



## **Matson Money, Inc.**

Form ADV Part 2 — March 29, 2024

### **Item 1 – Cover Page**

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**This Brochure provides information about the qualifications and business practices of Matson Money, Inc. (“Matson Money”). If you have any questions about the contents of this Brochure, please contact us at (513) 204-8000 or by email at [info@MatsonMoney.com](mailto:info@MatsonMoney.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Matson Money is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Matson Money is 110425.**

**Matson Money is a registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training.**

**You can request the most recent version of this Brochure by contacting us as provided above.**

## **Item 2 – Material Changes**

This Form ADV Part 2A (the “Brochure”), dated March 29, 2024, was prepared in accordance with SEC requirements. There have been no material changes to Matson Money’s Form ADV Part 2A (“Brochure”) since our last annual updating amendment, which was filed on March 31, 2023:

- No Material updates were made from prior filing.

You can obtain a copy of our Brochure at any time, without charge, by contacting Dan List, Chief Compliance Officer, by phone at 513-204-8000, or by email at [dan.list@matsonmoney.com](mailto:dan.list@matsonmoney.com). You can also obtain our Brochure on our website [www.matsonmoney.com](http://www.matsonmoney.com), free of charge.

Additional information about Matson Money is also available via the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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#### **Item 4 – Advisory Business**

Matson Money, Inc. (“Matson Money,” “Matson,” “us,” or “we”) provides asset allocation investment advisory services. This Brochure primarily describes our main business, which is providing asset allocation investment advisory services through unaffiliated state and federally registered investment advisers, their investment advisory representatives or registered representatives of dually registered investment advisers/broker-dealers who solicit clients for Matson Money. Matson Money has been operating as an investment adviser since 1991, and is principally owned by Mark Matson.

We provide asset allocation investment advisory services to individuals, trusts, high net worth individuals, company retirement accounts, pension and profit-sharing accounts, corporations and other business entities such as non-profit entities (collectively, “Clients”). We also manage six series of a no-load, open-end investment company, more commonly referred to as a mutual fund, registered as “The RBB Fund, Inc.” under the Investment Company Act of 1940, as amended (“Company Act”). Three series managed by Matson Money are registered under the name “Free Market Funds” (referred to in this Brochure as the “Free Market Funds”). The three series comprising the Free Market Funds are: Free Market U.S. Equity Fund, Free Market International Equity Fund and Free Market Fixed-Income Fund. The Free Market Funds are used as investment options in two of the asset allocation advisory programs we provide to our Clients, as described below.

The other three series managed by Matson Money are registered under the name “Matson Money” and are offered solely to separate accounts of participating life insurance companies for the purpose of funding variable annuity contracts and variable life insurance policies. The names of the “Matson Money” series are: Matson Money U.S. Equity VI Portfolio, Matson Money International Equity VI Portfolio and Matson Money Fixed-Income VI Portfolio (referred to in this Brochure as the “Matson Money Funds”). Each of the Matson Money Funds is based on the same investment strategy used for the corresponding series of the Free Market Funds. Collectively, the Free Market Funds and the Matson Money Funds are referred to in this Brochure as the “Matson Funds” or the “Funds”.

None of the Funds’ shares are offered directly to the general public since the Matson Money series underlying the insurance products are sold only in connection with participating life insurance companies and the Free Market Fund series are sold only through their prospectuses to account holders of Matson Money managed accounts as discussed below. More complete information about the Free Market Funds is available in the Funds’ prospectus, which we are happy to provide upon request. All of the Funds’ shares are “no load” fund products, meaning no sales charges are imposed. Matson Money is paid only for its investment management services with respect to the Funds.

#### *Advisory Services*

Our asset allocation services involve recommending an asset allocation to Clients, and allocating Client assets, primarily on a discretionary basis and generally among various mutual funds. U.S. Client accounts that receive our asset allocation services will invest primarily in Matson Funds. Where cash is held in an account for strategic reasons or on an incidental basis, unaffiliated cash

sweep vehicles selected by the Client, or the Client's Custodian, can be employed. Any fees or expenses associated with a cash sweep vehicle will be borne by the Client and will not reduce or offset any other fees paid by the Client. In some cases, a portion of a Client's advisory accounts could also be invested in variable annuities or other insurance products. The Matson Money Funds are investment options for TIAA-CREF's Intelligent Life Variable Annuity and Variable Universal Life policies.

We offer our asset allocation services through three separate programs (as discussed below in "Matson Money Advisory Programs"). Matson Money's advisory services are marketed almost exclusively by solicitors or co-advisors (collectively termed "Referrers" in this Brochure), however Matson Money does directly service Clients that are primarily friends and families of the firm and other non-related entities, in Matson Money's discretion. Referrers are independent of and unaffiliated with Matson Money and, where required based on their operations, must be separately registered to provide their nondiscretionary advisory services to our Clients. Co-advisors, who are permitted to be signatories to Matson Money's tri-party client agreement, are generally required under U.S. law to be federally or state registered either as investment advisers, dual registrant broker-dealers and investment advisers or advisory representatives of such registrants. Each co-advisor is responsible for the supervision and control of its own investment adviser representatives or other personnel. Referrers registered solely as broker-dealers, or broker-dealer registered representatives, typically function as solicitors under a separate agreement. Solicitor representatives are subject to the supervision and control of their registered broker-dealer. In some cases, co-advisors and/or co-advisor representatives who are affiliated with state-registered investment advisers are investment adviser representatives ("IARs") of Matson Money if required by state law or if we otherwise determine such status to be appropriate. However, an IAR's association with Matson Money does not alter the relationships described above. Matson Money remains unaffiliated with your co-advisor and/or your co-advisor representative, and Matson Money and the co-advisor/co-advisor representative are separate unrelated entities. Accounts internally advised by Matson Money (which is generally available only to employees, extended friends and family, and others in Matson Money's sole discretion) will have a Matson Money employee as representative.

Referrers' relationships with Matson Money are not exclusive, meaning that they can have clients that they refer to other managers or whose accounts they manage on their own. Referrers are responsible for determining whether it is appropriate and in their client's best interest, and consistent with the Referrer's obligations to their client, to refer a prospect to Matson Money. Following a Referral, Matson Money considers whether the particular Matson Money investment program selected by a Client is suitable based on information provided by the Referrer and/or the Client, such as age, risk tolerance and time horizon in relation to the Client's stated investment objective.

Matson Money enters into agreements with each Referrer or firm employing the Referrer under which the Referrers recommend us to their clients and pursuant to which each Referrer agrees, among other things, to maintain direct contact with their referred Clients. Referrers provide a variety of important services. All Referrers are responsible for collecting and periodically updating information about Clients' investment objectives, risk tolerance, financial situation, time horizon, current investments, and personal financial goals in the form of a questionnaire ("Questionnaire"). Each Client is required to complete a Questionnaire with the advice and

assistance of a Referrer. Our ability to effectively manage your account is dependent upon your honest, timely and accurate completion of the Questionnaire and other communications with the Referrer.

In addition, our Referrers are expected to handle day-to-day direct interaction with Clients. Matson Money generally communicates directly with Clients only in unusual circumstances, such as following up on any transactions we discover that we reasonably believe to be suspicious or where otherwise appropriate to enhance security, responding to complaints, notifying a Client of the termination of the relationship with the Client's Referrer or resigning as discretionary manager to the Client's account. Matson also occasionally sends correspondence to Clients regarding educational materials, upcoming events, recent interviews or articles, as well as quarterly reports and other regulatory filings. Referrers are expected to respond to a wide range of common Client inquiries involving their accounts and the services provided by Matson Money. Routine Client inquiries not constituting complaints, such as those relating to day-to-day administration of a Client's account, are primarily handled by Referrers. Routine questions include, but are not limited to: billing and fee inquiries; questions about account balance and/or cost basis; quarterly statement questions; account performance/performance benchmark questions; requests to discuss changes to portfolio objectives; inquiries about opening additional accounts, transferring in additional money from outside accounts, or moving money between accounts; contribution limits for 401K, Roth or traditional IRA; and requests for information on obtaining copies of statements or tax documents.

While Referrers ordinarily are Clients' first line contact for account administration, to the extent that Clients wish to express a complaint or concern, such as about their Referrers or about Matson Money, such complaints or concerns can be addressed directly to Matson Money or to their Referrers. In the event that Referrers receive Client complaints or concerns, they will be instructed to forward the complaint or concern and any other relevant information to Matson Money's Chief Compliance Officer ("CCO"). Matson Money will respond directly, or assist Referrers in responding to such complaints or concerns, as we determine appropriate under the circumstances and consistent with Matson Money policies and procedures. Referrers will be required to provide us a copy of any written responses they send in response to such complaints. Clients can contact Matson Money for other matters as well, but Matson Money may refer the matter to the Referrer.

Under relevant contractual arrangements, both Matson Money and its Referrers have the right to resign from the management of any Client account, and Matson Money has the right to terminate its relationship with a Referrer. However, other than accounts of employees, former employees, friends, non-related entities, Referrers and certain family members or relationships of such Clients, Matson Money does not generally manage accounts for Clients in the absence of a Referrer relationship. Thus, in the event the relationship between Matson Money and a Client's Referrer is terminated, we will, if requested or we otherwise determine it to be appropriate, provide a list of names of other Referrers for the Client to consider if the Client wishes to continue to use Matson Money's services. Any such list should not be viewed as a recommendation of any Referrer. Clients of terminated Referrers are provided with a period of time to select and contract with a new Referrer should they wish to remain our Clients. Client accounts remain open and under management during this transitional period unless Clients instruct us otherwise in writing.

### **Matson Money Advisory Programs**

Our advisory programs are: (1) the Matson Fund Platform; (2) the Frontier Adjusted Portfolio Program; and (3) Private Account Asset Allocation. Under the Matson Fund Platform, we invest Client assets primarily through the Free Market Funds and can also invest in the Matson Money Funds through certain variable insurance products. Under the Frontier Adjusted Portfolio program, Client assets are generally allocated to one or more of the Free Market Funds, and participating Client portfolios are required to be adjusted annually to manage their risk profile over time. In Private Account Asset Allocation, Client assets are primarily allocated within a family of no-load mutual funds managed by Dimensional Fund Advisors LP (“DFA”), an unaffiliated, registered investment adviser. DFA mutual funds are generally not available to individual investors with smaller accounts except through the services of an investment adviser like Matson Money. See Item 14, below, for additional information regarding DFA.

### **1. The Matson Fund Platform – Platform Advisory Service**

Certain Clients utilizing some custodians can select an investment strategy and asset allocation utilizing the Questionnaire discussed above, and Matson Money will assign each Client account to one of its four investment strategies. Matson Money’s four investment strategies, with target asset allocation ranges, are:

<u>Investment Strategy</u>	<u>Target Asset Allocation Range</u>
Aggressive Growth	Between 86% and 98% Equities, remainder in Fixed Income
Long-Term Growth	Between 66% and 85% Equities, remainder in Fixed Income
Balanced Growth	Between 33% and 65% Equities, remainder in Fixed Income
Income & Growth	Between 0% and 32% Equities, remainder in Fixed Income

As a general matter, Clients can select a specific model asset allocation within the target asset allocation range for their investment strategy. In certain cases, (*e.g.*, certain retirement accounts and accounts investing through certain insurance products), these selected portfolios must align with the following model portfolios:

<u>Model Portfolio</u>	<u>Asset Allocation</u>
Aggressive Growth	95% equities / 5% fixed income
Long-Term Growth	85% equities / 15% fixed income
Long-Term Growth	75% equities / 25% fixed income
Balanced Growth	60% equities / 40% fixed income
Balanced Growth	50% equities / 50% fixed income
Balanced Growth	40% equities / 60% fixed income
Income & Growth	25% equities / 75% fixed income
Fixed Income	0% equities / 100% fixed income

Each model or investment strategy corresponds to one or a combination of investments in Free Market Funds or Matson Money Funds, depending on whether or not an insurance separate account is involved, in percentages determined by Matson Money. Clients determine their investment objectives and investment strategy combination through the Questionnaire process with their Referrers, but are not otherwise permitted to impose restrictions on their accounts.

Each Fund we manage is a “fund of funds” that invests primarily in shares of other mutual funds and Exchange Traded Funds (“ETFs”) as permitted in accordance with certain rules adopted under the Company Act. The Funds pursue their respective investment objectives by targeting specified percentages of certain asset classes in each Fund’s applicable investment category.

Clients who participate in the Matson Fund Platform can elect to invest their assets through: (i) a single account invested in the Free Market Funds in accordance with one of the investment strategies listed above; (ii) a single account holding a variable insurance product that pursues the selected strategy by investing in the Matson Money Funds; or (iii) two accounts, one of which invests in a Free Market Funds strategy and the other of which invests through a variable insurance product. For example, a Client who has selected a 50%-50% Balanced Growth model or investment strategy and invests through two accounts would hold approximately the same percentages of the Matson Money Funds invested through the variable insurance product as would be invested in an account with the same model or investment strategy that holds shares of the Free Market Funds. As a result, a Client’s total assets would remain invested in essentially the same manner and in approximately the same percentages dictated by the Client’s selected portfolio whether the assets are invested solely in Free Market Funds, solely a variable insurance product or in a combination of the two. Of course, Clients can have additional accounts for trusts, IRAs or other personal planning purposes which implement any of the investment strategies or variable insurance product accounts discussed above.

Clients that wish to participate in the Matson Fund Platform generally enter into a tri-party agreement with us and a co-advisor. Under these agreements, Matson Money is the only discretionary adviser to the Client’s account. We are granted discretionary authority to invest Client assets in the Funds based on Client responses to the Questionnaire and to use temporary cash sweep vehicles as appropriate. The co-advisors serve as nondiscretionary advisers to the Clients that they refer to us. The tri-party agreement covers the relationship between and among Matson Money, the co-advisor and the Client. Since many co-advisors are state registered and subject to the investment adviser laws of their state of registration, some Clients are required to execute an addendum to the standard tri-party agreement. The various state addenda contain language required by certain state regulators and are generally intended to clarify or maintain certain Client rights under applicable state law.

Referred Clients could already be clients of a co-advisor and it is the co-advisor’s responsibility for determining whether it is appropriate and in their client’s best interest, and consistent with the Referrer’s obligations to their client, to refer their client to Matson Money or another advisory firm. After making this determination and the referral, co-advisors typically assist Clients in completing the Questionnaire and answer Clients’ portfolio and asset management questions as they arise. Co-advisors accept primary responsibility for counseling Clients with respect to quarterly statements received from Matson Money, and the progress Clients are making towards



their financial goals. In addition, co-advisors have the authority to terminate their relationship with Clients and Matson Money under the tri-party agreement.

Clients of solicitors complete the Questionnaire with their solicitor and receive a solicitor's disclosure document as described more fully in Item 14, below. While solicitors also accept primary responsibility for counseling Clients on their financial goals and portfolio results, they do not enter into tri-party agreements with Matson Money Clients. We enter into separate, discretionary agreements with these Clients.

Unless directed otherwise by the Client, we begin managing a Client's account — *i.e.*, performing the asset allocation and investing in Free Market Fund shares or Matson Money Fund variable insurance products in accordance with that allocation — as soon as sufficient assets are received by the custodian selected by the Client. Although, if permitted by the custodian, a Client can deposit freely tradable securities in their accounts to meet the minimum account size, we will liquidate those securities positions and invest the proceeds in Fund shares (or variable insurance products) in accordance with the Client's investment strategy, which will generally result in transaction costs. There are also likely to be tax consequences associated with this liquidation and reinvestment process. Clients should consult with their tax professionals before depositing securities in accounts we manage on their behalf.

As described in more detail in Item 13, below, each Client's account is reviewed at least quarterly and rebalanced as we determine to be appropriate. In addition, we can determine to re-optimize or change asset allocations at any time for various reasons. Rebalancing or reallocation of a Client's assets also will generally involve transaction charges imposed by the custodian and could result in adverse tax consequences.

## **2. Frontier Adjusted Portfolio Program**

Frontier Adjusted Portfolios are based on Clients' expressed risk tolerance and time horizon as expressed in the Questionnaire and communicated to their Referrers. They are not "target date" portfolios based solely on a Client's current age and projected retirement date. Clients enter the program by choosing a starting portfolio in consultation with their Referrers. The starting portfolio can be any model asset allocation within the target asset allocation range for any of the investment strategies described above under the Matson Fund Platform discussion, so long as the starting equities percentage is at least 1%. Frontier Adjusted Portfolio Program Clients are not currently eligible to invest in the variable insurance products that invest in the Matson Money Funds. The various investment strategies, from among which Clients can choose, vary based primarily on risk characteristics defined as the amount of exposure to equity (greater risk) or fixed income (lower risk) securities.

Clients must also choose an ending target asset allocation which can be any portfolio that is deemed by us to be lower risk than their starting portfolio. Although not available as a starting portfolio, a Client's ending portfolio could be a portfolio that is one hundred percent fixed income. Clients select in advance in the account agreement the total amount by which they want to seek to reduce their risk over time. No matter which starting portfolio is initially chosen, target equity exposure will be adjusted downward once every year over the Client's specified time horizon, except as described below. Matson Money determines the amount of the annual equity exposure

adjustments anticipated to be needed to attain the Client's target portfolio at the end of the Client's specified time horizon. These annual equity exposure reductions must result in a portfolio with target equity exposure reduced by between 1% and 5%.

A participating account will have its target equity exposure reduced once a year unless the Client instructs us to hold the account at its then-current allocation, as described in the following paragraph. We will provide notice to Clients before every annual adjustment, typically in the Client's fourth quarter report. Under normal circumstances, we expect all annual adjustments to take place during the first quarter each year, unless instructed by the Client to hold at the then-current allocation or terminate participation in the program. We expect to make annual adjustments to all participating Client accounts during the same general time period.

If a Client experiences a life-changing event, the Client can opt to end the adjustment process and hold the account at the then-current allocation. Moreover, Clients should be aware that the Frontier Adjusted Portfolio Program does not guarantee that the Client will have sufficient retirement income before or after reaching the ending portfolio. As with all investment strategies, Clients could lose money. Use of the Frontier Adjusted Portfolio Program does not eliminate the Client's need to decide, in consultation with its Referrer, prior to investing and from time to time thereafter, whether participation in the Frontier Adjusted Portfolio Program continues to be in the Client's best interest (*e.g.*, continues to fit his or her financial situation, investment objectives, and tolerance for risk). Clients should also note that transitioning to a more conservative portfolio (even a portfolio consisting of one hundred percent fixed income) does not eliminate the risks normally associated with investing. All investments have some level of risk, and although funds investing in bonds and other fixed income securities are generally considered to be less risky than those investing in equity securities/stocks, some types of bonds are riskier than some stocks. At any time, a Client can terminate the Frontier Adjusted Portfolio Program and choose to enter the Matson Fund Platform described above. As discussed in the section on the Matson Fund Platform above, Clients determine their investment objectives and appropriate portfolio combination through the Questionnaire process with their Referrer, but are not otherwise permitted to impose restrictions on their accounts.

### **3. Private Account Asset Allocation Program**

The Private Account Asset Allocation Program is currently available only to Clients who have certain unaffiliated variable annuities and to Clients of certain Referrers in our sole discretion. In this program, we construct standard investment portfolios for asset allocation consisting primarily of shares of various DFA no-load mutual funds. We identify Client investment objectives based on the Questionnaire described above, and, as currently managed, each Client account is generally assigned to one of the eight standard model portfolios outlined in the Matson Fund Platform above, although older accounts could have different configurations. However, in the Private Account Asset Allocation Program, each model portfolio typically represents direct investments in anywhere from 8 to 15 different DFA mutual funds, rather than shares of the Free Market Funds or variable insurance products with underlying investments in the Matson Money Funds. Most of the DFA mutual funds we select are structured portfolios that invest in securities comprising a particular index, asset class or segment of the market and are not actively managed. However, we can purchase actively managed funds for Clients whose investment choices are limited due to their custodial or brokerage arrangements.

Within the parameters of each model portfolio, we take into account the Client's investment objectives, investment restrictions and financial situation as articulated in their Questionnaire responses and can substitute different funds for certain accounts based on such Client information. Clients are permitted to impose reasonable restrictions on the management of their accounts. Clients should inform us if any changes occur in their investment objectives, financial situation, or if they wish to impose reasonable restrictions.

When imposing reasonable restrictions for their accounts, Clients can request that particular securities or types of securities not be purchased, or that such securities are to be sold if held in the account. However, Clients cannot request that particular securities be purchased for their accounts. Moreover, Clients should note that it is not possible for us to influence or change the mix of portfolio securities held by any underlying mutual fund, variable insurance product or other pooled investment in which Client accounts are, or could in the future be, directly or indirectly invested. Restrictions can be requested only at the Client portfolio level, *i.e.* whether or not the Client's portfolio is permitted to hold a specific fund, not with respect to any investments held inside a fund. We reserve the right, in our sole discretion, to reject any account for which unreasonable or overly restrictive conditions are requested. With very rare exceptions (pursuant to Client requests), securities held in a Client portfolio will not be placed or traded on margin. In addition, for accounts with managed assets under \$50,000, we could determine to purchase shares in as few as 1-5 funds per account rather than 8-15 funds.

As described in more detail in Item 13 below, each Private Account portfolio is reviewed at least quarterly and rebalanced as we determine to be appropriate. In addition, we could determine to re-optimize or change asset allocations at any time based on economic research concerning the correlation between various asset classes or for other reasons. Rebalancing or reallocation of a Client's assets will often involve transaction charges imposed by the custodian or result in adverse tax consequences.

### **Custodial Arrangements for All Matson Money Advisory Programs**

Clients can select among custodians with whom we have entered into arrangements to service our advisory programs (the "available custodians"). We conduct periodic due diligence reviews on these custodians as discussed in Item 12, below. As a result, the list of available custodians could change from time to time.

Clients must open their custodial accounts with one of the available custodians. Choices could be further limited based on whether or not their accounts are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Clients with non-ERISA accounts must custody the assets we will manage with either Axos Clearing ("AXOS"), Charles Schwab Company ("Schwab"), and/or Pershing LLC (Pershing Advisor Solutions) ("Pershing"). Clients participating in the Private Account Asset Allocation Program must custody assets to be managed by us with AXOS or Schwab. For these Clients, we typically purchase shares of DFA mutual funds and other investments through the broker-dealers affiliated with these custodians. Please see Item 12, below, for further information.

For Client accounts subject to ERISA (like company retirement plans), assets must be custodied at Ascensus Trust ("Ascensus"), Matrix Trust Company, Charles Schwab Trust or BPAS Trust

Company of Puerto Rico (“BPAS”), and either Ascensus, Professional Capital Services/Aspire (“PCS/Aspire”), Alliance Benefit Group or BPAS must serve as their recordkeeper. Additionally, 401(k) accounts can select AXOS as their custodian and recordkeeper. AXOS uses PCS/Aspire as their recordkeeping service provider. For 403(b) Clients must select MG Trust (also known as Matrix Trust Company) as the custodian and PCS/Aspire as their recordkeeper. In addition to participating in the 403(b) markets of states that do not require pre-approval, the Free Market Funds have been approved by the states of California and Texas to serve as investment vehicles for the 403(b) plans of state and local government entities organized in those states.

We generally begin investing assets transferred to Client accounts as soon as sufficient assets are received by the custodian. Although Clients can deposit freely tradable securities in their accounts to meet the minimum account size, we will liquidate those securities positions, at the Client’s risk and expense, and invest the proceeds in securities matching the Client’s investment strategy. Matson does not endeavor to manage such assets in Client accounts and generally will dispose of them as soon as practicable following their deposit in the Client account. Clients should understand that this liquidation could result in sales of such holdings at disadvantageous time(s) or price(s), which could lead to Clients experiencing investment losses and/or adverse tax consequences. Clients also should be aware of the potential for adverse tax consequences associated with this liquidation and reinvestment process and should consult with their tax professionals before depositing securities in accounts we manage on their behalf.

We can use cash sweep vehicles sponsored by any of the approved qualified custodians, or their affiliates, to the extent we believe such use to be appropriate. In deciding which custodian or affiliated brokerage firm to select, Clients should recognize, as noted throughout this Brochure, that the custodians and/or their affiliated broker-dealers often provide benefits to us. Please see Items 12 and 14, below, for additional information.

We have reviewed and selected the available custodians, which also have affiliated broker-dealers, for use by our Clients, but we are not affiliated with either the custodians or their affiliated broker-dealers. Clients’ relationships with their custodians include the authority to request distributions from or to liquidate the custodial account. As an unaffiliated, non-custodying adviser, Matson Money is not a signature guarantor. In addition, as a non-custodying adviser, we are only authorized to direct a Client’s custodian to purchase investments in exchange for assets held in the account, exchange assets held in the custodial account for other investments we discretionarily recommend, or sell securities in the account in exchange for cash. We cannot direct your custodian to distribute assets in your account for any other reasons without your express approval.

Matson Money does not obtain or accept any Client’s custodial account login credentials or password information and strongly advises Clients against providing such information to any Referrer. Providing this information to your Referrer would give your Referrer direct access to the assets in your account and could facilitate misappropriation. Matson Money is not responsible for any losses you suffer as a result of giving such information to your Referrer. Matson Money seeks annual certification from Referrers concerning certain matters related to accessing Client accounts (*e.g.*, that they do not have any Client’s account usernames or passwords).

To seek to heighten the security of Client assets, Matson Money has a policy against facilitating requests, either from Clients or their Referrers, to transfer your account assets from your custodial

account to any party other than to you at your address of record or to an account in your name at another custodial institution once you have provided us with documents from the new custodian signed by you. Clients can, of course, contact their custodians directly to facilitate transfers, distributions or liquidations from their custodial accounts. Matson Money will not be responsible for any losses associated with any such Client-directed transfers, distributions or liquidations. Clients making such requests should notify us of any assets being removed from their Matson-managed portfolios to avoid the possibility that Matson Money invests assets intended for transfer.

To seek to further increase the security of Client accounts, Matson Money has implemented additional custody procedures. If a custodian contacts us about an unverifiable or suspicious request to distribute assets from a Client account, our Operations Department will seek to contact you directly by phone at your phone number on record with Matson Money to confirm that you actually requested the transaction. The Operations Department will attempt to confirm that the person called is the account holder. Methods of verifying account holders will vary.

If a withdrawal request flagged as potentially suspicious is properly confirmed, you will be asked either to submit freshly executed paperwork directly to the custodian or Matson Money, not the Client's Referrer, or to contact the custodian directly. We will provide Clients with contact information for the custodian. If you disavow knowledge of the suspicious withdrawal request or the request otherwise is not properly confirmed, the Operations Department will notify the CCO in order to facilitate appropriate communication with the custodian. In addition, if a disavowed or otherwise unconfirmed withdrawal request originated from your Referrer, the CCO or his designee will be responsible for following up with the Referrer to inquire about the source of the withdrawal request and for making a determination of whether other Client accounts represented by the same Referrer have recently experienced disavowed or otherwise unconfirmed withdrawal requests.

These procedures apply to unverified or suspicious transactions involving Client requests to withdraw assets, initiate a systematic withdrawal plan ("SWP") or alter a currently effective SWP amount. These procedures do not apply to monthly or other periodic payments made to Clients by custodians under an established SWP, because these transactions are between the Client and the custodian and do not involve Matson Money. In addition, these procedures are inapplicable to withdrawals designed to transfer Client assets from an existing account to another existing account in the same Client's name, such as an IRA or SEP-IRA.

### **Matson Money Canadian Sub-Advisory Program**

In Canada, Matson is registered as a portfolio manager in Ontario and British Columbia, and acts as a sub-adviser to another registered portfolio manager. Matson is not affiliated with the other registered portfolio manager. The other registered portfolio manager and Matson have entered into a sub-advisory agreement under which Matson has agreed to sub-advise Client accounts managed by the other registered portfolio manager. For its sub-advisory activities, Matson will initially receive a fee from the registered portfolio manager based upon the assets under management of Client accounts sub-advised by Matson. This fee is initially expected to be 0.50% per annum per assets under management in each client account sub-advised by Matson. In the future, this fee may change or no longer be payable depending on changes to the relationship between Matson and the other registered portfolio manager. At such time, Matson would be receiving compensation directly from the proprietary funds that Matson advises, Client accounts

would be invested in strategies managed by Matson. The other registered portfolio manager is responsible for Client onboarding and account opening collection of know-your-client information and suitability determination under applicable Canadian securities laws and overall Client relationship management.

In Canada, Matson Money will initially invest the assets in accounts in shares of various no-load mutual funds and ETFs, similar to the Private Account Asset Allocation Program, referenced above, but using Canadian mutual funds and ETFs. Matson Money constructs model investment portfolios for asset allocation consisting primarily of shares of various mutual funds sponsored and managed by Dimensional Fund Advisors (“DFA”) and shares of iShares ETFs sponsored by Blackrock. DFA and Blackrock are not affiliated with Matson Money. Most mutual funds and ETFs selected by Matson Money, whether managed by DFA or Blackrock, are structured portfolios that invest in securities comprising a particular index, asset class or segment of the market and are not actively managed. This platform will be managed in the same manner as the Private Asset Allocation program.

In Canada, Matson Money anticipates that it will in the future manage investments utilizing a fund-of-funds strategy like the Matson Fund Platform, referenced above. Under this platform, accounts would be invested in a mix of a proprietary series of funds advised by Matson, which would allocate investments across three broad asset classes: U.S. domestic equity, international equity, and fixed income. Matson-advised funds seek to allocate across these broad asset classes by investing in various mutual funds or ETFs. The specific target allocation of each account’s Matson-advised strategy would depend on the individual investor’s risk tolerance and investment horizon as determined by the other registered portfolio manager based on discussions with the client. The custodian for Canadian accounts is Fidelity Clearing Canada.

### ***Educational Products***

We also sell educational and client coaching products to Referrers. These products include pamphlets, books, audio compact disks, DVDs and downloadable audio and/or video files of Matson Money and/or other media. Referrers are required to attend Matson Money-produced training conferences, some of which rely on these educational products.

In addition to our primary business, we also publish investor education materials. These materials are sold to the general public, to persons being trained to solicit advisory clients for us, as well as to existing Referrers. In particular, we publish “*Main Street Money: How to Outwit, Outsmart, and Out-invest Wall Street’s Biggest Bullies*,” written by Mark Matson, CEO of Matson Money, which is available to the general public and, among other things, describes the Matson Money investment philosophy.

### ***Matson Money Brand Ambassador***

Referrers who have entered into a Co-advisor Agreement with Matson Money can also choose to enroll in the Matson Money Brand Ambassador program under an additional separate Brand Ambassador Agreement with Matson Money. Matson Money is not affiliated with Brand Ambassadors or the firms with which they are associated. All Brand Ambassadors, and their associated firms, are independent contractors, not employees or agents of Matson. A Brand

Ambassador can use Matson's licensed marks in connection with the operation of its business as an investment adviser, and Matson grants the Brand Ambassador a license to use the licensed marks, subject to the terms and conditions of the Licensing and Operational Consulting Services Agreement ("Brand Ambassador Agreement"). In addition, the Brand Ambassador retains Matson to provide certain operational consulting services in connection with the Brand Ambassador's business operations and use of the licensed marks, and Matson Money provides such Operational Consulting Services which includes additional training and coaching, subject to the terms and conditions of the Agreement. Matson Money receives compensation for each Brand Ambassador Agreement of approximately \$50,000 to cover the cost of creating branded assets, like films, presentations, logos, and other various marketing material, as well as additional services like in depth training and coaching for leading various investor training programs. Some additional expenses can be charged for additional services. The nature of the relationship does not infer any endorsement of either party by the other. Each party in this arrangement is subject to their own regulatory review and constraints which could differ from those to which the other is subject.

***Matson Money Blue©, an eMoney-hosted Data Consolidation Platform***

Matson Money provides Clients with on-line access to their Matson Money account statements and other Client account information. In addition, Matson Money also provides, through eMoney Advisor, LLC ("eMoney"), its Matson Money Blue© service, a web-based platform for the consolidation and maintenance of personal financial information, including bank, brokerage, insurance and managed account statements plus legal documents like wills, trusts, guardianship and other materials, in a single location. As noted on its website, eMoney provides financial advisers and their clients with "Client data aggregation, needs-based analysis, online document storage, and marketing communication tools" all in a single platform (emoneyadvisor.com). Referrers can choose to access Matson Money Blue© by reimbursing Matson Money for access to the platform at a reduced rate from revenues received for managing Client accounts or by paying for their own access. In either case, existing Clients of Referrers who participate in the program will have free access to their own data storage space with no increase in existing advisory fees. Referrers who do not choose to pay for access themselves either by reimbursing Matson Money for reduced rate access or purchasing their own access directly from eMoney will not be able to provide their existing Clients with access to Matson Money Blue©. However, as discussed below under "Fees and Compensation" (Item 5), a Referrer could charge new Clients higher fees in order to recoup the Referrer's eMoney access fees. In order to use the platform, Clients and Referrers must enter into a standardized written Terms of Service Agreement with eMoney. This program creates an inherent conflict of interest as a result of Referrers' ability to see a complete picture of each participating Client's assets, including potential access to Clients' nonpublic personal information. See Item 11, below, for a discussion of the conflicts. In addition, Matson Money warns Clients not to provide Referrers with their personal log in or password credentials for this platform or for any asset-bearing account for which statements are stored on the platform.

Clients who choose to participate in the data storage platform should understand that Referrers who leave the Matson Money program, whether voluntarily or involuntarily, will not be permitted to access or move any Client data upon termination. Clients whose Referrers leave the Matson program will be able to continue to access their stored data as long as they remain Clients of Matson Money by entering into a relationship with a new Referrer. Clients who choose to terminate their relationship with Matson Money at any time for any reason can seek continued

access to their data directly from eMoney. Since the data platform is maintained by eMoney, not by Matson Money, we are unable to provide either electronic or hard copy downloads of documents to former Clients. However, eMoney has represented that they will, upon written request from a Client, transfer the Client's stored data electronically to another money manager if such manager has entered into an agreement with eMoney to provide its own clients with a data storage platform, and such data is still stored by eMoney. If no such relationship exists, we understand that eMoney will provide former Clients with a hard copy of their personal data upon written request in accordance with applicable law assuming that the information is still stored on the eMoney platform. However, Matson Money will not be responsible for any fees associated with former Clients' requests to eMoney to move their stored documents, whether in electronic or hard copy format, upon termination of their relationship with us.

#### *Other Information*

As of February 29, 2024, we had USD \$10,058,442,873 in assets under management, all of which we advise on a discretionary basis. To avoid the appearance of double counting assets under management, this figure does not include direct assets under management for the registered investment companies ("RICs") Matson Money advises, although these assets are included as regulatory assets under management in Item 5(D)(3) of our Form ADV, Part 1A.

As described above, Clients can deposit freely tradable securities in their accounts, but as a standard practice, we will liquidate those securities positions, at the Client's risk and expense, and invest the proceeds in securities matching the Client's investment strategy. However, a Client could request to hold certain securities or other property for which we do not provide investment advisory services ("Unsupervised Assets") in their custody, brokerage, or managed accounts. Clients doing so generally are asked to confirm to us, in writing, the identity of any Unsupervised Assets. Failure to do so generally will result in the assets being subject to liquidation, as previously described. We do not provide investment advisory services of any kind with regard to Unsupervised Assets, nor do we take such Unsupervised Assets into account when rendering advice with respect to a Client's account. We receive no investment advisory fee on Unsupervised Assets, even if the Unsupervised Assets are held in an account intended to include managed assets only. Once a Client has designated any assets as Unsupervised Assets, we will have no duty, responsibility or liability with respect to the Unsupervised Assets. We will request the Client to transfer Unsupervised Assets to an account not managed by Matson Money.

### **Item 5 – Fees and Compensation**

Clients are assessed fees at different levels and in different ways depending upon the program(s) in which they participate.

#### *Matson Fund Platform & Frontier Adjusted Portfolio Platform*

Clients participating in the Matson Fund Platform and the Frontier Adjusted Portfolio Platform ultimately bear all Fund-related fees and expenses, including brokerage fees and operating expenses, as well as the expenses derived from the underlying mutual funds in which the Free Market Funds or Matson Money Funds invest. Assets invested in shares of the Funds are subject



to embedded advisory and other fees and expenses, as set forth in the relevant prospectus. These fees are paid by the Funds, but ultimately borne by investors. We receive a maximum annual fee rate of 0.50% on each Fund's average daily net assets as described in each fund's prospectus. As funds of funds, the Matson Funds invest in shares of other registered investment companies. Advisers to the underlying funds, including DFA, are paid an advisory fee by each underlying fund they manage. Thus, Clients bear their asset-based share of the fees and expenses of each underlying fund as well as of the Free Market Fund series or Matson Money Fund series in which their assets are invested. Neither we, nor any other party, receive a sales load in connection with Client investments in the Funds. Matson Money does not "double dip" advisory fees, meaning that Clients do not pay Matson Money any separate advisory fee to participate in the Matson Fund Platform or the Frontier Adjusted Portfolio Platform above or beyond the advisory fees charged to the Funds.

Clients pay advisory fees to Referrers separate and apart from the fees and expenses associated with the Funds. These fees are collected by Matson Money and remitted to Referrers. Matson Money retains no portion of these fees. Historically, these fees generally ranged from 0.25% to 1.40% of client assets under management; however, effective 2018, Matson Money reduced the maximum allowed Referrer fee for all new clients to 1.20% of client assets under management moving forward. This Referrer fee is agreed to either in the co-advisor's tri-party contract or the separate Matson Money contract for solicited clients. These fees are charged quarterly in advance and are based on quarter end values of account(s) under the Client. In addition to the Referrer fees described above, the Referrer may receive certain benefits, such as books, other materials and/or discounted fees, in connection with training programs sponsored by Matson Money.

For non-ERISA accounts, we typically automatically debit 100% of the Referrer fees from the Client's account and pay that amount to the Referrer. We comply with the requirements of the Custody Rule, Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended ("Advisers Act") with respect to automatic deduction of Referrer fees. See Item 15, "Custody," below, for further information. We are also willing, upon request, to consider agreements under which the Client pays its Referrer fee directly to the Referrer. Such an arrangement can be made between the Client and the Referrer, with notice to us. This fee compensates the Referrer for maintaining the Client relationship, ensuring that the Questionnaire remains up-to-date, and responding to Client inquiries. Although we can collect fees for and remit fees to Referrers, we do *not* retain any portion of the fee paid, directly or indirectly, to the Referrer. Not every Referrer charges the same fee, and a Referrer could charge different fees to different Clients. Clients who invest in the Free Market Funds or insurance policies invested in the Matson Money Funds through particular Referrers could pay lower fees to their Referrer than other Clients who invest in the same Funds through other Referrers.

For ERISA accounts, like company retirement plans and 403(b) accounts, the Referrer fee is typically debited by a third-party custodian selected by the plan and may be paid directly to the Referrer. We do *not* retain any portion of the Referrer's fee on ERISA accounts, and we do *not* debit the fee from the accounts. However, we do instruct the custodian on the amount to be debited.

For ERISA accounts in Puerto Rico using BPAS, Referrer fees are calculated by BPAS. These fees are collected by BPAS and paid directly to the Referrer. Matson receives no portion of these fees. These fees are collected and paid monthly in arrears by BPAS.

#### *Private Account Asset Allocation*

Private Account Asset Allocation Clients pay fees generally in line with the following representative fee schedule. We can negotiate fees and the timing of payment for Clients investing over \$1 million with Matson Money. Fees for Clients and the timing of payment could be negotiable under special circumstances in our discretion.

<u>Assets Under Management</u>	<u>Annual Rate</u>
First \$500,000	2.00%
Next \$500,000	1.00%
Next \$3 million	0.75%
Over \$4 million	0.50%

Under the Private Account Asset Allocation Program, we pay Referrers a portion of the advisory fee we receive from the Client(s) that they have referred to us.

In the Private Account Asset Allocation Program, we sometimes enter into arrangements to manage the accounts of Referrers and their immediate families for reduced fees, based on the amount of assets a Referrer has referred to us. We also provide our Private Account Asset Allocation investment advisory services to certain Referrers at low or no cost to themselves and at reduced costs to family members. Specifically, if a Referrer referred at least \$20 million in Client assets to us, we would manage the Referrer's account at no charge and would charge 0.5% on all assets under management in the accounts of the Referrer's immediate family. At this time, we offer the Private Account Asset Allocation Program only on a very limited basis as described above. However, Referrers already participating in the program or whose accounts fall within the limitations can still participate. We can change the amount of the reduced fee and alter the amount a Referrer must refer in order to receive free services and reduced fees for members of his or her immediate family in our discretion.

Lower fees for comparable services could be available from other sources. Some Clients could pay lower fees than the fees stated above for the same services. Also, some accounts could be under historically different fee arrangements than the representative fee schedule set forth above.

#### *General Information Applicable to Fees*

Whether calculating Referrers' fees under any program or Matson Money's fee under the Private Account Asset Allocation program, calculations are based on the value of your assets under management by Matson Money. For purposes of calculating your fee, we value publicly traded securities at the current market price, and value annuities and life insurance contracts at their accumulated value.

Clients and Referrers should note that advisory fees paid to Referrers cannot be adjusted upward as a result of an existing Client's decision to participate in Matson Money Blue© after the Client's

Referrer decides to access the program. However, Referrers could decide to charge prospective Clients higher fees than other Referrers charge similarly situated Clients in order to recoup their eMoney access fees prior to entering into an investment management agreement. In no event, however, is any Referrer permitted to charge more than the maximum Referrer fees established by Matson Money for any of our advisory services as disclosed in this Brochure.

All fees collected by us, whether for Referrers or for Matson Money, are payable quarterly in advance in increments of one-fourth the annual rate. Fees are generally based upon the value of account(s) associated with the Client as of the last business day of each quarterly period. However, when a Client adds assets to, or withdraws assets from, an account during the quarter, we refund a portion of your fee for withdrawals (on a prorated basis), and we charge an additional fee for additions to your account (also on a prorated basis). We will make any applicable refunds or collect additional fees within 90 days of our receipt of notice of each withdrawal or addition.

For those company retirement plans using BPAS, fees are calculated and collected by BPAS, and payable monthly in arrears in increments of one-twelfth the annual rate. Fees are generally based upon the value of an account as of the last business day of each monthly period.

For fees collected by us, a Client's initial fee is based on the value of the account(s) contributions at the time of inception of our relationship with the Client and is prorated for the number of the days remaining in that quarter. In addition to the prorated fee, the initial fee would also include quarterly fees based upon the value of account(s) associated with the Client as of the last business day of each quarterly period. In calculating the initial fee, we consider the inception date to be the date(s) a Client's assets first become available for us to manage. Sometimes, a new Client's assets become available for us to manage on various dates during the first quarter. This can happen, for example, due to difficulties in transferring assets to a new custodian. In these instances, we charge an initial fee at the time of each contribution, prorated from the date the contributed assets become available until the end of the quarter.

**Example:** If a portion of an account's assets become available for management on December 15 of a given year and another portion of the account's assets become available for our management on February 15 of the following year, we will base our first fee on the value of the assets placed under management on December 15 and prorate that amount for the fifteen days remaining in the quarter. We will charge an additional fee on assets placed under management on February 15 and prorate that fee for the 44 days remaining in that quarter. Thus, during the first quarter of the following year, the account will be paying a fee for the entire quarter on the value of the assets under management on December 31 of the prior year, and a prorated fee on the additional assets from February 15.

Our standard Client agreements generally include authorization allowing Matson Money to automatically deduct fees, whether for us or for your Referrer, from your custodial account. However, Clients can pay fees directly by check or credit card in our discretion. Fees are payable within thirty days of receipt of an invoice.

Under most circumstances, the terms of a Client's variable annuity or insurance investment do not permit withdrawal of fees from the Client's variable annuity or insurance investment account. In

these circumstances, we request that the Client: (1) open a separate account at the Client's custodian, designating us as the discretionary manager, with sufficient assets to cover billing for the variable annuity or insurance investment(s) we manage; and (2) authorize payment of our fees for managing the variable annuity or insurance investment(s) from this separate account. This account is treated as a related, fee-based account and managed pursuant to our asset allocation methodology. The fee charged to this related account includes the asset value of the variable annuity or insurance contracts even though these assets are not technically in the account. Clients of the Matson Fund Platform whose insurance investments include the Matson Money Funds are not billed a Matson Money advisory fee on the portion of insurance so invested, but are billed Referrer fees on the value of such assets. Fees charged to the account where such assets actually reside is reduced by an equivalent amount. Similarly, with Client authorization, we will agree to bill fees owed by IRA accounts to related non-IRA accounts. Assets in all related accounts are stacked for purposes of attaining fee breakpoints across all related accounts.

For all Matson Money advisory programs, assets invested in mutual fund shares, including shares of the Matson Funds, or other commingled investment vehicles such as ETFs, variable annuities or money market funds, are included in calculating the value of the account for purposes of computing Referrers' fees. The same assets are also subject to additional advisory and other fees and expenses, as set forth in the prospectuses of those mutual funds or other commingled investments. These additional fees are paid by the investment vehicle, but ultimately borne by investors. For Clients of the Matson Fund Platform and the Frontier Adjusted Portfolio Program, Clients' advisory fees, none of which are retained by Matson Money, are intended to compensate Clients' Referrers. However, Clients also pay the advisory fees embedded in each mutual fund or commingled investment vehicle, including the advisory fee embedded in the Matson Funds, which are intended to compensate the managers of the funds. Thus, Clients, in effect, pay two levels of advisory fees. For Clients of the Private Account Asset Allocation Program, a portion of the advisory fee charged by Matson Money is retained by Matson Money. However, to the extent that we invest any Private Account Asset Allocation Client's assets in shares of the Matson Funds, we do *not* "double dip", or include those assets, when calculating Matson Money's portion of the Client's Private Account Asset Allocation advisory fee.

#### *Educational Products and Other Advisory Services*

The educational and Client coaching products that we sell to Referrers cost up to \$50,000. These include training courses for Referrers associated with their participation as co-advisors or solicitors in the Matson Money advisory programs, some of which are required by Matson Money prior to permitting participation as a Referrer.

#### *Additional Expenses*

Neither Matson Money's advisory fees (as applicable) nor Referrer's fees include brokerage commissions, transaction fees, custodial fees, fees associated with underlying products such as mutual funds (including the Funds) or ETFs held in Client accounts, and other related costs and expenses, all of which are incurred by the Client. Please refer to Item 12, below, for additional information regarding the factors we consider in selecting broker-dealers for Client transactions, and in determining the reasonableness of their compensation.

Custodians may charge each account a periodic asset-based fee (“ABP Service Fee”) for each account, based on the amount of certain assets in each account to which asset-based pricing (“ABP”) applies. Custodians charge ABP Service Fees generally in lieu of transaction-based fees and commissions for brokerage services to ABP accounts. Matson Money’s and the Referrer’s management fees are separate and distinct from fees, commissions, transaction charges, or other costs charged by an account holder’s brokerage firm or custodian. The ABP Service Fee is determined by multiplying the account value by the annual ABP rate, which is .06% (six basis points) per annum for Schwab, AXOS, and Pershing. Custodial fees, including ABP Service Fees, refer to charges assessed by these financial institutions for managing and safeguarding Clients’ assets. These fees cover the operational expenses incurred by the custodian while providing their services, including safeguarding the account holder’s money, executing trades and providing reports. ABP Service Fees are calculated by the custodian and debited directly from the account by the custodian, at least quarterly.

### *Additional Information*

We do not receive any compensation from DFA or Blackrock in exchange for allocating Client assets among various DFA mutual funds or iShares ETFs. See Item 14, below, for additional information. We do not charge fees to Matson Money employees for management of their accounts, and we could charge a reduced fee to Matson Money employees’ family members and friends. However, all Matson Money employees, their family members, and friends who invest in the Matson Funds invest on the same footing as all other shareholders. In addition, Referrers and their family members who invest in the Matson Funds invest on the same footing as all other shareholders.

Clients can terminate their advisory agreements with us on 30 days’ written notice. Any prepaid fees will be refunded on a pro-rata basis upon termination.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

We do not charge performance-based fees to any Clients. Moreover, based on our investment strategies, we generally do not face side-by-side management issues for any other reasons. Our asset allocation advisory strategy makes use of investment products not directly dependent on market price (*i.e.*, mutual funds and certain insurance products) and is used for all Clients. In addition, although Clients pay differing fees to their Referrers, we receive roughly equivalent advisory fees from Clients because we are primarily compensated through the asset-based advisory management fee embedded in the Matson Funds.

### **Item 7 – Types of Clients**

As noted in Item 4, above, our Clients include individuals, high net worth individuals, pension and profit-sharing accounts, corporations and other business entities, including other investment advisers. We also manage the Matson Funds, which are six mutual funds described in more detail in Item 4, above.

The Matson Fund Platform, the Frontier Adjusted Portfolio Program and the Private Account Asset Allocation Platform have no minimum investment requirements. However, only existing clients of the Private Account Asset Allocation Platform can open new accounts in that platform.

### **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

As described in Item 4, above, the investment strategy we use in managing Client accounts is an asset allocation strategy using the Free Market Funds (for the Matson Fund Platform and the Frontier Adjusted Portfolio Program) or other no-load mutual funds (for the Private Account Asset Allocation Program), primarily mutual funds offered by DFA. We also use ETFs offered by DFA as well as iShares. As noted in Item 4, since the creation of the Matson Money Funds, our dedicated insurance product-related mutual funds, Clients of the Matson Fund Platform can also invest in the Matson Money Funds as underlying investment options of variable insurance products offered by TIAA-CREF.

If you have existing securities in your portfolio when Matson Money begins managing your account, we will request that you sell those securities, or allow us to instruct your custodian to sell them on your behalf, in order to make funds available for us to purchase the mutual fund shares or other commingled investment vehicles that align with your identified objectives and strategies. Unless these assets closely resemble mutual fund products that fit within our investment philosophy and your investment objectives, Matson Money does not charge an asset-based management fee on legacy assets held in Client accounts. See discussion of “Unsupervised Assets” in “Other Information” in Item 4, above.

We utilize Modern Portfolio Theory, Efficient Market Hypothesis, and interpretations of the Fama/French Five Factor Model to create and manage portfolios that fall on an efficient frontier. As discussed in Item 13, below, Client accounts investing according to these portfolios are typically reviewed on a quarterly basis and rebalanced as needed. We seek to make asset allocation decisions based on academic and long-term market research related to the manner in which various asset classes have performed and the correlation of their performance over time, rather than based on current market or economic conditions. We do not rely on market timing, stock picking or track record investing techniques.

We use computer software from Morningstar that generates hypothetical portfolios based on asset class correlations. Morningstar software could be updated as frequently as monthly or quarterly, but at least annually. We also use DFA-provided software that analyzes mutual funds and index funds on a risk-adjusted basis and is updated monthly. These hypothetical portfolios are used in various Matson Money marketing materials to demonstrate the availability of market returns, but are neither designed nor intended to represent actual Matson Money performance. Matson Money also has composite portfolios showing actual performance of composites of Client accounts which are measured consistent with Global Investment Performance Standards (‘GIPS’) and are independently verified by a third party. Clients and prospects who receive these composites should review all related disclosure, including that, among other things, past performance is no guarantee of future success.

Our investment strategy involves asset allocation with periodic rebalancing and/or re-optimization of portfolios and target allocations as needed. Each Client’s account is invested in accordance

with the Client's asset allocation strategy. Upon opening an account, we invest your assets in mutual funds or ETFs targeting certain asset classes, or in some cases certain indexes or segments of the market, or cash items, based on target percentages of the total assets in the account. As markets fluctuate and values of account holdings change, the amounts actually allocated to each asset type in the account will either exceed or fall below the original target allocations. We periodically rebalance or adjust the account holdings back to the original target. However, rebalancing is not a constant activity. As a result, between rebalancing, asset allocations will often drift away from their targets over time. When we rebalance accounts, we generally sell holdings that have become overweighted to buy other holdings that have percentage weights that are below their targets. Our strategy is to be positioned in various asset types so that as asset values change, accounts are positioned to take advantage of the change.

In addition to this periodic rebalancing, our discretionary authority also permits us to reallocate assets in Client accounts. In a reallocation, we change the target percentages that some or all of the asset classes or types will have relative to the total account. Reallocations occur with less frequency than rebalancing. As described in Item 4, with respect to the Frontier Adjusted Portfolio Program, annual reallocation is a program requirement over the Client's specified time horizon. Thereafter, the account will not be reallocated, *i.e.*, target percentages will not change. However, we retain discretion to re-balance such portfolios as needed to position those accounts appropriately.

#### *Risk of Loss*

Investment returns are not guaranteed, and our Clients could lose money on their investments. It is very important that Clients work with their Referrers to help understand their risk tolerance. Investing in securities involves risk of loss that Clients should be prepared to bear as a result of idiosyncratic and systemic risks from many sources, such as: particular issuers, market sectors, economic and market conditions, exchange rules and other regulatory initiatives, political developments, governmental intervention, currency fluctuations, natural disasters, social unrest, kinetic and non-kinetic (*e.g.*, cyber or electronic) warfare involving state and/or non-state actors, other cybersecurity events, epidemics, pandemics and other health-related emergencies and other unpredictable events, amongst others.

Clients' investment performance will depend upon how their assets are allocated and reallocated according to their investment strategy and target asset allocation, and upon the portfolios Matson Money creates and manages to implement such allocations, as discussed above. Asset allocation decisions can result in investment losses. Similarly, it is possible that Matson Money's efforts in the creation and management of portfolios to implement asset allocations will not have the intended results and could result in investment underperformance or loss.

Clients who choose to invest in equities will have a percentage of their investments allocated to funds investing in small and value stocks, including micro-cap securities. Securities of small companies are often less liquid than those of large companies, and this could make it difficult to sell a small company security at a desired time or price. As a result, small/micro-cap company stocks often fluctuate relatively more in price. In general, smaller capitalization companies are also more vulnerable than larger companies to adverse business or economic developments and they frequently have more limited resources. There is a risk that value stocks will perform differently

from the market as a whole, and following value-oriented investment strategies could cause Client portfolios to underperform equity funds that use other investment strategies.

Clients in Matson-managed strategies with allocations to equities are invested indirectly through mutual funds with underlying investments in foreign securities, including emerging markets. These investments can be affected unfavorably by a number of events, including changes in currency rates or exchange control regulations, political or social instability, or military conflict or other similar developments in the particular foreign country or region, as well as government and market responses to such events. Without limitation, these can include the imposition of sanctions, nationalization, expropriation or confiscatory taxation, currency blockage, market disruptions, political changes and security suspensions. The type and severity of sanctions and other similar measures, including counter sanctions and other retaliatory actions, that could be imposed could vary broadly in scope, and their impact is impossible to predict. These types of measures can include, but are not limited to, banning a sanctioned country or certain persons or entities associated with such country from global payment systems that facilitate cross-border payments, restricting the settlement of securities transactions by certain investors, and freezing the assets of particular countries, entities or persons. The imposition of sanctions and other similar measures could, among other things, result in a decline in the value and/or liquidity of securities issued by the sanctioned country or companies located in or economically tied to the sanctioned country, downgrades in the credit ratings of the sanctioned country's securities or those of companies located in or economically tied to the sanctioned country, currency devaluation or volatility, and increased market volatility and disruption in the sanctioned country and throughout the world. Certain investments could be prohibited and/or existing investments could become illiquid (for example, in the event that transacting in certain investments is prohibited, securities markets close, or market participants cease transacting in certain investments in light of geopolitical events, sanctions or related considerations), which could render any such securities unmarketable for an indefinite period of time and/or could cause other securities to be sold at a disadvantageous time or price. More generally, investments in emerging markets frequently develop unevenly and might never fully develop. Furthermore, emerging securities markets tend to have lower trading volumes and less liquidity than developed markets.

Matson Money investment strategies utilize various fixed income asset categories. Because the value of Client investments in fixed income will still fluctuate, there remains the risk that Clients will lose money. Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of fixed income securities owned by Matson portfolios to rise or fall. Fixed income securities are also subject to credit risk, or the risk that the issuer of a security is unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength can affect a security's value, and thus, impact the investment portfolio's performance. Fixed income securities are also subject to interest rate risk because a change in market interest rates could adversely affect the value of fixed income securities. When interest rates increase, the value of fixed income securities generally will fall, and longer-term securities generally will be affected to a greater degree.

In addition, due to the fact that Matson Money's fixed income strategy can utilize foreign government debt, there is the risk that: (a) the governmental entity that controls the repayment of



government debt will not be willing or able to repay the principal and/or to pay the interest when it becomes due, due to factors such as political considerations, the relative size of the governmental entity's debt position in relation to the economy, cash flow problems, insufficient foreign currency reserves, the failure to put in place economic reforms required by the International Monetary Fund or other multilateral agencies, and/or other national economic factors; (b) governments could default on their debt securities, which could require that holders of such securities participate in debt rescheduling; and (c) there is no legal or bankruptcy process by which defaulted government debt can be collected in whole or in part.

From time-to-time, capital markets may experience periods of disruption and instability. Social, economic, political and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest) will occur that have significant impacts on issuers, industries, governments and other systems, including the financial markets. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets. These impacts can be exacerbated by misguided or faulty responses, or failure to adequately respond, by governments and societies to an emerging event or threat.

Significant political, social, economic conditions and events, such as Brexit, the COVID-19 pandemic, supply chain disruptions, increasing or volatile interest rates and inflationary environments, the Russia/Ukraine conflict, the Israel/Hamas conflict and further spread of conflict in the region, as well as escalated tensions globally, have created substantial uncertainty. While the specific source, nature and impact of any events that create uncertainty is inherently difficult to predict, uncertainty can both create and exacerbate risk, even for investments made in established markets. Some of the risks associated with political, economic and social uncertainty include: greater volatility in asset prices, value and performance; changes in interest rates and prevailing credit spreads; increased risk of defaults; greater social, economic and political instability (including the risk of war or natural disaster); increased risk of nationalization and greater governmental involvement in the economy; increased regulatory restrictions and oversight; downgrades by rating agencies; lack of liquidity; limited ability to hedge interest rate risk; and difficulties in obtaining and/or enforcing legal judgments. During times of uncertainty the capital markets often become volatile. Monitoring and regulation of markets while a country is experiencing political uncertainty, and the activities of investors in such markets and enforcement of existing regulations, might be extremely aggressive or insufficient. Markets experiencing political uncertainty can have substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates can have negative effects on such countries' economies and securities markets. Additionally, uncertainty creates a greater risk of escalation of conflicts, such as trade wars, sanctions or military actions, in times or locations that are experiencing social, economic or political uncertainty, and such an escalation, in turn, can increase the level of uncertainty experienced. Escalation of conflicts can lead to: higher prices; disruption in infrastructure; impairments to the supply chain; imposition of taxes, tariffs, duties and/or sanctions (and retaliatory measures in response thereto); rerouting of long-standing trade relationships; exacerbation of global supply and pricing issues; reduction and scarcity of key resources; migration and other dislocations; failed debt payments; and currency devaluations.

Given the ongoing and dynamic nature of recent market disruption and instability, it is difficult to predict the full impact of these conditions on a Client's portfolio. The extent of any such impact will depend on future developments, which are highly uncertain, including the duration or reoccurrence of any potential business or supply chain disruption, changes in interest rates and inflation rates, the conflicts between Russia and Ukraine and Israel and Hamas and any further spread of conflict, health epidemics and pandemics, and the actions taken by governments in response to these conditions.

During any such periods of market disruption and instability, companies may have limited access, if available, to alternative markets for debt and equity capital. Volatility and dislocation in the capital markets can also create a challenging environment in which to raise or access debt capital. The continuance or reappearance of market disruption for any substantial length of time could make it difficult to extend the maturity of, or refinance existing, indebtedness or obtain new indebtedness with similar terms. Costs of debt capital may increase or be subject to less favorable terms and conditions. If issuers are unable to raise or refinance debt, then returns on investment may decrease, and any such decrease could be significant.

Additional risks include:

Fund of Funds Risk. As discussed above, the Free Market Funds and the Matson Money Funds are funds of funds. A fund of fund's NAV will fluctuate due to business developments concerning a particular issuer or industry as well as general market and economic conditions affecting securities held by the particular underlying funds in which the Fund invests. Investment decisions by the investment advisers of the underlying funds are made independently of us and the Funds. Each Fund will be affected by the losses of its underlying funds and the risks involved in the investment practices of such funds. Neither we nor the Funds have any control over the risks taken by the underlying funds. Our judgment about the attractiveness or potential appreciation of a particular underlying fund could prove to be wrong or the Fund could miss out on an investment opportunity because the assets necessary to take advantage of such opportunity are tied up in less advantageous investments. Some underlying funds could concentrate their investments in various industries or sectors or have the authority to invest in derivative instruments (such as options, futures, swaps, and/or exotics, etc.). Additionally, recent regulatory changes under the Company Act adopted by the SEC can impose certain limits on underlying funds' investment flexibility.

Investments in Third Party Mutual Funds or Commingled Investment Vehicles. Under the Private Account Asset Allocation Program, Client accounts are directly invested in certain third-party mutual funds (e.g., the DFA funds). Account values will fluctuate due to business developments concerning a particular issuer or industry as well as general market and economic conditions affecting securities held by the particular underlying funds held in Client accounts. Investment decisions by the investment advisers of the underlying funds are made independently of Matson Money. Each account will be affected by the losses of its underlying funds and the risks involved in the investment practices of such funds. We do not have any control over the risks taken by the underlying funds. Our judgment about the attractiveness or potential appreciation of a particular underlying fund could prove to be wrong or the Fund could miss out on an investment opportunity because the assets necessary to take advantage of such opportunity are tied up in less advantageous investments. Some underlying funds could concentrate their investments in various industries or sectors or invest in derivative instruments (such as options, futures, swaps and/or exotics, etc.).

We encourage Clients participating in the Matson Fund Platform and the Frontier Adjusted Portfolio Program to review the prospectus of the Matson Funds for additional information regarding the risks of investing in the Funds. In addition, we encourage Clients participating in the Private Account Asset Allocation Program to review the prospectuses or offering memoranda of the DFA mutual funds or any other third party commingled investment vehicle used in their account for additional information regarding the risks of those investments.

Investments in Exchange Traded Funds. ETFs are a type of investment company bought and sold on a securities exchange. An ETF represents a portfolio of securities often designed to track a particular market index. In such cases, the risks of owning an ETF generally reflect the risks of owning the underlying securities comprising the index that the ETF is designed to track. However, ETFs are subject to certain additional risks, including, for example, the risk that lack of liquidity in an ETF could result in more volatility, an ETF might not track the performance of the index it is designed to track due to exchange rules or other reasons, the market prices of shares of an ETF can fluctuate rapidly and materially, and shares of an ETF could trade significantly above or below the ETF's net asset value. A Fund can incur brokerage fees in connection with its purchase of ETF shares. Investments in ETFs generally will be valued at their market price.

Derivatives Risk. The underlying investment companies in which the Funds invest may utilize derivatives as part of their investment strategies. For example, underlying index-based ETFs are often able to use derivatives, including futures contracts, options on futures contracts, forward currency contracts, options, swaps, and other exotic derivatives to help the ETF track its underlying index. These derivative instruments are subject to a number of risks including liquidity, interest rate, market, credit and management risks, valuation, counterparty, and interconnection, amongst others. Changes in the value of a derivative might not correlate perfectly with the underlying asset, rate or index, and it is possible to lose more than the principal amount invested. A derivative contract will obligate or entitle an underlying investment company to deliver or receive an asset or cash payment that is based on the change in value of one or more securities, currencies, indices, and/or other reference entity/asset/obligation/security/rate/etc. Even a small investment in derivative contracts can have a big impact on an underlying investment company's stock market, currency and interest rate exposure, amongst a host of other risk exposures idiosyncratic and systemic in nature. Therefore, using derivatives can disproportionately increase losses and reduce opportunities for gains when stock prices, currency rates, interest rates, and other market variables are changing.

Cyber Security Risk. The Funds and their service providers, including Matson Money, are exposed to operational and information security risks resulting from any breaches in cyber security that might occur. A breach in cyber security refers to both intentional and unintentional cyber events from external or internal actors that could, among other things, cause a Fund or service provider, including Matson Money, to lose proprietary information, suffer data corruption or destruction, lose operational capacity, result in the unauthorized release or other misuse of confidential information, or otherwise disrupt normal business operations. Breaches in cyber security include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information, cyber extortion (such as exfiltration of data held for ransom and/or "ransomware" attacks rendering systems inoperable until ransom is paid) or various other forms of cyber-attacks. Cyber security breaches affecting a Fund or its adviser, custodian, transfer agent, intermediaries and other third-party service providers

can adversely impact a Fund. For instance, cyber security breaches could interfere with the processing of shareholder transactions, impact a Fund's ability to calculate its NAVs, cause the release of private shareholder information or confidential business information, impede trading, subject a Fund to regulatory fines or financial losses, and/or cause reputational damage. The Funds and service providers, including Matson Money, will also incur additional costs for cyber security risk management purposes. Similar types of cyber security risks are also present for issuers of securities in which a Fund will invest, which could result in material adverse consequences for such issuers and could cause the Fund's investment in such companies to lose value.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with your Referrer.**

### **Item 9 – Disciplinary Information**

Investment advisers are required to disclose in this Brochure any legal or disciplinary events involving the firm or our officers or principals that are material to your evaluation of our advisory business or the integrity of our management. We have no such information to report at this time.

### **Item 10 – Other Financial Industry Activities and Affiliations**

Matson Money is a closely held corporation in which ninety percent of ownership is currently held by founder and CEO, Mark Matson. As discussed in Item 4, above, we advise six series of a no-load mutual fund which are offered by prospectus only. The six series are:

1. RBB Free Market International Equity (FMNEX);
2. RBB Free Market U.S. Equity (FMUEX);
3. RBB Free Market Fixed Income (FMFIX);
4. Matson Money U.S. Equity VI Portfolio (FMVUX);
5. Matson Money International Equity VI Portfolio (FMVIX); and
6. Matson Money Fixed Income VI Portfolio (FMVFX).

All of the Funds are funds of funds, meaning that they invest primarily in shares of other funds. The Free Market Funds are used as investment options in the Matson Fund Platform and the Frontier Adjusted Portfolio Program. The Matson Money Funds, which are based on the same investment strategies that are used to manage the Free Market Funds, are available only as investment options underlying the variable annuities or variable life insurance policies of certain insurance companies. As noted in Item 5, above, we do not charge Clients a separate Matson Money advisory fee for the portion of their assets that are invested in any of the funds managed by Matson Money in order to avoid a “double-dip” advisory fee on those assets. However, Clients remain responsible for the fees of their Referrers, none of which are affiliated with Matson Money.

Mark Matson operates The Matson Family Foundation (formerly known as “The Wolf Pack Foundation”), a 501(c)(3) charitable foundation to receive tax-exempt gifts, primarily from our Referrers and our founder, Mark Matson, to be distributed to other charitable organizations.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

*Code of Ethics and Personal Trading.* We strive to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. We have adopted and implemented a Code of Ethics (“Code”) to help us meet these standards.

The Code was adopted in accordance with both Advisers Act Rule 204A-1 and Company Act Rule 17j-1 to govern personal transactions by certain of our principals and employees and the Matson Funds and to seek to ensure that the interests of our principals and employees do not conflict with the interests of Clients and the Matson Funds (and their shareholders). Our principals and employees are required to direct their brokers to forward copies of all personal securities transactions confirmations as well as brokerage statements for every account in which they or their immediate family members have a beneficial interest. These confirmations and statements are submitted to and reviewed by our CCO.

The Code prohibits our principals and employees from purchasing any initial public offerings or private placements. Principals and employees can buy and sell open-end mutual funds that we also recommend to Clients, including shares of the Matson Funds. Our principals’ and employees’ transactions can be placed at the same time as orders for Clients’ accounts. We do not believe these transactions present any conflict of interest because the shares of each mutual fund are bought and sold at net asset value by every investor who purchases or redeems on a given day. Shares are readily available to satisfy both Client and employee transactions, and the price of the open-end mutual funds is not affected by the size or timing of purchase or sale transactions. Therefore, employee transactions in these mutual funds cannot influence the price Clients receive in their transactions with the same mutual funds. However, transactions in shares of the Funds must be reported to and reviewed by the CCO.

The Code also includes a Code of Conduct designed to emphasize that our principals and employees are in a position of trust with respect to our Clients. All personnel are required to comply with ethical restraints relating to Clients and their accounts, including restrictions on giving gifts to, and receiving gifts from, Clients in violation of our gift policy. Violations of the Code might result in demotion, suspension, firing, fines and other punishments for individuals. A copy of the Code is available to any Client or prospective client upon request. To request a copy, please contact us using the information provided on the cover page of this Brochure.

### *Reporting Violations of Code of Ethics*

Any supervised person who becomes aware of an apparent violation of the Code shall promptly report such apparent violation to the Chief Compliance Officer.

A person acting in good faith in reporting an apparent violation of the Code and who has reasonable grounds for believing a deliberate misrepresentation has been made regarding accounting or audit matters or a breach of the Code shall not be retaliated against by Matson Money.

### *Insider Trading Policy*

We could, from time to time, come into possession of material nonpublic and other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, we will generally be prohibited from improperly disclosing or using such information for our benefit or for the benefit of any other person, including Clients. Accordingly, if we come into possession of material nonpublic or other confidential information, we will likely be prohibited from communicating that information to you or using it for your benefit.

We have adopted a "Policy Statement on Insider Trading" in accordance with Advisers Act Section 204A that establishes procedures to prevent the misuse of material nonpublic information by us and our personnel. Any officer, director or employee who fails to observe the above-described policies can face serious sanctions, including dismissal and personal liability.

*Participation or Interest in Client Transactions.* Under the Matson Fund Platform and the Frontier Adjusted Portfolio Program, we recommend the purchase and sale of shares of the affiliated Funds from which we receive advisory fees. Other than the Funds' fees, we do not receive any additional advisory or sales-related compensation in connection with recommending and selecting the Funds as investments for Client accounts.

*Personal Trading.* From time to time, our principals and employees are likely to have interests in some or all of the same securities owned by or recommended to Clients, in the same or different concentrations as used in Client accounts. Our principals and employees could also buy or sell securities for their own accounts that are different than those we recommend purchasing for Clients. As these situations can represent a conflict of interest, we have adopted procedures relating to personal securities transactions and insider trading designed to prevent or mitigate actual conflicts of interest related to personal trading activities, as noted above in the description of the Code.

*Other Related Conflicts and Practices:*

Gifts and Entertainment; Political Contributions. Brokers, counterparties, service providers and other third parties with whom we do business occasionally provide gifts and entertainment to our principals and employees. We and our affiliates could enter into business transactions and relationships on behalf of a Client with the donors of such gifts and entertainment. Such gifts and entertainment create a conflict of interest in our selection and retention of these donors as service providers for Clients. To address this conflict, we have adopted policies and procedures to: 1) monitor gifts and entertainment given and received by our principals and employees; and 2) limit the value of gifts and entertainment given and received. We also have policies and procedures in place to help us monitor, and limit, the political contributions that our principals and employees make to public officials and candidates for elected office in accordance with the requirements of Advisers Act Rule 206(4)-5.

Matson Money Blue®. Our eMoney-supported platform for assisting clients in the consolidation and maintenance of their financial records also benefits Matson Money and Clients' Referrers, which creates a conflict of interest. By providing an on-line storage site for Clients' financial data, both Matson Money and Referrers will have access to a more complete picture of the assets and liabilities of our Clients and will have an opportunity to recommend investment of a greater percentage of Clients' total assets in Matson-managed products. While each Client will have a

unique username and password to be used for entering and accessing data stored on the eMoney platform, both the Client's Referrer and Matson Money will be able to view stored data. Client usernames and passwords should never be given to Matson Money or Referrers. In addition, Clients can use certain eMoney privacy features to limit access to certain data they choose to store on the platform, which could mitigate the conflicts of interest described above. According to eMoney, privacy features available to Clients using eMoney include the ability to: (1) block an adviser from seeing their "Spending Tool;" and (2) create a private folder in the eMoney "Vault" called the My Documents folder. However, eMoney also provides advisory clients with a service called Digital Mailbox, under which various service providers, including banks and brokerage firms, allow clients to set up a provider link that automatically delivers statements directly to the Client's Digital Mailbox rather than by mail or email. If a Client creates a digital connection through its Digital Mailbox to any such institution, the connection can be seen by the Client's Referrer.

The platform is a tool Referrers can use for advising Clients on how to deploy their assets in a more effective or efficient manner, which can include recommending investing more through Matson Money. Access to Client data can also raise privacy concerns, since stored data could include personal information such as social security, bank, savings or brokerage account numbers. When uploading documents manually to the platform, Clients must exercise their own discretion on whether to "black out" or otherwise edit privacy-related information in personal records and should never upload documents containing usernames or passwords to online accounts such as bank, savings or brokerage accounts. When information is transferred electronically from a Client's service provider to the Digital Mailbox, according to eMoney, such information never includes a complete Client account number, but in some cases will include a partial account number.

In addition, Clients should understand that although data is transferred interactively by data feeds between eMoney and service providers, data stored on the platform is merely a snapshot for purposes of Matson Money or a Referrer. In other words, neither Matson Money nor a Referrer can manipulate the data or communicate directly with a Client's service providers through eMoney. Also, neither Matson Money nor a Referrer can obtain direct access to Clients' assets or accounts through the eMoney platform. In addition, Matson Money and all registered investment advisers and/or broker-dealers serving as Referrers are subject to federal privacy laws and required to adopt written privacy policies and procedures. Matson Money provides Clients with its Privacy Notice annually and each Referrer should provide clients with the Privacy Notice associated with the Referrer's registered adviser or broker-dealer.

## **Item 12 – Brokerage Practices**

### *General Brokerage Practices*

Clients generally provide us with limited discretionary authority to make the following determinations in accordance with the Client's specified investment objectives without Client consultation or consent before a transaction is affected:

- Invest Client assets into a portfolio consisting of a diversified mix of asset classes and investment securities;

- Modify or change the mix of asset classes and investment securities within the portfolio; and
- Rebalance and/or reallocate the portfolio periodically.

In order to establish an advisory account with us, a Client must first designate a broker-dealer and a custodian acceptable to us (consistent with the discussion in Item 4 above). Advisory Clients with non-ERISA assets must open custody accounts with AXOS, Schwab, or Pershing and brokerage accounts with their affiliated broker-dealers: AXOS; Charles Schwab & Co., Inc.; or Pershing Advisor Solutions. No matter which is selected, the Client will sign a limited power of attorney giving us the authority to trade stocks, bonds and mutual funds on a discretionary basis in the Client's account. For Client accounts subject to ERISA (like company retirement plans), Clients generally must select either Ascensus, Matrix Trust Company, Charles Schwab Trust or BPAS as their custodian and either Ascensus, PCS/Aspire, Alliance Benefit Group or BPAS as recordkeeper. PCS/Aspire, BPAS, and Alliance Benefit Group are also third-party administrators and Clients can work with a third party administrator acceptable to Matson Money and the recordkeeper. Additionally, 401(k) accounts/clients could select AXOS as their custodian and recordkeeper, which is performed by PCS/Aspire. For 403(b) accounts as well as some 401(k) accounts, clients select MG Trust (also known as Matrix Trust Company) as the custodian and PCS/Aspire as their recordkeeper.

Because we primarily trade in mutual funds on behalf of our Clients, and because brokerage fees for mutual funds are generally established by the mutual fund sponsor and set forth in the funds' prospectuses, we do not generally consider all of the traditional factors associated with seeking best execution in other types of markets when deciding to purchase or sell securities. For purchases and sales of securities other than mutual funds, we acknowledge that Clients might be able to obtain lower brokerage transaction or custody fees with other brokerage firms or custodians than those we recommend, but we believe that the joint custodial and brokerage arrangements we have in place are consistent with the efficient delivery of quality execution at a reasonable cost, subject to the administrative requirements associated with running our programs.

In selecting the recommended custodians, we evaluated the services they or their affiliated broker-dealers offer, the quality of those services and the cost indirectly borne by Clients, and determined that they provide overall best quality of services for the price. We periodically compare the services and price of the recommended service providers against other broker-dealers and custodians that provide comparable services. Although another broker-dealer could offer these services at a lower overall cost, cost is only one factor we consider, and we are not required to move accounts to another broker-dealer based solely on cost.

With respect to variable annuity or insurance contracts, the Client's custodian and broker are typically specified in the variable annuity or insurance contract. We have no discretion to select the custodians and broker-dealers for these instruments.

As noted above, we generally invest in "no-load" mutual funds, meaning that they are not accompanied by sales commissions, or mutual funds for which commissions are set by each fund's prospectus. With respect to other investments, we have no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio



transaction or to select any broker or dealer on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to minimize the expenses incurred for effecting portfolio transactions to the extent consistent with the interests and policies of the accounts. Although we generally seek competitive commission rates, we will not necessarily pay the lowest commission or commission equivalent. Some transactions involve specialized services on the part of the broker or dealer involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

#### *Research and Other Soft Dollar Benefits*

We do not currently use soft dollars to pay for any specific service or for any portion of “mixed use” items. However, the brokerage firms we use for Client transactions have in the past and could in the future offer us certain services free of charge in exchange for charges or fees earned on Client transactions. See also, Item 14, below. As a result of receiving these services, we can obtain things for free that we would otherwise have to pay for ourselves. We therefore have an incentive to use the brokerage firms that provide us with these services.

Clients should be aware that the services furnished by these brokerage firms in exchange for transaction fees or charges paid by certain Client accounts can be used to service *all* Client accounts and not just the accounts whose transactions paid for the services.

#### *Directed Brokerage*

With the exception of variable annuity and life insurance contracts, Clients are generally not permitted to select broker-dealers or custodians other than those referenced above. Where a Client directs the use of a particular broker-dealer, or broker-dealers, we generally are not able to negotiate commission rates or spreads, or to obtain volume discounts. As a result, we might not be able to achieve the best price for the execution quality.

In addition, transactions for a Client that directs brokerage often cannot be combined or “batched” for execution purposes with orders for the same securities for other accounts, as described below. Because mutual funds and variable annuities are acquired from their issuers at their current net asset value at the time of the transaction, the direction of trades to a specific broker-dealer does not change the price at which such securities are acquired. Client direction of a particular broker or dealer to execute non-mutual fund transactions can result in higher commissions, greater spreads, or less favorable net prices than might be the case if we could negotiate commission rates or spreads freely, or select brokers or dealers based on best execution.

#### *Trade Aggregation and Allocation*

All accounts are currently traded individually with the third-party custodians and therefore we do not aggregate trades. Additionally, since shares of open-end funds (other than ETFs) are only priced once a day, we do not usually have any reason to aggregate transactions in such fund shares. In addition, there is seldom any reason to aggregate or to allocate acquisitions of fund shares since all shares purchased during a single trading day are executed at the same daily price and there is seldom, if ever, any problem obtaining sufficient shares to satisfy all acquiring accounts. These shares are purchased from the issuer and sold at the net asset value next determined after an order

is received. Shares of mutual funds are redeemed by the issuer (not sold in the secondary market). Variable annuities are purchased directly from the issuer and no aggregation of transactions in variable annuities occurs. If, in the future, we were to determine to aggregate transactions on behalf of more than one account, we would allocate the results of each transaction among participating Clients at the average price for the aggregated trades and each client would pay its *pro rata* share of any associated trading costs. Opportunities would be allocated among participating Client accounts in a fair and equitable manner over time.

#### *Other Brokerage Practices, Issues, and Conflicts*

Allocation of Our Time and Resources. Generally, we are not subject to specific obligations or requirements concerning the allocation of our time, efforts, resources, or investment opportunities to any particular Client. We are not obligated to devote any specific amount of time to the affairs of any Client and are generally not required to accord exclusivity or priority to any Client in the event of limited investment opportunities arising from the application of speculative position limits or other factors. Matson Money and our personnel devote such time to the affairs of our Clients as Matson Money, in its discretion, determines to be necessary for the conduct of our business. We also devote such time to our Referrer training programs and to the Matson Family Foundation as is needed under the circumstances.

Trade Errors. Matson Money has policies and procedures for the handling of trade errors in Client accounts (*e.g.*, the purchase or sale of a security in the wrong amount, or contrary to Client investment guidelines). We seek to identify and correct such errors as promptly as possible, consistent with our policies and procedures. Our policies and procedures include certain guidelines intended to avoid a trade error resulting in a disadvantage to Clients. For example, as a general guideline, gains resulting from trade errors should accrue to the benefit of the Client account(s) in which the error was made. Similarly, as a general guideline, trade errors caused by Matson resulting in a direct loss to Client account(s) should be reimbursed to the Client account(s) in which the error was made. As another general guideline, where a trade error is caused by a third party (such as a broker) and results in a direct loss to Client account(s), Matson Money will endeavor to get the responsible party to make the Client(s) whole (however, Matson Money cannot guarantee such a result).

### **Item 13 – Review of Accounts**

We review accounts daily for cash additions and withdrawals. Our Chief Executive Officer, Portfolio Manager, and Chief Compliance Officer (the Investment Committee) meet periodically to review academic research and data, quantitative analytics, tax and other relevant issues; to determine whether any changes in strategy are warranted; and, if so, to implement such changes. We also review accounts at least quarterly, and more frequently, if necessary, to “rebalance” and “re-optimize” Client accounts.

Because performance of the underlying instruments in each account is not uniform, over time, the actual asset allocation in each account will begin to “drift,” or deviate, from the original asset allocation targets we set. Accounts are rebalanced by reallocating assets to more closely align with original asset allocation targets. Accounts are re-optimized when we set new target asset allocations.

We monitor Client accounts on an ongoing basis, and we rebalance or reallocate assets as we determine to be appropriate. Changes in the portfolio, which include adding, removing or replacing securities at our discretion, are made infrequently based on changes that we consider significant in academic research and data; quantitative analytics; the tax code; the management of the securities used by the portfolio; and/or the Client's personal circumstances, including (for example and without limitation) health, employment, marital and family status. We could replace a particular security, if it significantly diverges from its relevant index in terms of risk or return, with a security that is more correlated with the risk/return profile of the relevant index.

We provide Clients with written reports on a quarterly basis. Copies of these reports are also posted on our internal website and are made available to Referrers that referred Clients to us. Quarterly reports show shares currently owned by Clients and their current asset mix. You can also request a report showing the quarterly and annual rate of return for your account(s) from your Referrer. Clients are expected to address questions or concerns to their Referrers. Unless requested, you will not receive a report showing the quarterly and annual rate of return for your account. Our fees and/or our Referrers' fees are reported on your custodian's quarterly custody statements (see Item 15, below) and our quarterly reports. You might also receive additional reports from your custodians or broker-dealers.

#### **Item 14 – Client Referrals and Other Compensation**

##### *Benefits We Receive*

We invest Client assets (directly or indirectly) primarily in our own Funds, in ETFs managed by BlackRock or in mutual funds managed by DFA. DFA and BlackRock are both unaffiliated investment advisers. DFA has provided us with software that calculates investment returns, which we use as part of marketing our services, among other uses. Additionally, DFA's Co-Chief Investment Officer and Global Head of Research serves as a member of Matson Money's Academic Advisory Board. BlackRock provides limited assistance in researching iShares ETFs for use in Matson investment strategies. In addition, both firms can also provide certain assistance in our marketing efforts. None of the assistance provided by BlackRock or DFA is dependent upon us investing a specified amount of Clients' assets in BlackRock ETFs or DFA managed funds.

DFA's mutual funds are generally not available to individual investors with small accounts except through the services of an investment adviser. As a courtesy to us, DFA generally has not permitted persons who solicit clients for us (*i.e.*, our Referrers) to purchase interests in DFA mutual funds directly for their clients other than through us (or other investment advisory firms that have separately established relationships with DFA). We receive no cash compensation from DFA.

All of the custodians used by our Clients provide us with various data services, which can include file downloads, on-line services and performance monitoring software at a discounted fee or free of charge. In addition, the custodians we recommend provide us with services typically provided to institutional investment managers (which generally are not provided to retail customers). These services include:

- duplicate Client statements and confirmations;

- access to a trading desk serving adviser participants;
- access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts);
- the ability to deduct advisory fees directly from Client accounts; and
- access to mutual funds with no transaction fees.

See “Custodial Arrangements for All Matson Money Advisory Programs” under Item 4, and Item 12, for additional information on these custodians and their affiliated broker-dealers.

### *Referral Arrangements*

As more fully described in Item 4, above, our advisory services are marketed almost exclusively by Referrers. Agreements entered into with Referrers are made in compliance with Advisers Act Rule 206(4)-1, the Marketing Rule, as applicable.

Under the Matson Fund Platform and the Frontier Adjusted Portfolio Program, co-advisors are paid pursuant to a tri-party agreement under which the Client either directs Matson Money or the custodian to pay the co-advisor an advisory fee out of the account, or pays the co-advisor directly. Solicitors are paid pursuant to a separate solicitation agreement with Clients. In either case, historically, the fee charged by the Referrer generally fell within a range from 25 basis points (0.25%) to 140 basis points (1.40%), although effective 2018 Matson Money has reduced the maximum fee allowed for new clients to 120 basis points (1.20%) moving forward. As a result, some Clients could pay a higher fee to their respective Referrers than other Clients pay to their respective Referrers for access to the same mutual funds. Generally, this difference is based on assets under management and the level of personal service provided by the Referrer to the Client. As discussed in Items 4 and 5, the difference is not intended to take into consideration whether or not an existing Client chooses to participate in Matson Money Blue®, but Referrers who pay eMoney for access to the platform can choose to charge new Clients more than similarly situated Clients of other Referrers as long as such Referrer fees do not exceed the maximum fee established by Matson Money. Under Private Account Asset Allocation, we pay Referrers a portion of the advisory fee that we receive from the Client(s) they have referred to us. In addition to the Referrer fees described above, the Referrer may receive certain benefits, such as books, other materials and/or discounted fees, in connection with training programs sponsored by Matson Money.

The Referrers provide a variety of services to Clients. As a result, the total fee a Client pays can vary depending upon the additional services provided by the Referrer. For solicitors, the fee that is paid to the soliciting firm and shared with or paid to an individual employee solicitor is set forth in a separate disclosure statement. With the exception of accounts owned by our employees, friends and family of employees, or Referrers and certain of their respective family members, Clients come to us only through Referrers.

In addition to entering into agreements with individuals who serve as Referrers, we also enter into arrangements with many different forms of business entities (e.g. partnerships, corporations and limited liability companies) operating as investment advisers, broker-dealers or insurance firms,

which permit us to enter into agreements with their salespersons. If an individual Referrer is an employee of an investment adviser, brokerage firm or insurance company and otherwise appropriately licensed, we typically pay the referral fee to the firm rather than to the individual. The firm generally then pays a portion of the referral fee, which could be substantial, to the individual Referrer.

We also provide marketing assistance to certain Referrers, which can be on a paid or unpaid basis. If a Referrer is participating in a training program, or as the amount of assets referred to us by a Referrer increases, the amount of free marketing assistance we provide to the Referrer could increase.

We generally require that our Referrers refer at least \$100,000 of Client assets to us within the first year the Referrer acts as a Referrer. If the Referrer does not meet this minimum, we will provide virtually no marketing support to the Referrer and we can terminate our relationship with the Referrer. However, we reserve the sole discretion to grant exceptions and have allowed persons to remain as Referrers without satisfying a minimum amount of referred assets. In addition, Referrers participating in the Private Account Asset Allocation Program have received Matson Money advice at low or no cost to themselves and at reduced costs to family members and Referrers. Family members of Referrers who participate in the Matson Fund Platform and/or Frontier Adjusted Portfolio Program are generally charged no advisory fees (other than the fees embedded in the Matson Funds) since the Referrer has discretion to waive the referral fees. Thus, persons who solicit Clients for us have incentives, in addition to the receipt of compensation, for referring Clients to us.

From time to time, Matson Money or a related party can make a charitable contribution to charitable organizations that are related to or supported by a solicitor or co-advisor, which could be viewed as a form of indirect compensation. As a result, Matson Money maintains records of charitable contributions and requires that all contributions are made directly to the charitable organization, a 501(c)(3) organization. No contribution will be made if the contribution implies that continued or future business with the Referrer depends on making such contribution.

Some Referrers, on their own and not related in any way to their agreements with us or on our recommendation, also sell life insurance, annuities, mutual funds, stocks, bonds, and/or limited partnership interests. However, as explained in Item 4 above, Clients wishing to invest a portion of their assets outside of Matson Money at the suggestion of a Referrer cannot request, either directly or through their Referrer, that Matson Money facilitate the transfer of any assets from their Matson-managed account to any third party. Matson Money will only assist Clients in directing that a Client's custodian transfer money directly to the Client or to an account in the Client's name at a qualified custodian. It is possible that Referrers will receive commissions on the sale of securities products outside of Matson Money and/or receive trail commissions on the sale of unaffiliated mutual funds. If we recommend the purchase of any securities or insurance products which will result in payment of a commission to a Referrer, you are free to decide whether you will make these purchases through the Referrer or any other source you choose.

### **Item 15 – Custody**

Matson Money does not maintain physical custody of any client assets. However, Matson Money could be deemed to have custody over a Client's assets for purposes of Rule 206(4)-2 under the Advisers Act (the "Custody Rule") under certain circumstances. In particular, as described in the "Fees and Compensation" section (Item 5) of this Brochure, Matson Money debits Referrer fees from Client accounts. As part of this billing process, the Client's custodian is advised of the amount of the fee to be deducted from the Client's account. This causes Matson Money to be deemed to have custody over the account from which fees are debited.

Where Matson Money has custody of Client assets, the Client should receive, at least quarterly, account statements from the broker-dealer, bank or other "qualified custodian" that maintains the Clients' assets as required by the Custody Rule. Because the custodian doesn't calculate the amount of the fee to be deducted, it is important for you to carefully review your custodial statement to verify the accuracy of the calculation, if your account is subject to fee deductions. In addition, Matson Money prepares and sends to Clients quarterly statements. The Matson Money statements contain pricing and valuations based on data we believe to be the best reasonably available data, noting that prices and values are not guaranteed. Insurance and annuity contracts are displayed at their accumulated values as of the date shown. Each Matson Money statement urges you to compare your statement with the statement you receive from the qualified custodian that holds your assets. You should note that our statements could vary from your custodian's statements due to differences in transaction posting times, accounting procedures, or other reasons. Please contact us immediately if you have any questions about your statements or if you don't receive them promptly.

As discussed in Item 4, above, Matson Money has implemented enhanced procedures both to seek to increase the security of Client assets and to seek to better oversee Referrers' activities. However, Matson Money urges all Clients to exercise caution with respect to granting any authority, including powers of attorney, trustee or executor status, over their brokerage, bank or custodial accounts or providing information such as usernames and passwords relating to such accounts and to understand that Referrers are not employees or affiliates of Matson Money.

### **Item 16 – Investment Discretion**

As explained in Item 4, above, we generally receive and exercise discretionary authority to manage investments on behalf of Clients. We typically assume our investment discretion authority through a contract provision entered into by each Client granting us a limited power of attorney for investment purposes. These contracts do not provide us with a general power of attorney to access your custodial accounts. In addition, our contracts do not provide your Referrer with any authority to access, or to make or direct transactions in, your accounts. You should not give your Referrer any such authority over your Matson-managed account. Matson can, at its sole discretion, terminate its management of the account(s) of any Client who provides to a Referrer discretionary authority or more expansive authority, such as trustee powers, over the Matson-managed account(s).

Clients that participate in the Private Account Asset Allocation Program are able to impose some limited restrictions on our discretion regarding their account. For example, Clients could request that particular securities or types of securities not be purchased, or that such securities are to be sold if held in the account. However, we do not control the investment activities of the mutual funds, variable annuity products, and other pooled investment vehicles that we purchase for accounts participating in the Private Account Asset Allocation program. We cannot accept restrictions at the fund level for any advisory program we offer.

### **Item 17 – Voting Client Securities**

Matson Money has adopted written proxy voting policies and procedures as required by Advisers Act Rule 206(4)-6.

#### *Matson Fund Platform & Frontier Adjusted Portfolio Platform*

Under the proxy voting policies and procedures, for Client assets held in the Matson Funds, Clients authorize us to vote proxies on the underlying mutual funds held by the Matson Funds, including proposals relating to increases in a mutual fund's advisory, Rule 12b-1 (distribution and/or service) or other fees. For proxies related to the Matson Funds themselves, Clients are generally responsible for voting all proxies. These proxies would be sent to Clients by their chosen custodian or from the transfer agent. For Clients subject to ERISA, we generally expect Clients to expressly retain the authority and responsibility for voting of any such proxies, and take action concerning legal proceedings regarding, Matson Fund shares held in the account and to specify, in writing, who has voting authority.

#### *Private Account Asset Allocation Platform*

Under our proxy voting policies and procedures, with respect to the Private Account Asset Allocation platform, Clients generally retain proxy voting responsibility under our advisory agreements. For Clients subject to ERISA, we generally expect Clients to expressly retain the authority and responsibility for voting of any such proxies and to specify, in writing, who has voting authority. In each case, Clients should expect to receive proxies and other solicitation materials directly from their custodian. We generally do *not* provide specific advice to Clients about proxies that we do not vote on their behalf. To the extent that we do accept a discretionary account which requires us, in writing, to vote proxies for the account, we will seek to vote such proxies in the best interests of Clients as described in our proxy voting policies and procedures.

#### *How We Vote*

When we are required to vote on a proxy matter, we generally base our votes on our written proxy voting guidelines, to the extent applicable. Under the guidelines, or when no guideline applicable to an issue exists, we generally would expect to cast proxy votes in favor of management proposals given that we invest, on a discretionary basis, primarily in mutual funds or variable annuities, which have, in large part, been chosen based on their historical track records and existing management.

Our proxy administrator is responsible for ensuring that votes are cast in accordance with our policy, and that appropriate records are maintained.

### *Material Conflicts*

In the event of a material conflict of interest, we will follow our proxy voting procedures for resolving material conflicts.

We acknowledge our responsibility to identify material conflicts of interest relating to voting proxies. Our senior management and advisory personnel must disclose to the CCO any personal conflicts such as officer or director positions held by them, their spouses or close relatives in the portfolio company. To the extent that any conflicts exist based solely on business relationships between the portfolio company and us (or our affiliates), they will only be considered to the extent that we have actual knowledge of such relationships.

When a material conflict appears to exist between our interests and Clients' interests, we seek to mitigate or eliminate the conflict. Our proxy voting policies and procedures describe several options for doing so, including, without limitation:

- (1) voting as recommended by a third-party service if we utilize such a service;
- (2) "mirror voting" the proxies in the same proportion as the votes of other proxy holders that are not Clients;
- (3) if possible, erecting information barriers around the person or persons making voting decisions sufficient to insulate the decision from the conflict; and
- (4) if agreed upon in writing with the Clients, forwarding the proxies to affected Clients allowing them to vote their own proxies.

You can obtain from us a copy of our written proxy voting policies and procedures, as well as information on how proxies were voted for your account. To request such information, please contact us using the information provided on the cover page of this Brochure. We will not disclose proxy votes for a Client to other Clients or to third parties unless specifically requested, in writing, by the Client, or as required to do so by applicable law or regulation.

### **Item 18 – Financial Information**

Certain investment advisers are required to disclose in this Brochure any financial condition reasonably likely to impair their ability to meet contractual commitments to Clients. We have no such information to report at this time.



## **APPENDIX 1: Privacy Policy**

### **How Matson Money, Inc. protects clients' ("Account Owner") personal information:**

Matson Money, Inc., ("Matson Money") takes precautions — including administrative, technical, and physical measures — to safeguard personal information against loss, theft, and misuse, as well as unauthorized access, disclosure, alteration, and destruction. We restrict access to Account Owners' personally identifiable financial information ("Nonpublic Personal Information") to employees who need to know that information in order to provide services to Account Owners. Matson Money also maintains physical, electronic, and procedural safeguards to protect Account Owners' nonpublic personal information.

### **Integrity of Account Owners' personal information:**

Matson Money has safeguards in place to keep Account Owners' information complete and up to date. Matson Money has proprietary software that provides the tools to review and update Account Owner information. No other software used at Matson Money can affect the Account Owner's account information. This software logs every change made to an account so that it has a paper trail for tracking and accountability. Only a select group of people have the ability to alter Account Owners' data. Website access is strictly read-only; no changes can be made via the website.

### **Technologies:**

The Matson Money website that Account Owners may access, [www.matsonmoney.com](http://www.matsonmoney.com), is a forced SSL site (meaning all traffic is encrypted) that does not allow saving of login information. Matson Money requests the username and password upon each login. Matson Money maintains an integral difference between what is contained in the database and what Account Owners and Authorized Representatives can access. Full database backups are performed every night. These backups are rotated on an abbreviated GFS scheme; translating into six tapes for daily backups, two tapes for weekly backups, and one tape for monthly backup. This is an industry standard approach modified for limited archival retrieve based on our constantly changing data. Backups are encrypted on both disk and tape using 128-bit encryption.

### **Company-wide commitment to privacy of Account Owners:**

Matson Money does not sell Account Owners' personal information to anyone. Matson Money collects Nonpublic Personal Information from Account Owners from the following sources:

- Account applications and other forms, which may include an Account Owner's name, address, social security number, and information about the Account Owner;
- Account Owner's investment goals and risk tolerance;
- An Account Owner's professional advisors, such as an Account Owner's broker, financial planner, attorney or accountant (an "Authorized Representative"), who may provide financial or investment history and tax information about the Account;

- History of account(s), including information about the transactions Matson Money has placed for Account Owner and balances in Account Owner's account(s);
- Correspondence, written or telephonic, between Account Owner and Matson Money; or Account Owner's Authorized Representative, or custodian and Matson Money.

Matson Money does not disclose any Nonpublic Personal Information about Account Owner to any entity that is not an affiliate of, or related by common ownership or affiliated by corporate control ("Unaffiliated Third Party") with, Matson Money except as permitted or required by law. Accordingly, Matson Money may disclose all of the information Matson Money collects about the Account Owner or the Account Owner's account(s), as described above, under the following circumstances:

- Matson Money receives an Account Owner's consent.
- Matson Money believes the recipient to be an Account Owner's Authorized Representative.
- The recipient is an Authorized Representative, custodian, or other service provider with whom we must share information in order to manage or service an Account Owner's account properly.
- The recipient is an Unaffiliated Third Party that performs marketing services on Matson Money's behalf.
- Matson Money is required by law to release the information to the recipient.

Matson Money will only use information about Account Owner and Account Owner's account(s) to:

- Service Account Owner's investment and financial needs.
- Manage and service Account Owner's account(s).
- Administer Matson Money's business.

Matson Money will adhere to the practices described in this policy whether Account Owner is a current or non-current Account Owner of Matson Money.

Matson Money will not directly contact Account Owner to ask for Nonpublic Personal Information for Account(s).

- Any request or verification of Nonpublic Personal Information will be directed to an Authorized Representative.
- If Nonpublic Personal Information is requested by someone other than an Authorized Representative, Matson Money will verify social security number and date of birth of Account Owner prior to release of said information. This type of request would occur in

the event Account Owner closes account(s) and assets are being transferred to a new investment firm.

**Mark E. Matson**

**Matson Money, Inc.**

18760 N. Pima Rd      Telephone: (513) 204-8000  
Scottsdale, AZ 85255      Email: [info@matsonmoney.com](mailto:info@matsonmoney.com)  
[www.matsonmoney.com](http://www.matsonmoney.com)

Supplement to Form ADV Part 2 — March 29, 2024

**Item 1 – Cover Page**

**This brochure supplement provides information about Mark Matson that supplements the Matson Money, Inc. (“Matson Money”) brochure. You should have received a copy of that brochure. Please contact Daniel J List at (513) 204-8000 if you did not receive Matson Money’s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Mark Matson is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 – Educational Background and Business Experience**

Born:	1963	
Education:	1986	Miami University, Oxford, OH, B.S. 1986
Business Experience:	1991 to Present:	Matson Money (f/k/a Abundance Technologies, Inc.); CEO
	1985 to 1991:	Matson Technical Data System; Secretary/Treasurer
	1985 to 1991:	Matson, Matson, & Assoc.; Secretary/Treasurer
	1985 to 1992:	Chubb Securities Corporation; Registered Representative
Licenses:	Series 65	Administered by the Financial Industry Regulatory Authority to qualify candidates as investment adviser representatives.

**Item 3 – Disciplinary Information**

Mr. Matson has no information to report concerning legal or disciplinary events.

#### **Item 4 – Other Business Activities**

Form ADV Part 2 requires us to provide information regarding other business activities of the person identified in this brochure supplement if (1) they involve investment-related businesses and occupations, or (2) they provide a substantial source of income for the individual or involve a substantial amount of time the person's time. Mr. Matson writes and publishes books and educational materials concerning the Matson investment philosophy and periodically hosts conferences and training programs for clients, as well as co-advisers and solicitors who refer clients to Matson Money.

#### **Item 5 – Additional Compensation**

Form ADV Part 2 requires us to disclose whether the person identified in this brochure supplement receives special compensation (in addition to normal salary and bonuses), such as bonuses based on the number or amount of sales, client referrals, or new accounts. Because Mr. Matson is the principal owner of Matson Money, he receives additional compensation from the profits of Matson Money. In addition, Mr. Matson receives royalties from sales of "*Main Street Money: How to Outwit, Outsmart, and Out-invest Wall Street's Biggest Bullies*," a book written by Mr. Matson and published by McGriff Video Productions, LLC, an affiliate of Matson Money.

#### **Item 6 – Supervision**

Mr. Matson is the CEO and principal owner of Matson Money, and therefore, is not subject to normal hierarchical supervision. However, Mr. Matson's activities are subject to supervision by the firm's Chief Compliance Officer, Daniel J. List, who is generally responsible for monitoring the activities of all personnel. Mr. List can be reached at (513) 204-8000. As a portfolio manager of the firm, Mr. Matson meets with the portfolio management team to decide on the discretionary investment advice to be provided to clients of the firm.

**Michelle Matson**  
**Matson Money, Inc.**

18760 N. Pima Rd      Telephone: (513) 204-8000  
Scottsdale, AZ 85255      Email: [info@matsonmoney.com](mailto:info@matsonmoney.com)  
[www.matsonmoney.com](http://www.matsonmoney.com)

Supplement to Form ADV Part 2 — March 29, 2024

**Item 1 – Cover Page**

**This brochure supplement provides information about Michelle Matson that supplements the Matson Money, Inc. (“Matson Money”) brochure. You should have received a copy of that brochure. Please contact Daniel J List at (513) 204-8000 if you did not receive Matson Money’s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Michelle Matson is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 – Educational Background and Business Experience**

Born:	1973	
Education:	1991	North College Hill, Ohio Senior High School, 1991
Business Experience:	1999 to Present:	Matson Money; Vice President
	1995 to 1999:	Matson Money, f/k/a/Abundance Technologies, Inc.; Director of Marketing
Licenses:	Series 65	Administered by the Financial Industry Regulatory Authority to qualify candidates as investment adviser representatives.

**Item 3 – Disciplinary Information**

Ms. Matson has no information to report concerning legal or disciplinary events.

**Item 4 – Other Business Activities**

Ms. Matson has no information to report concerning other business activities

#### **Item 5 – Additional Compensation**

Ms. Matson may receive corporate dividends based on her husband's ownership of shares of the firm, a closely held corporation, in addition to her salary and any bonus. However, she receives no additional compensation based on the number or amount of sales, client referrals, or new accounts.

#### **Item 6 – Supervision**

Ms. Matson is subject to supervision by the firm's CEO, Mark E. Matson, who is generally responsible for monitoring the activities of all personnel. Mr. Matson can be reached at (513) 204-8000.

## **Daniel J. List**

### **Matson Money, Inc.**

5955 Deerfield Blvd. Telephone: (513) 204-8000  
Mason, OH 45040 Email: [info@matsonmoney.com](mailto:info@matsonmoney.com)  
[www.matsonmoney.com](http://www.matsonmoney.com)

Supplement to Form ADV Part 2 — March 29, 2024

#### **Item 1 – Cover Page**

**This brochure supplement provides information about Daniel List that supplements the Matson Money, Inc. (“Matson Money”) brochure. You should have received a copy of that brochure. Please contact Daniel J List at (513) 204-8000 if you did not receive Matson Money’s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Daniel List is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

#### **Item 2 – Educational Background and Business Experience**

Business Experience:	2023 to Present:	Matson Money; President
	2009 to Present:	Matson Money; Chief Compliance Officer
	2004 to 2015:	Matson Money; Director of Portfolio Management
	2000 to 2004:	Abundance Technologies; Portfolio Manager
	1999 to 2004:	Abundance Technologies; Compliance Officer
	1996 to 2000:	Abundance Technologies; Senior Account Analyst
	1994 to 1996:	Abundance Technologies; Account Representative
Licenses	Series 2	Administered by NASD, Inc., the Nonmember General Securities examination was for persons not associated with a registered broker-dealer. It was discontinued 6/30/97.
	Series 63	Administered by the Financial Industry Regulatory Authority (“FINRA”) to qualify candidates as state securities agents.
	Series 65	Administered by FINRA to qualify candidates as investment adviser representatives.



Professional  
Designations:

AIFA<sup>TM</sup>

Accredited Investment Fiduciary Analyst – Issued by the Center for Fiduciary Studies based on attaining either the requisite level of education and/or years of industry experience and completing a three day training program, a certification exam, and annual continuing education requirements.

### **Item 3 – Disciplinary Information**

Mr. List has no information to report concerning legal or disciplinary events.

### **Item 4 – Other Business Activities**

Mr. List has no information to report concerning other business activities.

### **Item 5 – Additional Compensation**

Mr. List has no information to report concerning additional compensation.

### **Item 6 – Supervision**

Mr. List is the firm's Chief Compliance Officer, President and member of the Portfolio Management team. He is supervised by Mark E. Matson, CEO. Mr. Matson can be reached at (513) 204-8000. Mr. List and the portfolio management team meet to decide on the discretionary investment advice to be provided to clients of the firm.

**Heather Nelson**  
**Matson Money, Inc.**

18760 N. Pima Rd      Telephone: (513) 204-8000  
Scottsdale, AZ 85255      Email: [info@matsonmoney.com](mailto:info@matsonmoney.com)  
[www.matsonmoney.com](http://www.matsonmoney.com)

Supplement to Form ADV Part 2 — March 29, 2024

**Item 1 – Cover Page**

**This brochure supplement provides information about Heather Nelson that supplements the Matson Money, Inc. (“Matson Money”) brochure. You should have received a copy of that brochure. Please contact Daniel J List at (513) 204-8000 if you did not receive Matson Money’s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Heather Nelson is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 – Educational Background and Business Experience**

Born:	1988	
Education:	2011	Ohio State University, BS Human Ecology, 2011
Business Experience:	2018 to Present:	Matson Money; Lead 401k & Annuity Conversion Specialist
	2015 to 2018:	Matson Money; Investment Services Specialist
	2014 to 2015:	Scottrade; Investment Consultant
	2011 to 2014:	Fidelity Investments; Financial Representative
Licenses	Series 7	Administered by the Financial Industry Regulatory Authority (FINRA) to qualify candidates as Registered Representatives.
	Series 63	Administered by the Financial Industry Regulatory Authority (“FINRA”) to qualify candidates as state securities agents.

**Item 3 – Disciplinary Information**

Ms. Nelson has no information to report concerning legal or disciplinary events.

#### **Item 4 – Other Business Activities**

Ms. Nelson has no information to report concerning other business activities.

#### **Item 5 – Additional Compensation**

Ms. Nelson has no information to report concerning additional compensation.

#### **Item 6 – Supervision**

Ms. Nelson is a Lead 401k and Annuity Conversion Specialist and member of the Portfolio Management team. She is supervised by Daniel J List. Mr. List can be reached at (513) 204-8000. Ms. Nelson and the portfolio management team meet to decide on the discretionary investment advice to be provided to clients of the firm.

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**Brian DeBord**  
**Matson Money, Inc.**

5955 Deerfield Blvd. Telephone: (513) 204-8000  
Mason, OH 45040 Email: [info@matsonmoney.com](mailto:info@matsonmoney.com)  
[www.matsonmoney.com](http://www.matsonmoney.com)

Supplement to Form ADV Part 2 — March 29, 2024

**Item 1 – Cover Page**

**This brochure supplement provides information about Brian DeBord that supplements the Matson Money, Inc. (“Matson Money”) brochure. You should have received a copy of that brochure. Please contact Daniel J List at (513) 204-8000 if you did not receive Matson Money’s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Brian DeBord is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 – Educational Background and Business Experience**

Born:	1977	
Education:	2012	Thomas More University, BBA, 2012
Business Experience:	2019 to Present:	Matson Money; Investment Services Team Lead
	2013 to 2019:	Matson Money; Investment Services Specialist
	2009 to 2012:	US Bank NA; Private Banker
	2006 to 2009:	US Bank NA; Private Banking Credit Analyst
	2004 to 2006:	US Bank NA; Personal Banker
Licenses	Series 6	Administered by the Financial Industry Regulatory Authority (FINRA) to qualify candidates as Investment Company Product / Variable Contract Representatives.
	Series 63	Administered by the Financial Industry Regulatory Authority (“FINRA”) to qualify candidates as state securities agents.

**Item 3 – Disciplinary Information**

Mr. DeBord has no information to report concerning legal or disciplinary events.

**Item 4 – Other Business Activities**

Mr. DeBord has no information to report concerning other business activities.

**Item 5 – Additional Compensation**

Mr. DeBord has no information to report concerning additional compensation.

**Item 6 – Supervision**

Mr. DeBord is an Investment Services Team Lead and member of the Portfolio Management team. He is supervised by Daniel J List. Mr. List can be reached at (513) 204-8000. Mr. DeBord and the portfolio management team meet to decide on the discretionary investment advice to be provided to clients of the firm.

## **Joshua M Crawford**

### **Matson Money, Inc.**

18760 N. Pima Rd  
Scottsdale, AZ 85255

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[www.matsonmoney.com](http://www.matsonmoney.com)

Supplement to Form ADV Part 2 — March 29, 2024

#### **Item 1 – Cover Page**

**This brochure supplement provides information about Joshua M. Crawford that supplements the Matson Money, Inc. (“Matson Money”) brochure. You should have received a copy of that brochure. Please contact Daniel J List at (513) 204-8000 if you did not receive Matson Money’s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Joshua M. Crawford is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

#### **Item 2 – Educational Background and Business Experience**

Born:	1989	
Education:	N/A	
Business Experience:	2015 to Present:	Matson Money; Vice President of Training & Development
Licenses	Series 65	Administered by FINRA to qualify candidates as investment adviser representatives.

Professional Designations:	N/A
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#### **Item 3 – Disciplinary Information**

Mr. Crawford has no information to report concerning legal or disciplinary events.

**Item 4 – Other Business Activities**

Mr. Crawford has no information to report concerning other business activities.

**Item 5 – Additional Compensation**

Mr. Crawford has no information to report concerning additional compensation.

**Item 6 – Supervision**

Mr. Crawford is the firm's Vice President of Training & Development and member of the Executive Team. He is supervised by Mark E. Matson, CEO. Mr. Matson can be reached at (513) 204-8000.

## **Cody D. Zindler**

### **Matson Money, Inc.**

18760 N. Pima Rd. Telephone: (513) 204-8000  
Scottsdale, AZ 85255 Email: [info@matsonmoney.com](mailto:info@matsonmoney.com)  
[www.matsonmoney.com](http://www.matsonmoney.com)

Supplement to Form ADV Part 2 — March 29, 2024

#### **Item 1 – Cover Page**

**This brochure supplement provides information about Cody D. Zindler that supplements the Matson Money, Inc. (“Matson Money”) brochure. You should have received a copy of that brochure. Please contact Daniel J. List at (513) 204-8000 if you did not receive Matson Money’s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Cody D. Zindler is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

#### **Item 2 – Educational Background and Business Experience**

Born	1982	
Education	2005	Montana State University BS Business – Finance Bozeman, MT
		Montana State University BA Economics Bozeman, MT
	2007	Boston University MS Investment Management Boston, MA
Business Experience	2018 – Present	Matson Money, Coach; Scottsdale, AZ
	2017 – 2018	Voya, Compliance Analyst; Scottsdale, AZ
	2016 – 2017	Gabriel Partners, Compliance Analyst; Phoenix, AZ
	2016	Morgan Stanley, Compliance Director; New York, NY



	2014 – 2016	PIMCO, Compliance Associate; Newport Beach, CA
	2006-2012	Wellington Management Co. LLP, AVP Fixed Income Portfolio Analyst; Boston, MA
	2005 – 2006	Oppenheimer & Co. Inc., Associate; Boston, MA
	2005	Investors Bank & Trust [State Street], Fund Accountant; Boston, MA
	2002 – 2005	Edward Jones, Branch Office Administrator; Bozeman, MT
Licenses	Series 65	Administered by the Financial Industry Regulatory Authority (FINRA) to qualify candidates as investment advisor representatives.
	Series 7	Expired  Administered by the Financial Industry Regulatory Authority (FINRA), known formally as the General Securities Representative Qualification Examination.
	Series 63	Expired  A North American Securities Administrators Association (NASAA) exam administered by FINRA, known formally as the Uniform Securities State Law Examination.

### **Item 3 – Disciplinary Information**

Mr. Zindler has no information to report concerning legal or disciplinary events.

### **Item 4 – Other Business Activities**

Mr. Zindler is President of an unaffiliated real-estate holding company “The Cody Daniel Project.”

### **Item 5 – Additional Compensation**

Mr. Zindler has no information to report concerning additional compensation.

### **Item 6 – Supervision**

Mr. Zindler is a Coach at Matson Money. He is supervised by Mark E. Matson, CEO. Mr. Matson can be reached at (513) 204-8000.

## **Christopher A. French**

### **Matson Money, Inc.**

18760 N. Pima Rd. Telephone: (513) 204-8000  
Scottsdale, AZ 85255 Email: [info@matsonmoney.com](mailto:info@matsonmoney.com)  
[www.matsonmoney.com](http://www.matsonmoney.com)

Supplement to Form ADV Part 2 — March 29, 2024

#### **Item 1 – Cover Page**

**This brochure supplement provides information about Christopher A. French that supplements the Matson Money, Inc. (“Matson Money”) brochure. You should have received a copy of that brochure. Please contact Daniel J. List at (513) 204-8000 if you did not receive Matson Money’s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Christopher A. French is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

#### **Item 2 – Educational Background and Business Experience**

Born	1972	
Education	1994	University of Washington – English Literature; Seattle, Washington
Business Experience	2022 – Present	Matson Money, Coach; Scottsdale, Arizona
	2019 – 2022	Matson Money, Marketing & Brand Manager Scottsdale, Arizona
	2016 – 2019	Carlisle Fluid Technologies, Product and Marketing Manager Scottsdale, Arizona
	2014 – 2016	Johnson Health Tech, Marketing Manager Sandpoint, Idaho
	2007 – 2014	Coldwater Creek, Senior Project Manager Sandpoint, Idaho
	2005 – 2006	World Vision, Project Manager Federal Way, Washington
	2001 - 2006	Pravda Studios, Production Manager

Seattle, Washington

Licenses	Series 65	Administered by the Financial Industry Regulatory Authority (FINRA) to qualify candidates as investment advisor representatives.
	PMP®	Project Management Professional (PMP)® certification (Expired 2019)

**Item 3 – Disciplinary Information**

Mr. French has no information to report concerning legal or disciplinary events.

**Item 4 – Other Business Activities**

Mr. French has no information to report concerning other business activities.

**Item 5 – Additional Compensation**

Mr. French has no information to report concerning additional compensation.

**Item 6 – Supervision**

Mr. French is a Coach at Matson Money. He is supervised by Mark E. Matson, CEO. Mr. Matson can be reached at (513) 204-8000.

**Matthew E. Der**  
**Matson Money, Inc.**

18760 N. Pima Rd. Telephone: (513) 204-8000  
Scottsdale, AZ 85255 Email: [info@matsonmoney.com](mailto:info@matsonmoney.com)  
[www.matsonmoney.com](http://www.matsonmoney.com)

Supplement to Form ADV Part 2 — March 29, 2024

**Item 1 – Cover Page**

**This brochure supplement provides information about Matthew E. Der that supplements the Matson Money, Inc. (“Matson Money”) brochure. You should have received a copy of that brochure. Please contact Daniel J. List at (513) 204-8000 if you did not receive Matson Money’s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Matthew E. Der is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 – Educational Background and Business Experience**

Born	1995	
Education	2017	Chapman University B.A. Communication Studies Orange, CA
Business Experience	2021 – Present	Matson Money, Coach; Scottsdale, Arizona
	2020-2021	Keller Williams, Real Estate Agent Long Beach, CA
	2019-2020	Hanley Investment Group, Associate Newport Beach, CA
	2017-2019	Keller Williams, Real Estate Agent Long Beach, CA
Licenses	Series 65	Administered by the Financial Industry Regulatory Authority (FINRA) to qualify candidates as investment advisor representatives.

**Item 3 – Disciplinary Information**

Mr. Der has no information to report concerning legal or disciplinary events.

**Item 4 – Other Business Activities**

Mr. Der has no information to report concerning other business activities.

**Item 5 – Additional Compensation**

Mr. Der has no information to report concerning additional compensation.

**Item 6 – Supervision**

Mr. Der is a Coach at Matson Money. He is supervised by Mark E. Matson, CEO. Mr. Matson can be reached at (513) 204-8000.