared to factors that are less directly controlled such as Sharpe ratios. This strategy is consistent with developing a prudent process for portfolio management.

Table 1: Prudent Monitoring Factors and Their Weights

Equity Scoring Table

Factor	Weight	Deciles									
		1	2	3	4	5	6	7	8	9	10
Prospectus Net Expense Ratio	15.00%	10	20	30	40	50	60	70	80	90	100
P/B Ratio	15.00%	100	90	80	70	60	50	40	30	20	10
Turnover Ratio	15.00%	10	20	30	40	50	60	70	80	90	100
Average Market Cap	15.00%	20	40	60	80	100	80	60	40	20	10
# of Holdings	15.00%	10	20	30	40	50	60	70	80	90	100
% of Assets in Top 10 Holdings	15.00%	10	20	30	40	50	60	70	80	90	100
Sharpe Ratio 10 Years	5.00%	10	20	30	40	50	60	70	80	90	100
Sharpe Ratio 5 Years	3.00%	10	20	30	40	50	60	70	80	90	100
Sharpe Ratio 3 Years	2.00%	10	20	30	40	50	60	70	80	90	100

Fixed Income Scoring Table

Factor	Weight	Deciles									
		1	2	3	4	5	6	7	8	9	10
Avg. Effective Duration	20.00%	60	70	80	90	100	100	90	80	70	60
Prospectus Net Expense Ratio	40.00%	10	20	30	40	50	60	70	80	90	100
3 Year Annualized St. Dev.	5.00%	10	20	30	40	50	60	70	80	90	100
5 Year Annualized St. Dev.	10.00%	10	20	30	40	50	60	70	80	90	100
10 Year Annualized St. Dev.	25.00%	10	20	30	40	50	60	70	80	90	100

Summary

This monitoring evaluation will be conducted on a quarterly basis to ensure the funds in your plan conform to IFA's fiduciary standards according to this scoring system. Those funds that achieve a satisfactory score are considered viable and will be kept.

Glossary of Terms

Sharpe Ratio: A risk-adjusted measure developed by Nobel Laureate William Sharpe. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe ratio is calculated for the past 36-month period by dividing a fund's annualized excess returns by the standard deviation of a fund's annualized excess return

Prospectus Net Expense Ratio: The percentage of fund assets, net of reimbursements, used to pay for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV. Sales charges are not included in the expense ratio.

P/B Ratio: The weighted average of the price/book ratios of all the stocks in a portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation. In theory, a high P/B ratio indicates that the price of the stock exceeds the actual worth of the company's assets, while a low P/B ratio indicates that the stock is a bargain. All P/B ratios greater than 75 are capped at 75 for the calculation.

Turnover Ratio: measures the portfolio manager's trading activity by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets. A turnover ratio of 100% or more does not necessarily suggest that all securities in the portfolio have been traded. In practical terms, the resulting percentage loosely represents the percentage of the portfolio's holdings that have changed over the past year.

Average Market Cap: Morningstar defines the overall "size" of a stock fund's portfolio as the geometric mean of the market capitalization for all of the stocks it owns. It's calculated by multiplying the stock's portfolio weight by the natural log of the market cap. The results for each stock are summed and divided by sum of the portfolio weights, and then the exponential of the resulting number is taken.

of Holdings: The net number of holdings in the portfolio.

% Asset in Top 10 Holdings: The aggregate assets, expressed as a percentage, of the fund's top 10 portfolio holdings. This figure is meant to be a measure of portfolio risk. Specifically, the higher the percentage, the more concentrated the fund is in a few companies or issues, and the more the fund is susceptible to the market fluctuations in these few holdings. Cash and cash equivalents are generally not included in this calculation. (An exception is made for money market portfolios.)

Average Effective Duration: A measure of a fund's interest-rate sensitivity--the longer a fund's duration, the more sensitive the fund is to shifts in interest rates. Duration is determined by a formula that includes coupon rates and bond maturities. Small coupons tend to increase duration, while shorter maturities and higher coupons shorten duration. The relationship between funds with different durations is straightforward: A fund with a duration of 10 years is twice as volatile as a fund with a five-year duration.

Standard Deviation: A statistical measurement of dispersion about an average, which, for a mutual fund, depicts how widely the returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of returns that are most likely for a given fund. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility. Standard deviation is most appropriate for measuring risk if it is for a fund that is an investor's only holding. The figure cannot be combined for more than one fund because the standard deviation for a portfolio of multiple funds is a function of not only the individual standard deviations, but also of the degree of correlation among the funds' returns. If a fund's returns follow a normal distribution, then approximately 68 percent of the time they will fall within one standard deviation of the mean return for the fund, and 95 percent of the time within two standard deviations. Morningstar computes standard deviation using the trailing monthly total returns for the appropriate time period. All of the monthly standard deviations are then annualized.