

# Performance Monitoring Report

Third Quarter

# 2024



**Index Fund Advisors**  
WEALTH MANAGEMENT • TAXES

Carter Morse & Goodrich, Inc. 401(k)  
Profit Sharing Plan 401(k) Profit  
Sharing Plan

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

## Summary

#	Fund Name	Peer Group	PCTL	Score	Expense Ratio	PB Ratio	Turnover Ratio	Sharpe Ratio (3 yr)	Sharpe Ratio (5 yr)	Sharpe Ratio (10 yr)
1	DFA Emerging Markets (DFEMX)	Diversified Emerging Mkts	95.85%	80.70	0.35%	1.61	10%	0.02	0.32	0.25
2	DFA Emerging Markets Small Cap (DEMSX)	Diversified Emerging Mkts	91.58%	71.30	0.59%	1.31	12%	0.07	0.45	0.32
3	DFA Emerging Markets Value (DFEVX)	Diversified Emerging Mkts	93.08%	73.20	0.44%	0.92	12%	0.22	0.40	0.27
4	DFA Global Real Estate Securities I (DFGEX)	Global Real Estate	82.17%	64.20	0.22%	1.80	N/A	0.00	0.14	0.33
5	DFA International Small Cap Value (DISVX)	Foreign Small/Mid Value	90.91%	78.70	0.43%	0.85	13%	0.29	0.44	0.34
6	DFA International Small Company (DFISX)	Foreign Small/Mid Blend	88.17%	71.20	0.39%	1.27	13%	0.03	0.38	0.35
7	DFA International Value (DFIVX)	Foreign Large Value	96.69%	82.00	0.28%	1.04	15%	0.40	0.45	0.30
8	DFA U.S. Large Cap Value (DFLVX)	Large Value	94.70%	77.00	0.22%	2.17	10%	0.37	0.49	0.49
9	DFA U.S. Micro Cap (DFSCX)	Small Blend	84.89%	70.00	0.41%	1.86	22%	0.24	0.50	0.48
10	DFA U.S. Small Cap (DFSTX)	Small Blend	99.84%	89.30	0.27%	2.06	20%	0.23	0.51	0.48
11	DFA U.S. Small Cap Value (DFSVX)	Small Value	97.76%	79.20	0.31%	1.23	25%	0.38	0.56	0.44
12	Schwab® S&P 500 Index (SWPPX)	Large Blend	95.02%	80.80	0.02%	4.67	2%	0.52	0.78	0.79
13	Fidelity Freedom® Index 2040 Instl Prem (FFIZX)	Target-Date 2040	97.36%	81.50	0.08%	2.70	16%	0.22	0.55	0.58
14	Fidelity Freedom® Index 2045 Instl Prem (FFOLX)	Target-Date 2045	98.06%	85.20	0.08%	2.70	8%	0.24	0.56	0.58
15	Fidelity Freedom® Index 2020 Instl Prem (FIWTX)	Target-Date 2020	99.05%	80.20	0.08%	2.70	14%	-0.05	0.36	0.50
16	BlackRock LifePath® Index 2050 K (LIPKX)	Target-Date 2050	95.79%	83.20	0.09%	1.72	5%	0.28	0.57	0.58
17	BlackRock LifePath® Index Retire K (LIRKX)	Target-Date Retirement	76.26%	71.30	0.09%	1.71	71%	-0.11	0.31	0.47
18	BlackRock LifePath® Index 2055 K (LIVKX)	Target-Date 2055	96.62%	84.00	0.09%	1.72	4%	0.29	0.58	0.59
19	BlackRock LifePath® Index 2065 K (LIWKX)	Target-Date 2065+	92.59%	81.85	0.09%	1.72	8%	0.29	N/A	N/A
20	BlackRock LifePath® Index 2060 K (LIZKX)	Target-Date 2060	96.76%	83.37	0.09%	1.72	3%	0.29	0.58	N/A
21	Schwab Target 2015 Index (SWYBX)	Target-Date 2015	75.11%	65.68	0.08%	3.12	22%	-0.01	0.37	N/A
22	Schwab Target 2030 Index (SWYEX)	Target-Date 2030	96.72%	80.74	0.08%	2.94	11%	0.14	0.49	N/A
23	Vanguard Target Retirement 2025 Inv (VTTVX)	Target-Date 2025	99.63%	95.70	0.08%	2.62	6%	0.04	0.43	0.54
24	Schwab Target 2035 Index (SWYFX)	Target-Date 2035	96.90%	83.37	0.08%	2.89	10%	0.20	0.52	N/A

Source: Morningstar Direct and ifa.com

\*Note: N/A values indicate insufficient data

## Summary

#	Fund Name	Peer Group	PCTL	Score	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)	Global Bond-USD Hedged	93.08%	85.50	0.21%	AA	0.08 yrs.	2.72%	2.20%	2.01%
2	DFA One Yr Fixed Income (DFIHX)	Short-Term Bond	96.94%	92.00	0.13%	AA	0.06 yrs.	1.18%	0.97%	0.75%
3	DFA Short-Term Government (DFFGX)	Short-Term Bond	88.38%	85.00	0.17%	AA	0.04 yrs.	2.02%	1.65%	1.50%
4	DFA Two Year Global Fixed Income (DFGFX)	Global Bond-USD Hedged	96.15%	92.00	0.17%	AA	0.08 yrs.	1.59%	1.26%	0.97%

Source: Morningstar Direct and ifa.com

# Performance Monitoring System

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## Disclosure

This is not to be construed as an offer, solicitation, recommendation, or endorsement of any particular security, product or service. There is no guarantee investment strategies will be successful. Investing involves risks, including possible loss of principal. Consider the investment objectives, risks, charges and expenses of the mutual funds carefully before investing. Prospectuses are available at <https://www.ifa.com/disclosures/index-data/>, at the issuer's website, and sec.gov.

## 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

		Deciles									
Factor	Weight	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

		Deciles									
Factor	Weight	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

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**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 measure of the variation or dispersion of a set of data points. Standard deviations are often used to quantify the historical return volatility of a security or portfolio.