

QUARTERLY PORTFOLIO REVIEW

March 31, 2016

Things don't have to
change the world to be
important.

Steve Jobs

Quarter in Review

FBI drops legal action vs. Apple as the FBI has found a way to gain access to the iPhone in question with the help of a undisclosed third party. This will lead to more questions about electronic and internet security.

Emerging markets recovered nicely after a difficult 2015. Year to date through 3.31.16 Emerging markets (DFEMX) was +7.72%

Bonds have come to the rescue again to help buoy portfolios. With the excessive volatility in Q1, bonds provided a solid base and solid returns. Year to date through 3.31.16: DFIGX (US Int Gov): +3.71%, DFIGB (5 Yr Global): +2.32%, DIPSX (US Inflat. Prot): +5.01%

Feds cannot agree on interest rates. Between the hawks and doves—there has not been consensus on the status of potential interest rate increases for 2016. However, the uncertainty alone of interest rate direction has added significant volatility to the markets.

All returns listed were from www.DFAus.com or Morningstar

BENCHMARK CENTRAL MARCH 31, 2016

Citi World Gov't Bond Index 3-7 Yr. Hedged	2.13%
Russell 2000 (US Small Cap index)	-1.92%
S&P 500 (US Large Cap index)	0.77%
Wilshire 5000 (US Total Market index)	0.27%
MSCI EAFE (International Stock index)	-3.74%

NEW FUND TO BE ADDED TO MODELS

As we discussed on our quarterly call in January, in mid April we will be adding the DFA International Core Equity (DFIEX) fund to our models. This addition will help broaden our level of diversification and slightly reduce the overall internal costs of our portfolios. We will maintain the same International allocation. The new fund will be funded primarily from the DFA International Value Fund (DFIVX).

Because of this new fund addition, you may see transactions in your portfolio. If you have a taxable account, we will be looking into the tax consequences (if any) of this transaction. This is not a risk change nor an allocation change to the level of assets held in each category (US Equities, International equities, Bonds) therefore there is no action required on your part.

With this addition, our models have the following asset classes: US Small Cap, US Large Cap Value, US Core Equity, International Small Company, Emerging Markets, International Value, International Core Equity, US Real Estate, Global Bonds, US Inflation Protected Bonds, US Intermediate Government Bonds, and of course a small allocation (typically 1%) to Cash.

QUARTERLY CLIENT WEBINAR

Date: Thursday, April 28th, Starting time: 12:30 pm, Eastern Daylight Time

Meeting Number: 736 048 523

Password (if requested): AFAQ2

Website link: <https://afadvisors.webex.com/afadvisors/j.php?MTID=mced32d5e080c4e212c68588dce837cad>

To join the teleconference only: If you cannot join us for this important webinar, we will post a recording of the entire presentation on our website at www.afadvisors.com.