Matson Money, Inc. "Matson" is a federally registered investment advisor with the Securities Exchange Commission (SEC) and has been in business since 1991. In Canada, Matson is registered as a portfolio manager in Ontario, Alberta, and British Columbia. Registration with the SEC and the Canadian securities regulatory authorities does not imply their approval or endorsement of any services provided by Matson.

All of Matson Money's advisory services are marketed almost exclusively by either Solicitors or Co-Advisors ("Referrer", "Solicitor", "Promoters"). The term "Co-Advisor" is equivalent in meaning to the term "Referrer," "Solicitor," or "Promoter." Co-Advisors are either unaffiliated separately registered investment advisors, or registered representatives and/or investment advisor representatives of unaffiliated dual registrant brokerage firms. Matson is not affiliated with the Co-Advisors or the firms with which they are associated. Each Co-Advisor enters into a contractual agreement to serve as a non-discretionary Co-Advisor with respect to clients referred by the Co-Advisor to Matson. Solicitors typically do not enter into investment management agreement with clients. Both Co-Advisors and Solicitors have similar responsibilities including promoting and referring clients, and client coaching, including maintaining suitability information, routine service issues, and relationship management. All Co-Advisors are independent contractors, not employees or agents of Matson. Matson Money does not supervise Co-Advisors. Co-Advisors are paid fees as set forth under the tri-party Investment Management Agreement. Such fees are negotiable and may range from .20% to 1.2% of Account Owner assets under management. Matson does not retain any portion of these fees and is compensated only through advisory fees embedded in the Matson Funds.

In Canada, Matson acts as a sub-advisor to another registered portfolio manager ("Advisor"). Matson is not affiliated with the Advisor. The Advisor and Matson have entered into a sub-advisory agreement, under which Matson has agreed to sub-advise client accounts managed by the Advisor. Client accounts are invested in strategies managed by Matson. The Advisor is responsible for client onboarding and account opening collection of know-your-client information and suitability determination and overall client relationship management.

Dr. Art Laffer and Dr. David Eagleman are members of Matson Money's Academic Advisory Board.

Academic Advisory Board members generally receive compensation from Matson Money for their services which include, but are not limited to, independent leadership consulting; co-authoring white papers; and speaking at Matson Money conferences. Advisory Board members may also provide insight to Matson Money on portfolio construction, asset allocation, quantitative analysis, investor behavior and other areas of expertise, as needed. Certain Advisory Board members are employed by or otherwise affiliated with third party advisory firms that offer funds in which Client accounts are invested.

Rob Lowe, David DeVoe, and DeVoe and Company are not affiliated with Matson Money, Inc.

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This content includes the opinions, beliefs, or viewpoints of Matson Money. All of Matson Money's advisory services are marketed almost exclusively by either Solicitors or Co-Advisors. Both Co-Advisors and Solicitors are independent contractors, not employees or agents of Matson.

Other financial organizations may analyze investments and take a different approach to investing than that of Matson Money. All investing involves risks and costs. No investment strategy (including asset allocation and diversification strategies) can ensure peace of mind, guarantee profit, or protect against loss.

Matson Money Investment Philosophy
Matson Money believes that the stock market is efficient and that free markets work. Based on this belief, Matson focuses on attempting to capture market returns utilizing asset class or structured funds, seeks to utilize broad diversification, and attempts to eliminate stock picking, track record investing, and market timing from the investment process.

Matson Money manages client investments utilizing a fund-of-funds strategy. Client accounts are invested in a mix of a proprietary series of mutual funds advised by Matson, which allocate investments across three broad asset classes: domestic equity, international equity, and fixed income. Matson-advised funds seek to allocate across these broad asset classes by investing in various mutual funds or ETFs. The specific target allocation of each client's Matson-advised strategy depends on the individual investor's risk tolerance and investment horizon, and is selected by the client at account opening. More information on mutual funds, ETFs, and associated fees, is available in fund prospectus documents, available online at: http://funddocs.filepoint.com/matsonmoney/.

References to Holdings
Due to Matson's investment philosophy and methodology, any references by Matson or by unaffiliated third parties to specific holdings, number of holdings, or specific countries or asset classes are references to the underlying funds in which the Matson-advised mutual funds invest. Mutual funds currently use SEC Forms N-PORT and N-CSR to disclose their quarterly holdings at the end of each fiscal quarter (Form N-PORT replaced Form N-Q),therefore any specific holdings cited are accurate as of that date or is data provided directly by the underlying fund company itself, and do not in any way represent portfolio management research or trading decisions made by Matson Money, other than to the extent Matson Money has allocated Matson-advised mutual fund investments to such underlying funds. Form N-PORT can be found online at https://www.sec.gov/Archives/edgar/.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

www.nobelprize.org
The Nobel Memorial Prize in Economic Sciences, commonly referred to as the Nobel Prize in Economics, is an award for outstanding contributions to the field of economics, and generally regarded as the most prestigious award for that field.

Markowitz, Harry. "Portfolio Selection." Journal of Finance. 1952.

Harry Max Markowitz is an American economist, and a recipient of the 1989 John von Neumann Theory Prize and the 1990 Nobel Memorial Prize in Economic Sciences. Markowitz is a professor of finance at the Rady School of Management at the University of California, San Diego.

Efficient Market Hypothesis, first explained by Dr. Eugene Fama in his 1965 doctoral thesis.

Eugene F. Fama, "Random Walks in Stock Market Prices," Financial Analysts Journal, September/October 1965.

Eugene F. Fama, 2013 Nobel laureate in Economic Sciences; is widely recognized as the **"father of modern finance**." His research is well known in both the academic and investment communities. He is strongly identified with research on markets, particularly the Efficient Market Hypothesis.

Risks of Investing in Equities

Matson Money utilizes equities in its investment strategies. These asset categories are held by clients both directly and indirectly, with various sub-categories (large value, small value international, micro-cap, emerging markets, etc.). Because the value of client investments with Matson will fluctuate, there is risk that you will lose money. The following is a description of the principal risks of investing in equities, including emerging markets:

Equity Market Risk: Even a long-term investment approach cannot guarantee a profit or prevent a loss. Economic, market, political, and issuer-specific conditions and events, known as market risks, will cause the value of equity securities, and the investment strategies that own them, to rise or fall which will cause the value of your equity portfolio to rise or fall. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Foreign Securities and Currencies Risk: Foreign securities prices may decline or fluctuate because of: (a) economic or political actions of foreign governments, and/or (b) less regulated or liquid securities markets. Investors holding these securities are also exposed to foreign currency risk (the possibility that foreign currency will fluctuate in value against the U.S. dollar or that a foreign government will convert, or be forced to convert, its currency to another currency, changing its value against the U.S. dollar).

Emerging Markets Risk: Numerous emerging market countries have a history of, and continue to experience serious, and potentially continuing, economic and political volatility. Stock markets in many emerging market countries are generally relatively small, expensive to trade in and have higher risks than those in developed markets. Securities in emerging markets also may be less liquid than those in developed markets and foreigners are often limited in their ability to invest in, and withdraw assets from, these markets. Additional restrictions may be imposed under other conditions. Frontier market countries are those that generally have smaller economies or less developed capital markets and, as a result, the risks of investing in emerging market countries are magnified in frontier market countries.

Small Company Risk: Securities of small public companies with a total market capitalization (market value) of $300M to $2B are known as small-cap companies. Publicly traded companies with a total market capitalization (market value) of $50M to $300M are known as micro-cap companies. Both small-cap and micro-cap companies are often less liquid than those of large companies which can make it difficult to sell the securities of small-cap or micro-cap companies at a desired time or price. As a result, small-cap and micro-cap company stocks may fluctuate relatively more in price. In general, these companies are also more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

Because of lower daily trading volumes, trading costs for small stocks are higher. Trading costs result from both direct commissions and the price movements caused by buying or selling shares.

Value Investment Risk: Value stocks are stocks of publicly traded companies that tend to trade at a "value price" compared to a company's financials. These stocks may perform differently from the market. Following a value-oriented investment strategy may cause client portfolios to underperform equity investment strategies.

For more information, please see the Matson Money Form ADV Part 2A.

Risks of Investing in International Equities
Matson Money utilizes international equities in its investment strategies. These asset categories are held by clients both directly and indirectly, with various sub-categories (large value, small value international, emerging markets, etc.). Because the value of client investments with Matson will fluctuate, there is risk that you will lose money. The following is a description of the principal risks of investing in international equities, including emerging markets:
Equity Market Risk: Even a long-term investment approach cannot guarantee a profit or prevent a loss. Economic, market, political, and issuer-specific conditions and events, known as market risks, will cause the value of equity securities, and the investment strategies that own them, to rise or fall which will cause the value of your equity portfolio to rise fall. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Foreign Securities and Currencies Risk: Foreign securities prices may decline or fluctuate because of: (a) economic or political actions of foreign governments, and/or (b) less regulated or liquid securities markets. Investors holding these securities are also exposed to foreign currency risk (the possibility that foreign currency will fluctuate in value against the U.S. dollar or that a foreign government will convert, or be forced to convert, its currency to another currency, changing its value against the U.S. dollar).

Emerging Markets Risk: Numerous emerging market countries have a history of, and continue to experience serious, and potentially continuing, economic and political volatility. Stock markets in many emerging market countries are generally relatively small, expensive to trade in and have higher risks than those in developed markets. Securities in emerging markets also may be less liquid than those in developed markets and foreigners are often limited in their ability to invest in, and withdraw assets from, these markets. Additional restrictions may be imposed under other conditions. Frontier market countries generally have smaller economies or less developed capital markets and, as a result, the risks of investing in emerging market countries are magnified in frontier market countries.

International Small Company Risk: Securities of small public companies with a total market capitalization (market value) of $300M to $2B are known as small-cap companies. Small-cap companies are often less liquid than those of large companies which can make it difficult to sell the securities of small-cap companies at a desired time or price. As a result, small-cap company stocks may fluctuate relatively more in price. In general, these companies are also more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources. Because of lower daily trading volumes, trading costs for small stocks are higher. Trading costs result from both direct commissions and the price movements caused by buying or selling shares.

International Value Investment Risk: Value stocks are stocks of publicly traded companies that tend to trade at a "value price" compared to a company's financials. These stocks may perform differently from the market. Following a value-oriented investment strategy may cause client portfolios to underperform equity investment strategies.

For more information, please see the Matson Money Form ADV Part 2A.

Risks of Investing in Small/Micro-Cap Stocks

Matson Money utilizes both Small and Micro-cap asset categories in its investment strategies. These asset categories are held by clients indirectly through mutual funds, with various sub-categories (large value, small value international, emerging markets, etc.). Because the value of client investments with Matson will fluctuate, there is risk that you will lose money. The following is a description of the principal risks of investing in small and microcap securities:

Equity Market Risk: Even a long-term investment approach cannot guarantee a profit or prevent a loss. Economic, market, political, and issuer-specific conditions and events, known as market risks, will cause the value of equity securities, and the investment strategies that own them, to rise or fall which will cause the value of your equity portfolio to rise or fall. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Small Company Risk: Securities of small public companies with a total market capitalization (market value) of $300M to $2B are known as small-cap companies. Publicly traded companies with a total market capitalization (market value) of $50M to $300M are known as micro-cap companies. Both small-cap and micro-cap companies are often less liquid than those of large companies which can make it difficult to sell the securities of small-cap or micro-cap companies at a desired time or price. As a result, small-cap and micro-cap company stocks may fluctuate relatively more in price. In general, these companies are also more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

Because of lower daily trading volumes, trading costs for small stocks are higher. Trading costs result from both direct commissions and the price movements caused by buying or selling shares.

Value Investment Risk: Value stocks are stocks of publicly traded companies that tend to trade at a "value price" compared to a company's financials. These stocks may perform differently from the market. Following a value-oriented investment strategy may cause client portfolios to underperform equity investment strategies.

Liquidity Risk: Generally speaking, small and micro-cap stocks are subject to greater liquidity risk. When liquidity risk is elevated, the security being purchased or sold becomes more expensive than a security that is readily available in the marketplace.

Volatility Risk: Generally speaking, small and micro-cap stocks are subject to greater volatility risk. When volatility risk is elevated, the price of a security may fluctuate rapidly in a short period of time.

Market Uncertainty: Small and micro-cap stocks are subject to market uncertainty. Factors such as geopolitical disturbances, economic fluctuations, politics, international relations, and various business cycles all produce market uncertainty. Market uncertainly does inform the stock price.

For more information, please see the Matson Money Form ADV Part 2A.

Risks of Investing in Fixed Income

Matson Money utilizes fixed income asset categories in its investment strategies. These asset categories are held by clients indirectly through mutual funds, with various sub-categories (large value, small value international, emerging markets, etc.). Because the value of client investments with Matson will fluctuate, there is risk that you will lose money. The following is a description of the principal risks of investing in fixed income cap securities:

Market Risk: Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of fixed income securities owned by Matson portfolios to rise or fall. As a result, the value of your portfolio may rise or fall if it includes fixed income securities.

Credit Risk: Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value, and thus, impact the investment portfolio's performance. Government agency obligations have different levels of credit support and, therefore, different degrees of credit risk. Securities issued by agencies and instrumentalities of the U.S. Government are supported by the full faith and credit of the United States, such as the Federal Housing Administration and Ginnie Mae, present credit risk that is generally lower than other securities issued by other state or local agencies, or other public or private entities. Other securities issued by agencies and instrumentalities sponsored by the U.S. Government, that are supported only by the issuer's right to borrow from the U.S. Treasury, subject to certain limitations, and securities issued by agencies and instrumentalities sponsored by the U.S. Government that are sponsored by the credit of the issuing agencies, such as Freddie Mac and Fannie Mae, are subject to a greater degree of credit risk. U.S. government agency securities issued or guaranteed by the credit of the agency still involve a risk of non-payment of principal and/or interest.

Interest Rate Risk: Fixed income securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices fall. When interest rates fall, fixed income security prices rise. In general, fixed income securities with longer maturities are more sensitive to changes in interest rates.

Foreign Securities and Currencies: Foreign securities prices may decline or fluctuate because of: (a) economic or political actions of foreign governments, and/or (b) less regulated or liquid securities markets. Investors holding these securities are also exposed to foreign currency risk (the possibility that foreign currency will fluctuate in value against the U.S. dollar or that a foreign government will convert, or be forced to convert, its currency to another currency, changing its value against the U.S. dollar).

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

For more information, please see the Matson Money Form ADV Part 2A.

This content is for educational purposes only. Investors cannot invest in a market index directly, and the performance of an index does not represent any actual transactions. The performance of an index does not include the deduction of various fees and expenses which would lower returns. Advisory fees charged to Matson Money clients, whether directly or indirectly through a mutual fund, are described in Matson Money's Form ADV Part 2A and Form CRS, available at www.matsonmoney.com. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. Data prior to the launch date of the index is hypothetical back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between hypothetical back-tested performance and actual results. Past performance -- whether actual or back-tested -- is no indication or guarantee of future performance. Hypothetical back-tested performance is used by Matson for educational purposes only and is intended only to demonstrate how the market has historically behaved. Matson does not configure, alter, or otherwise use hypothetical back-tested information in an attempt to artificially enhance or impair performance. Matson only uses hypothetical performance information that is relevant to the financial situation and investment objectives of the recipient as communicated to Matson.

S&P 500 Index.
The S&P 500® Index is widely recognized as representative of the equity market in general. The S&P 500 Index is an unmanaged, capitalization-weighted index designed to measure the performance of the broad U.S. economy through changes in the aggregate market value of 500 stocks representing all major industries.

US Large Value (represented by the Fama French US Large Value Research Index.)
Provided by Fama/French from CRSP securities data.
Composition: The index portfolios for July of year t to June t+1 include all NYSE, AMEX, and NASDAQ stocks for which we have market equity for December t-1 and June of t, and (positive) book-to-market equity data for

fiscal year ending in t-1.
Exclusions: ADRs, Investment Companies, Tracking Stocks, non-US incorporated companies, Closed-end funds, Certificates, Shares of Beneficial Interests, and negative book values.
Sources: CRSP databases for returns and market capitalization: 1926 - present. Compustat and hand-collected book values: 1926 - present. CRSP links to Compustat and hand-collected links: 1926 - present.
Breakpoints: The size breakpoint is the market capitalization of the median NYSE firm, so the big and small categories contain the same number of eligible NYSE firms. The BtM breakpoints split the eligible NYSE firms with positive book equity into three categories: 30% of the eligible NYSE firms with positive BE are in Low (Growth), 40% are in Medium (Neutral), and 30% are in High (Value).
Rebalancing: Annual (at the end of June) 1926-Present
Fama/French and multifactor data provided by Fama/French.

Dimensional International Large Value Index.

The Dimensional International Large Value Index is compiled by Dimensional from Bloomberg securities data. The index consists of large cap companies whose relative price is in the bottom 30% of their country's large companies after the exclusion of utilities and companies with either negative or missing relative price data. The index emphasizes companies with smaller capitalization, lower relative price, and higher profitability. The index also excludes those companies with the lowest profitability and highest relative price within their country's large value universe. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. Exclusions: REITs and investment companies. The index has been retroactively calculated by Dimensional and did not exist prior to April 2008. The calculation methodology was amended in January 2014 to include profitability as a factor in selecting securities for inclusion in the index.

Fama French US Small Value Research Index.

Provided by Fama/French from CRSP securities data.
Composition: The index portfolios for July of year t to June t+1 include all NYSE, AMEX, and NASDAQ stocks for which we have market equity for December t-1 and June of t, and (positive) book-to-market equity data for fiscal year ending in t-1.
Exclusions: ADRs, Investment Companies, Tracking Stocks, non-US incorporated companies, Closed-end funds, Certificates, Shares of Beneficial Interests, and negative book values.
Sources: CRSP databases for returns and market capitalization: 1926 - present. Compustat and hand-collected book values: 1926 - present. CRSP links to Compustat and hand-collected links: 1926 - present.
Breakpoints: The size breakpoint is the market capitalization of the median NYSE firm, so the big and small categories contain the same number of eligible NYSE firms. The BtM breakpoints split the eligible NYSE firms with positive book equity into three categories: 30% of the eligible NYSE firms with positive BE are in Low (Growth), 40% are in Medium (Neutral), and 30% are in High (Value).

Rebalancing: Annual (at the end of June) 1926-Present
Fama/French and multifactor data provided by Fama/French.

Dimensional International Small Value Index.
Small cap value companies are companies whose relative price is in the bottom 35% of their country's respective constituents in the Dimensional International Small Cap Index after the exclusion of utilities and companies with either negative or missing relative price data. The index also excludes those companies with the lowest profitability within their country's small value universe. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. Exclusions: REITs and investment companies. The index has been retroactively calculated by Dimensional and did not exist prior to April 2008. The calculation methodology for the Dimensional International Small Cap Value Index was amended in January 2014 to include direct profitability as a factor in selecting securities for inclusion in the index. Prior to January 1994: Created by Dimensional; includes securities of MSCI EAFE countries in the top 30% of book-to-market by market capitalization conditional on the securities being in the bottom 10% of market capitalization, excluding the bottom 1%. All securities are market-capitalization weighted. Each country is capped at 50%; rebalanced semiannually.

Dimensional International Small Cap Index.
The Dimensional International Small Cap Index was created by Dimensional in April 2008 and is compiled by Dimensional. July 1981–December 1993: It Includes non-US developed securities in the bottom 10% of market capitalization in each eligible country. All securities are market capitalization weighted. Each country is capped at 50%. Rebalanced semiannually. January 1994–Present: Market-capitalization-weighted index of small company securities in the eligible markets excluding those with the lowest profitability and highest relative price within the small cap universe. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. The index monthly returns are computed as the simple average of the monthly returns of four sub-indices, each one reconstituted once a year at the end of a different quarter of the year. Prior to July 1981, the index is 50% UK and 50% Japan. The calculation methodology for the Dimensional International Small Cap Index was amended on January 1, 2014, to include profitability as a factor in selecting securities for inclusion in the index.

Familiarity Bias:

Occurs when investors hold a portfolio biased toward “familiar” assets compared to an unbiased portfolio derived from a theoretical model or empirical data.

Familiarity Bias:

Source: Behavioral finance : investors, corporations, and markets / H. Kent Baker and John R. Nofsinger, editors. FOAD, HISHAM. Familiarity Bias. 2010. p.278

Herding Bias:

The phenomenon where investors follow what they perceive other investors are doing.

Herding Bias:

Chen, James. 'Herd Instinct'. Investopedia. 14 August 2019. <http://www.investopedia.com/terms/h/herdinstinct.asp > Web. Accessed 23 October 2019.