



Funds will be monitored on a calendar quarter basis. We will monitor the funds based on 10 metrics. 7 are risk/return metrics: 1-, 3-, & 5-yr rolling returns, 3-yr Morningstar rating, 3-yr Standard Deviation, 3-yr Sharpe ratio, and 3-yr alpha. In addition we measure R-squared, expense ratio, and manager tenure. We set a standard for each metric:

METRIC	STANDARD
1yr return	Top 60%
3yr return	Top 50%
5yr return	Top 40%
3yr Morningstar	Top 50%
3yr Standard Deviation	Top 50%
3yr Sharpe Ratio	Top 50%
3yr Alpha	Top 50%
R-squared	≥ 80% (Bond Funds may be excluded)
Expense Ratio	Bottom 50%
Manager Tenure	≥ 3yrs.

If a fund fails any standard for 4 consecutive quarters, it is placed on a watch list. If it is consistently (4 quarters or more) failing in 3 or more standards, we may run it against other options using steps 2 and 3 of our screening process to see if there is a material reason to make a change.

At this point, a material reason would have to be one of the following:

- A clear cut better option emerges
- A clear cut change in direction of management of the fund that no longer suits our objectives

If in any quarter, the fund passes the standard(s) in the metric(s) in which it is failing, the fund may be removed from the watch list.

If the fund fails any standard for 8 consecutive quarters it will be run against other options using steps 2 and 3 of the screening process with the objective of replacement unless there is a material reason to keep the fund. A material reason could be one of the following:

- The metric that it has failed is manager tenure and it is performing adequately in the other metrics.
- The fund and/or manager has an exemplary history and there is sound rationale for its current positioning.
- The fund screens most highly among those available on the platform.
- There is no clearly superior option.