

# QUARTERLY PORTFOLIO REVIEW

June 30, 2016

Summertime is always the best of what might be.

Charles Bowden

## Quarter in Review

The UK voted to leave the European Union. This came as a surprise which created two aggressively negative days in the markets while the world sorted out the details. Fortunately, just behind the negative days there were 4 days of meaningful gains.

Neither the EU nor the UK knows how this will play out including the possible exodus of Scotland and Northern Ireland should the UK move forward. Scotland and Northern Ireland voted to stay in the EU while England voted to leave the EU creating conflict amongst the UK.

With the recent Brexit development there is growing confidence that US interest rates will not rise in the near future and perhaps for as much as a year pending other economic data.

As a reminder, we made a fund reallocation in the beginning of Q2 from International Large Value (DFIVX) to International Core Equity (DFIEX). This left the DFIVX with a much smaller percentage allocation of the portfolios - generally 5% or less.

## BENCHMARK CENTRAL JUNE 30, 2016

Citi World Gov't Bond Index 3-7 Yr. Hedged	3.39%
Russell 2000 (US Small Cap index)	1.41%
S&P 500 (US Large Cap index)	2.69%
Wilshire 5000 (US Total Market index)	1.94%
MSCI EAFE (International Stock index)	-6.28%

## YEAR TO DATE: RETURNS & VOLATILITY

In 2016, we have seen moments of significant levels of volatility - most notably in January/February and the last couple of weeks with the Brexit issue. While we will be discussing the recent quarter on our upcoming call, we wanted you to be aware of how the funds we utilize have performed year to date. From 1.1.16 to 6.30.16:

Five Year Global Bond:	DFGBX:	+ 3.53%
US Core Equity:	DFEOX:	+ 3.50%
Intl Core Equity:	DFIEX:	- 1.82%
Inflation Protected Bond	DIPSX:	+ 6.83%
Intermediate Gov. Bond:	DFIGX:	+ 5.98%
US Small Cap Equity:	DFSTX:	+ 3.56%
Intl Small Cap Equity:	DFISX:	- 0.75%
US Large Value Equity:	DFLVX:	+ 4.10%
Intl Large Value Equity:	DFIVX:	- 4.92%
Real Estate Equity:	DFREX:	+13.32%
Emerging Markets Equity (Intl):	DFEMX:	+ 9.58%

These figures can be compared to the Index returns in the Benchmark central listed above.

All returns listed were from www.DFAus.com. Client portfolio returns may differ due to fees, time invested, as well as deposits/withdrawals.

## QUARTERLY CLIENT WEBINAR

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

Meeting Number: 198 043 674

Website link: <https://meetings.webex.com/collabs/#/meetings/detail?uuid=ME024EJU3C56Z9QHRT3VMA25XH-5MWV&rnd=202125.91301>

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](http://www.afadvisors.com).