

Matson Money, Inc.

Form ADV Part 2 — March 31, 2011

Item 1 – Cover Page

Address: 5955 Deerfield Blvd.
Mason, OH 45040

Telephone: (513) 204-8000
Email: info@matsonmoney.com
Website: www.mymatrix.cc

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. 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.

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

Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) adopted amendments to Form ADV and rules concerning delivery of Part 2 (the “Brochure”) to clients of registered investment advisers. This Brochure, dated March 31, 2011, is prepared according to the SEC’s new requirements and discloses responsive information not previously required to be included. In addition, this document is materially different in structure from our previous Brochure dated May 12, 2010.

In the future, this Item will discuss material changes, if any, made to this Brochure as part of our annual update. A summary of any material changes to this and subsequent Brochures will be provided to you within 120 days of the close of our business’ fiscal year. We may also provide you with additional updates or other disclosure information at other times during the year in the event of any material changes to our business.

Item 3 – Table of Contents

Item 1 – Cover Page.....	1
Item 2 – Material Changes	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	9
Item 6 – Performance-Based Fees and Side-By-Side Management	13
Item 7 – Types of Clients.....	13
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	14
Item 9 – Disciplinary Information	16
Item 10 – Other Financial Industry Activities and Affiliations	16
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	16
Item 12 – Brokerage Practices	18
Item 13 – Review of Accounts.....	20
Item 14 – Client Referrals and Other Compensation.....	21
Item 15 – Custody	23
Item 16 – Investment Discretion.....	23
Item 17 – Voting Client Securities.....	24
Item 18 – Financial Information	25

Item 4 – Advisory Business

Matson Money, Inc. (“Matson Money,” “us,” or “we”) provides asset allocation investment advisory services. We also provide additional service through our McGriff Video Productions (“McGriff”) division. In addition, we provide some of our advisory services under the name “Dressed to Invest.” This Brochure primarily describes our main business, which is providing asset allocation investment advisory services through unaffiliated registered investment advisers or registered representatives of dual registrant broker-dealers who solicit clients for Matson Money. Matson Money (f/k/a Abundance Technologies, Inc.) 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, high net worth individuals, pension and profit-sharing accounts, corporations and other business entities (collectively, “Clients”). We also manage three series of a no-load, open-end investment company (“mutual fund”) registered under the Investment Company Act of 1940, as amended (“Company Act”). The mutual fund is operated under the name “Matson Money, Inc. Family of Funds of The RBB Fund, Inc.” (“Matson Funds”), and shares of each series are offered by prospectus only. The three series comprising the Matson Funds are: Free Market U.S. Equity Fund, Free Market International Equity Fund and Free Market Fixed-Income Fund (each a “Fund” and collectively, the “Funds”). More complete information about the Funds is available in the prospectus which we are happy to provide upon request. We use the Funds as investment options in two of the three asset allocation advisory programs we provide to our Clients, as described below.

Advisory Services

Our asset allocation services involve recommending and allocating Client assets, primarily on a discretionary basis and usually among various mutual funds, including the Funds which we advise. A portion of Clients’ advisory accounts may also be invested in variable annuities or other insurance products. In addition, unaffiliated cash sweep vehicles may be used for temporary defensive investment purposes.

We offer our asset allocation services through three separate programs. All of our advisory services are marketed almost exclusively by either solicitors or co-advisers. Both solicitors and co-advisers may be either unaffiliated separately registered investment advisers or investment adviser representatives of unaffiliated dual registrant brokerage firms. The term “Referrers” is used throughout this Brochure to mean both solicitors and co-advisers. We are not affiliated with the Referrers or the firms with which they are associated. Under the agreements we enter into with Referrers or the firms they work for, the Referrers maintain direct client contact and recommend us to their clients.

Referrers provide a variety of services to our Clients. 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 three advisory programs are: (1) the Matson Fund Platform; (2) the Frontier Adjusted Portfolio Program; and (3) Private Account Asset Allocation. Under the first program, we invest Client assets primarily through the Funds. Client assets are allocated to any one or a combination of the three affiliated Funds. The second program uses the same family of Funds, but requires that participating Client portfolios be adjusted annually to reduce their risk profile over time. In the third program, we allocate Client assets primarily 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 small accounts except through the services of an investment adviser like Matson Money.

1. The Matson Fund Platform – Platform Advisory Service

Each Fund we manage is a “fund of funds” that invests primarily in shares of other mutual funds pursuant to exemptive relief from the SEC. The Funds are designed to target specified percentages of certain asset classes in each Fund’s applicable investment category to seek maximum portfolio diversification, enhanced return opportunities and diminished portfolio volatility.

Clients of co-advisers that wish to participate in the Matson Fund Platform may enter into a tri-party agreement with us and their co-adviser. Under these agreements, we are granted discretionary authority to invest Client assets in the Funds based on their responses to the Questionnaire and to use temporary cash sweep vehicles as appropriate.

Clients of solicitors complete the Questionnaire with their solicitor and receive a solicitor’s disclosure document as described more fully in Item 14, below. Separately, we enter into a discretionary agreement with these Clients to participate in the Matson Fund Platform.

We use the Questionnaire, described above, to assign each Client account to one of the following seven “model portfolios,” with target underlying asset allocations noted parenthetically:

<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 and Growth	25% equities / 75% fixed income

Each model portfolio corresponds to some combination of investments in the Matson Funds. Clients determine their investment objectives and most appropriate portfolio combination through the Questionnaire process, but are not otherwise permitted to impose restrictions on their accounts given that the accounts are invested in mutual funds subject to their own inherent investment restrictions.

With respect to custodial arrangements, we distinguish between Client accounts that are subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and those that are not. We generally request that Clients with non-ERISA accounts transfer custody of the assets we will manage to either Trust Company of America (“TCA”) or Charles Schwab Company (“Schwab”). Certain existing Clients may also maintain custody with U.S. Bank National Association (“U.S. Bank”). Please see Item 12, below, for information on the custodians’ affiliated executing broker-dealers. As described in Item 14, below, TCA may waive its custodial fees for certain of our employees, creating a potential conflict of interest for us in that we recommend their services to Clients.

For Client accounts subject to ERISA, we generally request that assets be custodied at TD Ameritrade Trust Company (“TD Ameritrade”) or Charles Schwab Trust, and that either Aspire or Alliance Benefit Group serve as their third party administrator. Some existing Clients may use Professional Capital Services (“PCS”) as their ERISA accounts’ administrator, but we do not offer the services of PCS to new Clients.

We have approved use of these custodians, which also have affiliated broker-dealers, but we are not affiliated with them. We may use cash sweep vehicles sponsored by any of these firms, 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 may provide benefits to us. Please see Items 12 and 14, below, for additional information.

Unless directed otherwise by the Client, we begin managing a Client’s account — *i.e.*, performing the asset allocation and investing in Matson Fund shares — as soon as sufficient assets are received by the custodian. Although Clients may deposit freely-tradable securities in their accounts to meet the minimum account size, we will liquidate those securities positions and invest the proceeds in securities matching the Client’s investment strategy. There are 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.

Upon initial receipt by the custodian, Client assets are invested in a cash sweep vehicle, usually sponsored by the Client’s custodian (or its affiliated broker-dealer), and Clients will receive only the then-current money market rate until the entire account is transferred. Clients do not participate in any gain or loss which would have resulted if those assets were immediately invested according to our allocation strategy. However, this may reduce custodial fees associated with investing the account.

As noted in Item 13, below, each Client’s portfolio is reviewed quarterly and rebalanced as appropriate. In addition, we may determine to re-optimize or change asset allocations at any time for various reasons. Each rebalancing or reallocation of a Client’s assets may involve transaction charges imposed by the custodian.

2. Frontier Adjusted Portfolio Program

Frontier Adjusted Portfolios are based on Clients' expressed risk tolerance and time horizon. 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. The starting portfolio may be any one of the seven model portfolios described above under the Matson Fund Platform discussion. The seven available portfolios from among which Clients may 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 objective which may be any lower risk model than their starting portfolios. Although not available as a starting objective, your ending objective may be a portfolio consisting of one hundred percent fixed income securities. No matter which portfolio you initially choose, equity exposure will be adjusted downward once every year until your ending objective is reached over your specified time horizon. Clients select the annual increment by which their accounts will be adjusted downward, but accounts participating in the program cannot be moved downward less than 1% nor more than 5% per year. Accounts can only move from aggressive to conservative (*i.e.*, down the risk scale, not up).

All participating accounts will be adjusted downward once a year. We will provide notice to Clients before every annual adjustment in the Client's fourth quarter report. Under normal circumstances, we expect all annual adjustments to take place during the month of February each year, unless a Client instructs us to hold his or her account at its then-current allocation or decides to terminate participation in the program. We expect to trade all participating Client accounts during the same general time period.

If a Client experiences a life-changing event, the Client may opt to end the adjustment process and hold the account at the then-current allocation. Moreover, Clients should be aware that the Frontier Adjust Portfolio Program does not guarantee that the Client will have sufficient retirement income before or after reaching the ending objective. As with all investment strategies, Clients may lose money. Use of the Frontier Adjust Portfolio Program does not eliminate the Client's need to decide, before investing and from time to time thereafter, whether the Frontier Adjust Portfolio Program fits 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 securities) does not eliminate the risks normally associated with investing. All investments have some level of risk, and although bonds and other fixed income securities are generally considered to be less risky than stocks, some types of bonds may be riskier than stocks. At any time, a Client may terminate the Frontier Adjust Portfolio Program and may choose to enter the Matson Fund Platform described above. For the same reason discussed in the Matson Fund Platform above, Clients determine their investment objectives and most 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 variable annuities and to clients of certain Referrers in our sole discretion. In this program, we construct model investment portfolios for asset allocation consisting primarily of shares of various DFA no-load mutual funds. We identify Clients' investment objectives based on the Questionnaires described above, and we assign each Client account to one of the seven model portfolios outlined in the Matson Fund Platform above. 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 Matson 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 may 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 and may 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 may 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 annuity or other pooled investment in which Client accounts may be directly or indirectly invested. Restrictions may be requested only at the fund level. 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 \$15,000, we may purchase shares in as few as 1-5 funds per account rather than 8-15 funds.

We generally request that Clients participating in the Private Account Asset Allocation Program custody any assets to be managed by us with TCA or Charles Schwab, described above. We typically purchase shares of DFA mutual funds and other investments through the broker-dealers affiliated with these custodians. As explained above, we generally begin investing assets transferred to Client accounts as soon as sufficient assets are received by the custodian. Although Clients may deposit freely-tradable securities in their accounts to meet the minimum account size, we will liquidate those securities positions and invest the proceeds in securities matching the Client's investment strategy. There are 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 noted in Item 13 below, each Client's portfolio is reviewed quarterly and rebalanced as appropriate. In addition, we may 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 may involve transaction charges imposed by the custodian.

Educational Products

We also sell educational and client coaching products, including customized products, to Referrers. These products include pamphlets, books, audio compact disks and DVDs. Some of the products we sell to Referrers may be tailored by the Referrers for use with the clients that they solicit for us.

Under the name "Dressed to Invest," Michelle Matson, a state licensed investment adviser representative of Matson Money and sister-in-law of Mark Matson, hosts seminars and publishes marketing literature primarily directed towards investing by women. In addition to our primary business, we publish investor education materials through our McGriff Division. These materials are sold both to the general public and to persons being trained to solicit advisory clients for us.

Other Information

As of February 28, 2011, we had \$3,051,408,513 in assets under management, all of which we advise on a discretionary basis.

From time to time, Clients may decide to hold certain securities or other property for which we do not provide investment advisory services ("Unsupervised Assets") in their custody or brokerage accounts. We may request that any Clients doing so confirm in writing the identity of any Unsupervised Assets. We do not provide investment advisory services of any kind with regard to Unsupervised Assets and we assess no investment advisory fee. We will have no duty, responsibility or liability with respect to the Unsupervised Assets and will not take the Unsupervised Assets into consideration when managing the portion of the account for which we provide discretionary or non-discretionary investment advice.

Throughout this Brochure, we disclose a number of conflicts of interest and provide summaries of a number of our policies and procedures designed to detect and address these conflicts and others. We encourage Clients and prospective clients to review our policies and procedures and inquire directly with us about our conflicts. Our compliance policies and procedures are available for review in our offices. In addition, specific risks related to the Funds are also identified in their prospectus and statement of additional information. The most recent version of these documents is available online at: <http://hosted.rightprospectus.com/MatsonMoney/>.

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 Matson Funds invest. Assets invested in shares of the Funds are subject to embedded advisory and other fees and expenses, as set forth in the prospectus. These fees are paid by the Funds, but ultimately borne by investors. We receive fees of 0.50% on each Fund's average daily net assets as described in the prospectus. As a fund of funds, the Matson Fund Platform invests 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 Matson Fund series in which their assets are invested. Neither we, nor any other party, receives a sales load in connection with Client investments in the Funds. Clients do not pay Matson Money any separate advisory fee above or beyond the fees embedded in the Funds to participate in the Matson Fund Platform or the Frontier Adjusted Portfolio Platform.

However, Clients do pay fees to Referrers separate and apart from the fees and expenses associated with the Funds. These fees may range from 0.25% to 1.4% of Client assets under management. This fee is agreed to either in the co-adviser's tri-party contract or the separate Matson Money contract for solicited clients. These fees are charged quarterly in advance.

For non-ERISA accounts, we automatically debit 100% of the advisory fees from the Client's account and pay that amount to the Referrer. We comply with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended ("Advisers Act") with respect to automatic deduction of advisory fees. We are also willing, upon request, to accept agreements under which the Client pays its advisory fee directly to the Referrer. Such an arrangement may 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 may collect fees for and remit fees to Referrers, we do *not* retain any portion of the fee paid, directly or indirectly, to the Referrer. Clients who invest in the Matson Funds through different Referrers may pay lower fees to their Referrer than other investors in the same Funds.

For ERISA accounts, the advisory fee is debited by a third-party custodian selected by the plan and may be paid directly to the Referrer. We do *not* receive 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.

Private Account Asset Allocation

Private Account Asset Allocation Clients pay fees generally in line with the following representative fee schedule. Fees on accounts over \$1 million may be negotiable, and fees for accounts of \$1 million or less, and the timing of payment, may 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%

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 the Referrer has referred to us. 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 new limitations may still participate. We may change the amount of the reduced fee and may alter the amount a Referrer must refer in order to receive free services and reduced fees for members of his or her immediate family.

Lower fees for comparable services may be available from other sources. Some Clients may pay lower fees than the fees stated above for the same services. Also, some accounts may 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.

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 an account 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.

A Client's initial fee is based on the value of the account 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 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 45 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 may 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 assets equal to at least 20% of the assets in 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. 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.

Assets invested in mutual fund shares (other than the Matson Funds) or other commingled investment vehicles such as variable annuities or money market funds, are included in calculating the value of the account for purposes of computing 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. Clients, in effect, pay two sets of advisory fees—one to us or our Referrers, and another to the managers of each mutual fund or commingled investment vehicle. To the extent that we invest any Private Account Asset Allocation Client's assets in shares of the Matson Funds, however, we do *not* include those assets when calculating 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, including customized products, range in price from \$250 to \$50,000.

Additional Expenses

Our fees do not include brokerage commissions, transaction fees, custodial fees, fees associated with underlying products such as mutual funds (including the Funds) 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.

Additional Information

We do not receive any compensation from DFA in exchange for allocating Client assets among various DFA mutual funds. We do not charge fees to employees for management of their accounts, and we charge a reduced fee to employees' immediate family members. However, all employees and related family members who invest in the Matson Funds invest on the same footing as all other shareholders. In addition, Referrers and related family members who invest in the Matson Funds invest on the same footing as all other shareholders.

Clients may 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 may pay differing fees to their Referrers, we receive roughly equivalent advisory fees from Clients because we are primarily compensated through the asset-based advisory 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.

The minimum dollar value for establishing an advisory account for the Matson Funds Platform and the Frontier Adjusted Portfolio Program is \$10,000. The minimum dollar value for establishing an advisory account for the Private Account Asset Allocation Platform is \$50,000. Where a Client has multiple accounts, their total assets under management by Matson Money across all related accounts must meet these minimums. In addition, for the Private Account Asset Allocation Platform, we have in the past made arrangements with associations allowing members of the association to open a client relationship with us at a minimum account size of \$25,000. Although no additional association relationships are anticipated, members of associations with which we already have an existing relationship may open new accounts with us subject to the \$25,000 minimum.

In our sole discretion, we may reduce or waive our account minimums. Typical reasons for waiving a minimum investment requirement include: (1) individuals and retirement plans that we believe have the ability to make annual or other contributions necessary to meet the minimum threshold; (2) accounts that include variability annuity or insurance products; or (3) accommodations to existing Clients.

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 Matson 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 may also use variable rate annuities and life insurance contracts as investment vehicles.

If you have existing securities in your portfolio when Matson Money begins managing your account, we will request that you sell those securities in order to make funds available for us to purchase the mutual fund shares or other commingled investment vehicles we recommend. If the sale is expected to create adverse tax consequences for you, Matson Money may, but is not required to, recommend that you hold the security for a longer period or sell them over time in a more tax efficient manner. 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 and the Efficient Market Philosophy to create and manage portfolios that fall on the efficient frontier. As discussed in Item 13, below, these portfolios are typically reviewed on a quarterly basis and rebalanced as needed. We do not make asset allocation decisions based on the conditions of the economy or the market, but rather on economic research related to the manner in which various asset classes have performed and the correlation of their performance over time.

We use computer software from Morningstar Principia that generates hypothetical portfolios based on asset class correlations. Morningstar Principia software may 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.

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 specific asset class mutual funds 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. To correct these imbalances, 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 may drift away from their targets over time. When we rebalance accounts, we sell holdings that have become overweighted to buy other holdings that have percentage weights that are below their targets. This is consistent with our investment

philosophy. 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 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. With respect to the Frontier Adjusted Portfolio Program, annual reallocation is a program requirement from the time the initial portfolio is selected by the Client until such time as the Client account reaches its ending objective. 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.

Investing in securities involves risk of loss that Clients should be prepared to bear as a result of risks associated with particular issuers, market conditions, exchange rules, political developments, governmental intervention, currency fluctuations, natural disasters and other unpredictable events. Additional risks include:

Fund of Funds Risk. As discussed above, the Matson Fund Platform and the Frontier Adjusted Portfolio Program each invest in the Matson Funds which 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 may concentrate their investments in various industries or sectors and may invest in derivative instruments, options or futures.

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 may concentrate their investments in various industries or sectors and may invest in derivative instruments, options or futures.

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 memorandum 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.

Item 9 – Disciplinary Information

Investment advisers are now 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

As discussed in Item 4, above, we advise three series of a no-load mutual fund under the name “Matson Money, Inc. Family of Funds of The RBB Fund, Inc.”, which are offered by prospectus only. The three series are: RBB Free Market International Equity (FMNEX), RBB Free Market U.S. Equity (FMUEX), and RBB Free Market Fixed Income (FMFIX). These Funds, which are each funds of funds, are used as investment options in the Matson Fund Platform and the Frontier Adjusted Portfolio Program. As noted in Item 5, above, we do not charge Clients a separate advisory fee for the portion of their assets that are invested in the Funds in order to avoid a “double-dip” advisory fee on those assets.

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 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 Chief Compliance Officer (“CCO”).

The Code prohibits our principals and employees from purchasing any initial public offerings or private placements. Principals and employees may buy and sell open-end mutual funds that we also recommend to Clients, including shares of the Matson Funds. Our principals’ and employees’ transactions may 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 may 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.

Insider Trading Policy

We may, 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 may 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 may 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 information by us and our personnel. Any officer, director or employee who fails to observe the above-described policies may 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 may have interests in the same securities owned by or recommended to Clients, in the same or different concentrations as used in Client accounts. Our principals and employees may also buy or sell securities for their own accounts that are different than those we recommend purchasing for Clients. As these situations may represent a potential conflict of interest, we have adopted procedures relating to personal securities transactions and insider trading that are designed to prevent 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. 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 may 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.

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 effected:

- 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.

We may also manage accounts on a non-discretionary basis. In particular, we may manage Clients' variable annuity or insurance investments on a discretionary or non-discretionary basis.

In order to establish an advisory account with us, a Client must first designate a broker-dealer and a custodian acceptable to us. We generally request that advisory Clients open custody accounts with either TCA or Schwab and brokerage accounts with their affiliated broker-dealers: (1) GEMISYS Corporation; or (2) Charles Schwab & Co., Inc., respectively. Advisory clients may also open custody accounts with other custodians, such as U.S. Bank, and its affiliated broker-dealer, U.S. Bancorp Investments. No matter which pair 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 401(k) and other accounts subject to ERISA, Clients may select either TD Ameritrade or Charles Schwab Trust as their custodian and either Aspire or Alliance Benefit Group as their third party administrator and recordkeeper. Both of these custodians work with both of these administrators.

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 factors associated with best execution when deciding to purchase or sell securities. For purchases and sales of securities other than mutual funds, we acknowledge that Clients may 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 generally provide best execution for our Clients.

In selecting the recommended custodians we evaluated the services they 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 may offer these services at a lower overall cost, we are not required to move accounts to that other broker-dealer.

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. Transactions may 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 may 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 may 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 may 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 may not be able to negotiate commission rates or spreads, or to obtain volume discounts. As a result, we may not be able to achieve the best price for the execution quality.

In addition, transactions for a Client that directs brokerage may not 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 may 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

Our policy is that when a decision is made to aggregate transactions on behalf of more than one account, these aggregated transactions will be allocated to all participating Client accounts in a fair and equitable manner. However, since shares of open-end funds are only priced once a day, we do not usually have any reason to aggregate transactions in 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) and because we only buy open-end funds, each issuing mutual fund must stand ready to buy the shares back at the share's net asset value, as next determined after receipt of the redemption order. Variable annuities are purchased directly from the issuer and no aggregation of transactions in variable annuities occurs.

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.

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). Errors should be corrected as soon as practicable after discovery to minimize loss. Any gains resulting from errors are credited to the applicable Client accounts. We make clients whole for losses resulting from a trading error we caused. If a third party (such as a broker) causes the loss, we try to make the responsible party make our Clients whole.

Item 13 – Review of Accounts

We review accounts daily for cash additions and withdrawals. Our President, CCO and Director of Operations, each of whom are also Portfolio Managers, and our Vice President meet periodically to review economic, tax, financial, political, social 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 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 original asset targets. Accounts are re-optimized when we set new target asset category percentages.

We monitor Client accounts on an on-going basis and we rebalance or reallocate assets as warranted. Changes in the portfolio, which include adding, removing or replacing securities at our discretion, are made infrequently based on significant changes in the economic, financial or political climate; the tax code; the management of the securities used by the portfolio; and/or the client’s personal circumstances, including health, employment, marital and family status. We may replace a particular security if it significantly diverges from its relevant index in terms of risk or return with a security that is more in line 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 may also request a report showing the quarterly and annual rate of return for your account(s) from your Referrer. If you do not request this information, you will not receive a report showing the quarterly and annual rate of return for your account. Our fee is reported on your custodian’s quarterly custody statements (see Item 15, below) and our quarterly reports. You may 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 or mutual funds managed by DFA, an unaffiliated investment adviser. DFA has provided us with software that calculates investment returns, which we use as part of marketing our services, among other uses. In addition, DFA also provides certain assistance in our marketing efforts. None of the assistance provided by DFA is dependent upon us investing a specified amount of Clients’ assets in 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 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 may 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 have advisory fees deducted directly from client accounts; and
- access to mutual funds with no transaction fees.

Client accounts are generally custodied through TCA or Schwab unless a Client has other specific needs.

TCA, one of the custodians we recommend to clients, may provide free custody services to certain of our employees. We recommend more than one custodian and there is no obligation for any Client to use TCA. In addition, the benefit received by our employees is not tied to any specified level of Client assets being custodied at TCA.

Referral Arrangements

As more fully described in Item 4, above, our services are marketed almost exclusively by Referrers. Agreements entered into with Referrers are made in compliance with Advisers Act Rule 206(4)-3, the Cash Solicitation Rule.

Under the Matson Fund Platform and the Frontier Adjusted Portfolio Program, co-advisers are paid pursuant to a tri-party agreement under which the Client either directs Matson Money or the custodian to pay the co-adviser an advisory fee out of the account, or pays the co-adviser directly. Solicitors are paid pursuant to a separate solicitation agreement with clients. In either case, the fee charged by the Referrer may fall within a range from 25 basis points (0.25%) to 140 basis points (1.4%). Some clients may pay a higher fee to their respective Referrers than other clients pay to their respective Referrers for access to the same mutual funds. 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.

The Referrers provide a variety of services to Clients. As a result, the total fee you pay may vary depending upon the additional services provided by the firm or individual that referred you to us. 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 that was provided to you at the time you were solicited. With the exception of our own employees' accounts, 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 then pays a substantial portion of the referral fee to the individual Referrer.

We also provide marketing assistance to our Referrers. Initially, the Referrers pay for such assistance. However, as the amount of assets referred to us by a Referrer increases, the amount of free marketing assistance we provide to the Referrer generally increases. In addition, we may pay all expenses, including travel, for certain Referrers we select to attend education and training conferences held in various locations throughout the world.

We 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 may terminate our relationship with the Referrer. In the past, we have allowed some persons to remain as Referrers without satisfying a minimum amount of referred assets. Thus, persons who solicit clients for us may have incentives, in addition to the receipt of compensation, for referring clients to us.

Some Referrers, on their own and not related in any way to their agreements with us, and not on our recommendation, may also sell life insurance, annuities, mutual funds, stocks, bonds, and/or limited partnership interests to you. These Referrers may receive commissions on the sale of securities products which range from 0 to 10% of the amount invested and may receive trail commissions of 1/2% on the sale of mutual funds. Commissions earned on the sale of insurance products are commensurate with industry standards. 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

All Clients should receive, at least quarterly, account statements from the broker-dealer, bank, or other custodian that maintains the Clients' assets. In addition, Matson Money prepares and sends to Clients quarterly statements. The Matson Money statements contain pricing and valuations based on best 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 your account custodian. You should note that our statements may vary from your custodian's statements due to differences in transaction posting times, accounting procedures, or other reasons.

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.

Clients that participate in the Private Account Asset Allocation Program may impose some limited restrictions on our discretion regarding their account. For example, Clients may 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 and cannot accept restrictions at the fund level.

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 Funds Platform & Frontier Adjusted Portfolio Platform

Under these 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, 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. For Clients subject to ERISA, we will vote on all proxies for, and take action concerning legal proceedings regarding, Matson Fund shares held in the account unless the right to vote such proxies and take such action has been expressly reserved to another person.

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 vote such proxies in the best interests of Clients.

How We Vote

We have written guidelines for certain issues on which votes may be cast which may determine how we vote on those matters. We would, if required to vote, generally 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 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 proxy administrator 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 may eliminate the conflict by choosing one of several options which include:

- (1) voting in accordance with our policies and procedures if the vote involves little or no discretion;
- (2) voting as recommended by a third party service if we utilize such a service;
- (3) "mirror voting" the proxies in the same proportion as the votes of other proxy holders that are not Clients;
- (4) if possible, erecting information barriers around the person or persons making voting decisions sufficient to insulate the decision from the conflict;
- (5) if practical, notifying affected Clients of the conflict of interest and seeking a waiver of the conflict; or
- (6) if agreed upon in writing with the Clients, forwarding the proxies to affected Clients allowing them to vote their own proxies.

You may obtain 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

Investment advisers are now 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.

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 Owner. Matson Money also maintains physical, electronic, and procedural safeguards to protect Account Owners' non public 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, <http://www.mymatrix.cc>, 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 6 tapes for daily backups, 2 tapes for weekly backups, and 1 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 168-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'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 ordered 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 prior 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 with 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.