

FIRM BROCHURE
(Part 2A of Form ADV)

March 17, 2023

FRUGAL FINANCIAL RETIREMENT PLAN SERVICES, LLC

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Phone: 727-324-4004
CRD # 168390

This Brochure provides information about the qualifications and business practices of Frugal Financial Retirement Plan Services, LLC, (hereinafter “Frugal Financial” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at 727-324-4004.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”). Frugal Financial is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Frugal Financial is also available on the SEC’s website at www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Frugal Financial who are registered, or are required to be registered, as investment adviser representatives (“IARs”) of Frugal Financial.

ITEM 1: COVER PAGE

Please refer to previous page.

ITEM 2: MATERIAL CHANGES

This Brochure dated March 17, 2023, contains material changes since the previous update of the Frugal Financial Retirement Plan Services, LLC (“Frugal”) Firm Brochure dated April 28, 2022.

The following updates have been made to Parts 2A this brochure:

Item 4 – Advisory Services: updated to reflect Assets Under Management as of December 31, 2022

Frugal will ensure that clients receive, within 120 days of the close of Frugal’s fiscal year-end, either an updated Brochure that includes a summary of material changes or a summary of material changes that includes an offer to provide a copy of the updated Brochure and information on how to obtain the Brochure. Additionally, as Frugal experiences material changes in the future, we will send you a summary of our “Material Changes” under separate cover. Frugal’s Brochure is also available upon request and can be requested by contacting Eric C. Droblyen, Chief Compliance Officer at 727-324-4004 or by e-mail at eric@employeebeneficiary.com.

Clients can obtain the disciplinary history of Frugal Financial Retirement Plan Services, LLC as well as the disciplinary history of any of its Investment Adviser Representatives by accessing the SEC’s Investment Adviser Public Disclosure website, <https://www.adviserinfo.sec.gov/IAPD/default.aspx>

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Item 4: Advisory Business

A. Description of Firm

Frugal Financial is a privately owned limited liability company founded in, and becoming registered an Investment Adviser 2014, by the principal shareholders of Employee Fiduciary, LLC (“Employee Fiduciary”). Founded in 2004 and currently serving over 4,000 corporate clients, Employee Fiduciary has pioneered a low-cost, full-service approach to retirement plan services to smaller businesses nationwide. Frugal Financial’s mission is to complement and extend those core principles and services of Employee Fiduciary, providing investment advice and fiduciary guidance to qualified retirement plans.

Frugal Financial is wholly owned by Employee Fiduciary, LLC. Eric Droblyen is the principal owner of Employee Fiduciary, LLC. Additionally, Mr. Droblyen serves as Frugal Financial’s Managing Director, Chief Executive Officer and Chief Compliance Officer.

B. Types of Advisory Services

Frugal Financial provides fiduciary investment management services to retirement plans on a discretionary basis, with one legacy non-discretionary client. The Firm’s investment advisory services include the provision of a fund lineup composed of index mutual funds to the plan.

The Employee Retirement Income Security Act of 1974 (“ERISA”) sets standards of conduct for those who manage an employee benefit plan and its assets (“fiduciaries”). Fiduciaries have important responsibilities and are subject to standards of conduct because they act on behalf of participants in a retirement plan and their beneficiaries. These responsibilities include:

- Acting solely in the interest of plan participants and their beneficiaries and with the exclusive purpose of providing benefits to them;
- Carrying out their duties prudently;
- Following the plan documents (unless inconsistent with ERISA); Diversifying plan investments; and Paying only reasonable plan expenses.

The corporate sponsor of a plan is generally the primary fiduciary and is ultimately responsible for making sure all the fiduciary jobs get done and for determining what fiduciary jobs will be assigned to other parties. Many plan sponsors feel overwhelmed in trying to manage their fiduciary obligations under ERISA.

Frugal Financial services are designed to help our clients easily understand, manage, and satisfy their fiduciary obligations under ERISA.

Discretionary Investment Management

For qualified retirement plans, Frugal Financial serves as a discretionary investment manager, as defined in ERISA §3(38) (“3(38) Investment Manager”). In this capacity, the sponsoring employer is relieved of the fiduciary responsibility for investment selection and monitoring.

As a 3(38) Investment Manager, Frugal Financial will prepare and maintain an investment policy statement (“IPS”), and will select, monitor, and benchmark plan investments consistent with that IPS. Frugal Financial will also select the qualified default investment and set procedures for assigning investments to specific participants who do not prospectively select investments within the qualified retirement plan. In all cases, individual participants will have the ability to change investments at any time, subject to plan requirements.

1. Other Services

In addition to investment advice, Frugal Financial provides the following services:

- Preparing and maintaining an IPS for the plan;
- Reviewing, evaluating, and providing recommendations regarding investment options using criteria specified in the IPS;
- Reviewing, evaluating, and providing recommendations regarding asset allocation tools and Qualified Default Investment Alternative (“QDIA”) options;
- Providing fiduciary operational checklists, and/or ERISA compliance calendars, to help guide clients in satisfying their fiduciary responsibilities in a timely manner;
- Conducting an annual investment and administration review that evaluates investment performance, plan expenses, and ERISA compliance (including 404(c)); Providing QDIA notices for distribution to participants;
- Providing participant enrollment support.

The services described above illustrate the types of services provided by the Firm. A complete description of services provided is included in the Firm’s Services Agreement.

C. Advisory Agreements

Clients will enter into a Services Agreement (the “Agreement”) with the Firm describing the retirement plan advisory services to be provided, the responsibilities of the Firm and other terms of engagement including fees and termination. The advisory client has a right to terminate the contract without penalty within five business days after entering into the contract with such client or prospective client. More information regarding the Firm’s fees can be found in Item 5 below.

D. Participation in Wrap Programs

The Firm does not participate in any wrap programs at this time.

E. Assets under Management

As of December 31, 2021, the following represents the amount of client assets under management by Frugal on a discretionary and non-discretionary basis:

Type of Account	Assets Under Management ("AUM")
Discretionary	\$96,365,602
Non-Discretionary	\$5,657,804
Total:	\$102,023,406

ITEM 5: FEES AND COMPENSATION

Frugal Financial receives fees only for services rendered. Frugal Financial does not receive any commissions or incentives based on recommendation of particular investments. All fees are fully disclosed in the Firm's Agreement. Although the Firm believes its advisory fees are competitive, clients should be aware that lower fees for comparable services can be available from other sources.

The investment advisory contract can be terminated by the client without penalty within five (5) business days of signing the contract without incurring any advisory fees.

A. Description of Fees

1. Investment Management Fees

The Firm provides investment management services to clients for a fee based upon a percentage of assets under management ("AUM"). The Firm's management fees are assessed quarterly in advance, and calculated as of the close of business on the last business day of the preceding calendar quarter, based on the following annual percentages:

- Fees for 3(38) Investment Manager Services, the Firm charges an annual fee of 0.10% (10 basis points). The quarterly charge is equal to 1/4th of this amount.

Advisory fees can be paid by the client or deducted from assets of their retirement plan. Should a client open their account mid-quarter, their fee will be prorated based on the number of days the account is open during that quarter. In the event the Firm's services are terminated mid-quarter, any pre-paid, unearned fees will be promptly refunded to the client. The number of days the account was managed during the quarter until termination is used to determine the percentage of the management fee earned (based on the total number of days in the quarter) and the balance is refunded. Advisory fees are billed by Frugal Financial Retirement Plan Services, LLC as a line item on Employee Fiduciary invoices to the plan sponsor.

The custodian delivers an account statement to the client at least quarterly, showing all disbursements, including advisory fees, deducted from the account. The client is encouraged to review all account statements for accuracy. It is the responsibility of the client, and not the

custodian, to ensure the fees are calculated correctly. Frugal urges clients to compare the account statements received from your custodian with invoices and reports you receive from Frugal.

Advisory fees are negotiable at the sole discretion of the firm, and arrangements with any particular client can differ from those described above. Should a client have more than one account managed by the Firm, then the Firm can elect - at its sole discretion, to aggregate the client's accounts for the purpose of computing management fees.

B. Other Fees and Expenses

Frugal Financial fees described above do not include certain charges imposed by third parties such as mutual fund fees and expenses. These fees and expenses are described in the prospectus of the investment. These fees and expenses are separate from and in addition to the fees charged by Frugal Financial. Clients should review the fees charged by any mutual funds in which the client's assets are invested, together with the fees charged by the Firm, to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additionally, clients can incur brokerage commissions and other execution costs charged by the custodian or executing broker-dealer in connection with transactions for a client's account. Clients should further understand that all custodial fees and any other charges, fees and commissions incurred in connection with transactions for a client's account will be paid out of the assets in the account. Frugal Financial does not receive any compensation resulting from such fees. Please refer to Item 12 of this Brochure entitled "Brokerage Practices" for additional important information about the brokerage and transactional practices of the Firm.

C. Additional Compensation Received by Advisory Representatives of the Firm

Certain advisory representatives of the Firm are also employed by affiliates of Frugal Financial that perhaps can provide non-advisory services to Firm clients. For more information on the relationship between advisory representatives of the Firm and its affiliates, compensation received therefrom and the conflicts of interest inherent to these relationships please refer to Item 10 below.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Frugal Financial does not charge performance-based fees (*i.e.*, fees calculated based on a share of capital gains on or capital appreciation of the client's assets or any portion of the client's assets). Consequently, Frugal Financial does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management).

ITEM 7: TYPES OF CLIENTS

The Firm primarily provides investment advisory services to qualified retirement plans, dealing directly with plan sponsors and/or trustees of the plan. Frugal Financial does not provide

customized advisory services to plan participants. Frugal Financial does not require a minimum asset level and, generally, does not impose other conditions for use of the Firm's services. Prior to engaging the Firm to provide any of the investment advisory services described in this Brochure, the client will be required to enter into a written agreement with the Firm setting forth the terms and conditions under which the Firm shall render its services.

As noted above, clients can impose reasonable restrictions on investing in certain securities or other investments which can be communicated to the Firm either in writing or through the plan's IPS. However, there can be times when certain restrictions are placed by a client, which can prevent the Firm from accepting or continuing to manage the account. The Firm reserves the right to not accept and/or terminate management of a client's account if it feels that the client-imposed restrictions would limit or prevent the Firm from meeting and/or maintaining its investment strategies.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The Firm's investment objectives are twofold:

- Guide clients to efficiently invest in the market with minimal drag on returns; and,
- Maintain a disciplined approach to plan management and administration that maximizes investment opportunity.

Focusing on smaller employer plans, Frugal Financial acts as an efficient conduit to the market, allowing investors to achieve market exposure with minimal fees and barriers to entry. In addition, the Firm recommends fiduciary best practices which, when diligently applied, create opportunity for investors to maximize investment returns through timely and systematic investment discipline.

Frugal Financial meets these objectives by recommending passively managed index-based mutual funds and providing employers with fiduciary guidelines and standards that ensure the employer acts consistently and proactively in the best interests of plan participants.

A. Methods of Analysis and Investment Strategies

Generally, the Firm recommends a "fund lineup" to its clients. These fund lineups are typically composed of index mutual funds.

Index mutual funds attempt to track a specific market benchmark. This objective differs substantially from that of traditional investment managers, whose objective is to outperform their targeted benchmark even after accounting for all expenses. Indeed, an oft-cited benefit of actively managed funds is the "opportunity" for outperformance.

Index funds offer other advantages, including:

- Diversification - Index funds offer an array of choices across asset classes, allowing plan participants to create a diversified retirement portfolio.
- Simplicity - A lineup of all index mutual funds can simplify the plan sponsor process of fund selection by eliminating the need to differentiate among individual manager investment strategies, performance history or qualifications. Ongoing evaluation of funds is also simplified, allowing sponsors to judge performance of a fund by comparing it with that of the underlying index.
- Lower operating expenses - Index funds generally have lower expenses than actively managed funds because they don't employ investment managers or analysts to select, monitor and actively trade underlying assets. Index funds, by their very nature, follow a buy-and-hold strategy, thus reducing transaction fees.

B. Risk of Loss

Investing in securities involves risk of loss that clients should understand, accept and be prepared to bear. Accounts can lose money. The Firm's investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions cannot always be profitable. Clients should be aware that there can be a significant loss or depreciation to the value of the client's account, and that at any given time, the value of the client's portfolio can be worth more or less than the amount invested. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made. In addition, there is no assurance that any investment purchased for the client's account will achieve its objective. Past performance of investments is no guarantee of future results.

Plan participants will retain the risk of loss associated with all investments selected by plan sponsor. There is no assurance that a mutual fund will achieve its investment objective. When investing in a mutual fund, the client will bear additional expenses based on its pro rata share of the mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning a mutual fund generally reflects the risks of owning the underlying securities the mutual fund holds. Frugal Financial does not represent, guarantee or imply that the services or methods of analysis employed by the Firm can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

C. Mutual Fund Specific Risks

Risk arises in mutual funds due to the fact that mutual funds invest in a variety of financial instruments like equities, debt, corporate bonds, government securities etc. Moreover, the price of these instruments keeps fluctuating owing to a lot of factors like supply-demand, change in interest rate, inflation, etc. These risks include:

- Market Risk - a risk which may result in losses for any investor due to a poor performance of the market.

- Interest Rate Risk - Interest rate changes depending upon the credit available with lenders and the demand from borrowers. They are inversely related to each other. Increase in the interest rates during the investment period may result in a reduction of the price of securities.
- Credit Risk - Mutual Funds, particularly debt funds, can suffer from credit risk. In debt funds, the fund manager has to incorporate only investment-grade securities. But sometimes it might happen that to earn higher returns, the fund manager may include lower credit-rated securities. This would increase the credit risk of the portfolio.
- Trade-Timing Risk - Mutual Funds (non-exchange traded or ETF-based Mutual Funds) trade at the end of the day's trading hours. As such, a holder of Mutual Fund shares cannot respond to news or market events that would affect the Fund's performance until after market hours.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers such as Frugal Financial are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of the Firm or the integrity of its management. On November 5, 2019, Frugal received a disciplinary order (REG19-CAF-05) from the State of Texas Securities Commission for not registering in the state in a timely manner. As a result of the order, the Firm received an administrative fine of \$5000.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Frugal Financial Retirement Plan Services, LLC is a business under common control with Employee Fiduciary, LLC, an Alabama Limited Liability Corporation providing recordkeeping and third-party administration services to qualified retirement plans. Employee Fiduciary clients can turn to the Firm for assistance with their investment advisory needs. Clients of Employee Fiduciary referred to the Firm shall be required to sign a separate engagement agreement with the Firm and vice-versa.

This affiliation creates a conflict of interest in that the Firm's principals' obligations to this outside interest can take up a substantial amount of time, and therefore the time spent on providing the advisory services described herein can be limited by virtue of such obligations. Although the Firm's principals will devote as much time to the business and affairs of the Firm as is reasonably necessary to deliver the advisory services described herein, they can devote a significant portion of their time to the affairs of this other activity and affiliation.

Frugal is a fiduciary who owes its Clients undivided loyalty. As an investment advisory registered under the Securities laws of various states and federal securities laws, Frugal owes the client a fiduciary duty to put the client's interest first which includes, but not limited to, a duty of care, loyalty, obedience, and utmost good faith. This fiduciary obligation imposes upon Frugal and its associated persons a duty to deal fairly and to act in the best interest of its Clients. In

addition, this obligation imposes upon Frugal and its associated persons numerous responsibilities, including the duty to render disinterested and impartial advice; to make suitable recommendations within the context of the total portfolio to Clients in light of their needs, financial circumstances and investment objectives; to exercise a high degree of care to ensure that adequate and accurate representations of its business and other information about securities are presented to Clients; and to not engage in fraudulent, deceptive or manipulative practices. Please refer to Item 11 for additional information.

Neither Frugal Financial, nor any of its management persons are registered, or have registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics Summary

The Firm has adopted a Code of Ethics (“Code”) which establishes standards of conduct for the Firm’s supervised persons and includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It contains written policies reasonably designed to prevent the unlawful use of material non-public information by the Firm or any of its Associated Persons (The Firm, its officers, directors, agents or employees). The Code also requires that certain of the Firm’s personnel (called “Access Persons”) report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Unless specifically permitted in the Code, none of the Firm’s Access Persons can effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of the Firm’s clients.

The Code also requires supervised persons to report any violations of the Code promptly to the Firm’s Chief Compliance Officer (“CCO”). Each supervised person receives a copy of the Code and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code during that year.

The Firm will provide a copy of its Code of Ethics to any client or prospective client upon request by contacting the Firm’s CCO, Eric Droblyen at (727) 324-4004.

B. Participation or Interest in Client Transactions

It is the Firm's policy not to enter into any principal transactions or agency cross transactions on behalf of client accounts.

C. Personal Trading

The Firm, and all associated persons, are required to follow the Firm's Code. If appropriate and consistent with client objectives, the Firm can cause accounts over which it has discretionary authority (or recommend to non-discretionary investment advisory clients) to engage in the purchase or sale of securities in which the Firm, its affiliates, Associated Persons and/or clients directly, or indirectly, have a position of interest.

However, subject to satisfying policies governing ethical conduct and applicable laws, Associated Persons and Firm affiliates can trade for their own accounts in securities which are recommended to and/or purchased for Firm clients. The Code is designed to assure that these personal securities transactions by our employees will not in any way impair or interfere with our ability to make decisions in the client's best interest.

However, Under the Code, transactions involving certain classes of securities have been designated as exempt transactions, based upon a determination that these transactions would not materially interfere with the best interest of Firm clients. These exempt transactions include mutual funds which are the sole type of security utilized in retirement plans managed by the Firm. Nonetheless, trading by Associated Persons is regularly monitored to reasonably prevent such a conflict."

ITEM 12: BROKERAGE PRACTICES

Frugal Financial does not maintain physical custody of client assets that we manage. Nevertheless, we can be deemed to have constructive custody of client assets because the client gives us authority to withdraw assets from their account (*see Item 15 Custody, below*). Client assets are maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Frugal Financial requires that our clients use Matrix Trust Company, LLC, a wholly owned subsidiary of Broadridge Financial Solutions, as the qualified custodian. Frugal Financial is independently owned and operated and not affiliated with Matrix Trust. While Frugal Financial requires that clients use Matrix Trust as custodian/broker, clients will enter into an account agreement directly with them. Frugal Financial does not open the custodial account for our clients.

A. Factors Used to Select Custodians and/or Broker-Dealers

- Research and other Soft-Dollar Benefits

Frugal Financial receives no research, product, or services other than execution from broker-dealers or custodians in connection with client securities transactions (“soft dollar benefits”).

- Brokerage for Client Referrals

Frugal Financial receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

- Clients Directing Which Broker-Dealer/Custodian to Use

Frugal Financial does not allow clients to direct which Broker-Dealer/Custodian to Use. Frugal Financial requires that our clients use Matrix Trust Company, LLC, a wholly owned subsidiary of Broadridge Financial Solutions, as the qualified custodian.

B. Aggregating (Block) Trading for Multiple Client Accounts

Frugal Financial does not aggregate or bunch the securities to be purchased or sold for multiple clients.

ITEM 13: REVIEW OF ACCOUNTS

A. Periodic Reviews

Frugal reviews its fund lineup on a quarterly basis to ensure each investment meets its investment objective – market correlated returns – for reasonable fees. If a change to the fund lineup is required, the Firm will coordinate the change with the custodian and record-keeper. A notice is created for the benefit of participants which discusses pertinent points of the changes.

B. Other Reviews and Triggering Factors

Non-periodic reviews may be triggered by material market, economic, or political events.

C. Regular Reports

On a quarterly basis, Frugal provides a monitoring report to the plan sponsor. The report demonstrates how each plan investment met its investment objective for the preceding quarter. In addition, clients can receive other supporting reports from mutual funds, trust companies, custodians and others who are involved with client accounts. Those individuals participating in qualified retirement plans can obtain detailed account activity through the plan’s online access to the record-keeper. All reports from the Firm, or our affiliates, will be provided in an electronic format and can be printed at your convenience.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits Received

The only compensation received from advisory services are the fees charged for providing those services as described in Items 4 and 5, above. Frugal Financial receives no other forms of compensation in connection with providing other investment advisory services.

B. Compensation for Client Referrals

As of the date of this Brochure, neither Frugal Financial nor any of its management or related persons, compensates any person, directly or indirectly, for client referrals. Frugal Financial may engage in such activities in the future, at which time this Brochure will be updated to reflect those changes.

ITEM 15: CUSTODY

Frugal Financial is deemed to have constructive custody of client funds solely because the Firm has the client's written authority and ability to debit its fees directly from plan assets.

Frugal Financial can only implement investment management recommendations after the client has arranged for and furnished the Firm with all information and authorizations regarding its accounts held at the designated qualified custodian.

Clients will receive statements on a quarterly basis directly from the qualified custodian that holds and maintains their assets. Clients are urged to carefully review all custodial statements and compare them to the statements and invoices provided by Employee Fiduciary on behalf of Frugal Financial. Please refer to Item 12 for additional important disclosure information relating to our practices and relationships with custodians.

ITEM 16: INVESTMENT DISCRETION

As described above in Item 4, the Firm can have discretion over the selection of securities to be bought or sold in client accounts without obtaining prior consent or approval from our clients when engaged as the plan's investment manager. Discretionary authority is conditioned upon authorization, which will be evidenced by the client's execution of the Firm's Agreement (if applicable). Where the Firm has discretion, it remains bound by the investment objectives and goals of the client.

It should be noted that client's whose accounts are managed on a non-discretionary basis can be at a disadvantage to those managed on a discretionary basis. This disadvantage is due to the fact that in a non-discretionary account, the advisor must receive client concurrence prior to performing a trade in the client account. This requirement can impact the advisor's ability to perform a trade in a timely manner when new or rapidly changing conditions require trading in the client account.

ITEM 17: VOTING CLIENT SECURITIES

It is the Firm's policy not to accept proxy voting authority with respect to client securities holdings. Frugal Financial does not advise or act for clients with respect to any proxy voting matters or legal matters, including bankruptcies and class actions, or for any security that could be held in a client's account(s). Clients will receive proxies or other solicitations directly from the Custodian or Transfer Agent.

ITEM 18: FINANCIAL INFORMATION

The Firm does not require or solicit prepayment of more than \$ 1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. The Firm does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients and has not been the subject of a bankruptcy proceeding.