

Investment Philosophy:

FREE MARKET INVESTING

Integrity

Entrepreneurial Spirit

Education & Inquiry

Free Markets Work

• 2016 EDITION •

TABLE OF CONTENTS

page 3	The Matson Money Investment Philosophy: Free Market Investing
page 4	Free Market Portfolio Theory
page 9	History: What It Can and Cannot Tell Us
page 11	Different Investments Equal Different Returns
page 12	Three Kinds of Risk
page 14	Understanding The Investment Objectives
page 17	Choosing Your Investment Objective
page 18	The Top Reasons To Use Matson Money's Free Market Investing
page 19	The Investors' Dilemma™

© 2005-2016 McGriff Video Production, LLC., an Ohio limited liability company and a wholly-owned subsidiary of Matson Money, Inc. All investing involves risks and costs. Your adviser can provide you with more information about the risks and costs associated with specific programs. No investment strategy (including asset allocation and diversification strategies) can ensure peace of mind, assure profit, or protect against loss.

This booklet is based on the views of Matson Money, Inc. Other persons may analyze investments and the approach to investing from a different perspective than that reflected in this booklet. Nothing included herein is intended to infer that the approach to investing espoused in this booklet will assure any particular results.

Index performance returns do not reflect any management fees, transaction costs or expenses. In addition, the index is unmanaged and not available for direct investment; therefore its performance does not reflect the expenses associated with the management of an actual portfolio. Actual results of accounts under Matson Money's management may have been materially different. Performance results and comparative indices assume reinvestment of dividends and income.

THE MATSON MONEY INVESTMENT PHILOSOPHY: FREE MARKET INVESTING

The Matson Money Investment Philosophy is the stable foundation upon which all financial decisions regarding our portfolios are based. This philosophy consists of two fundamental components:

- **Market Belief**
- **Investment Strategy**

Matson Money believes that the Market is efficient. This belief is expressed in our mission statement when we say that Free Markets Work.

This means that:

- Based on supply and demand, the market is the best determinant of price.
- All available information is factored into the current price, and therefore, only new, unknowable information and events change pricing.
- Consistently predicting market movements and capturing additional returns unrelated to risk is not possible for any individual or entity.

Based on this belief, Matson Money:

- Focuses on capturing market returns.
- Utilizes asset class or structured funds.
- Diversifies.
- Eliminates stock picking, track record investing and market timing from the investment process.

Most investors do not realize there is a choice to be made about market belief, nor that this belief significantly affects investment strategies. Without this knowledge, it is easy to be manipulated by media, advertisers and investment professionals who want to sell products.



The stock market, the media and popular culture, by and large, encourage behavior consistent with the belief that the market is inefficient or that markets do not work.

Matson Money is committed to upholding the belief that Free Markets Work and providing investment strategies for investors who believe the same.

Structured Market Portfolios support this belief that Free Markets Work.

Structured Market Portfolios, created by Matson Money, use precise asset classes to capture the returns of unique dimensions of the market. These asset classes, when combined with other asset classes with offsetting correlations, provide diversification to the portfolio as described in Markowitz's Nobel Prize-winning theory. In creating Structured Market Portfolios, Matson Money uses asset-class funds which, like passive-index funds, do not attempt to predict the future. In contrast to index funds, these asset-

class funds are not necessarily attempting to duplicate an index, but rather capture empirically-proven dimensions of the market which provide unique returns to investors. Unlike passive-index funds, the asset-class funds in Matson Money's Structured Market Portfolios focus closely on trading costs. Structured Market Portfolios provide investors with efficient portfolios because they focus on both the return and correlation of specific asset classes while keeping trading costs to a minimum.

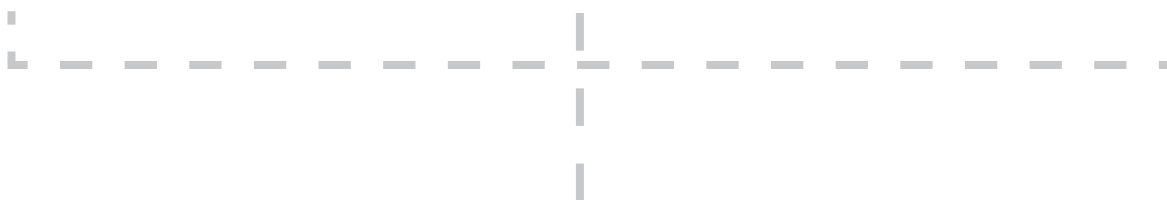
FREE MARKET PORTFOLIO THEORY

Structured Market Portfolios are designed by Matson Money using an investment strategy called Free Market Portfolio Theory. FMPT is the combination of three evolutionary, academic breakthroughs in the area of Modern Finance:

1. Efficient Market Hypothesis

2. Modern Portfolio Theory

3. The Three-Factor Model



Together these concepts form a powerful, disciplined and diversified approach to investing.

1. Efficient Market Hypothesis

A fundamental component of Free Market Investing is the Efficient Market Hypothesis, first explained by Eugene F. Fama in his 1965 doctoral thesis:

“An efficient market is defined as a market where there are large numbers of rational, profit-maximizers actively competing, with each trying to predict future market values of individual securities, and where important current information is almost freely available to all participants. In an efficient market, competition among the many intelligent participants leads to a situation where, at any point in time, actual prices of individual securities already reflect the effects of information based both on events that have already occurred and on events which, as of now, the market expects to take place in the future. In other words, in an efficient market at any point in time the actual price of a security will be a good estimate of its intrinsic value.” Eugene F. Fama, “Random Walks in Stock Market Prices,” Financial Analysts Journal, September/October 1965.

What Free Market Hypothesis means to
you, the investor:

- Recognize that the stock market, the media and popular culture, by and large, encourage behavior consistent with the belief that the market is inefficient. Without a clearly defined investment philosophy, it is easy to be manipulated by media, advertisers and investment professionals eager to sell products.
- You must understand that there is a choice to be made about how you believe the market works. Do you believe it is efficient or inefficient?
- Your market belief will guide your investment strategy.

What Free Market Hypothesis means
to Matson Money:

- Matson Money believes that markets are efficient. One of our Expressed Convictions is Free Markets Work!
- Matson Money focuses on capturing market returns.
- Matson Money utilizes asset-class or structured funds.
- Matson Money diversifies prudently.
- Matson Money eliminates stock picking, track record investing and market timing from the investment process.

2. Modern Portfolio Theory (MPT)

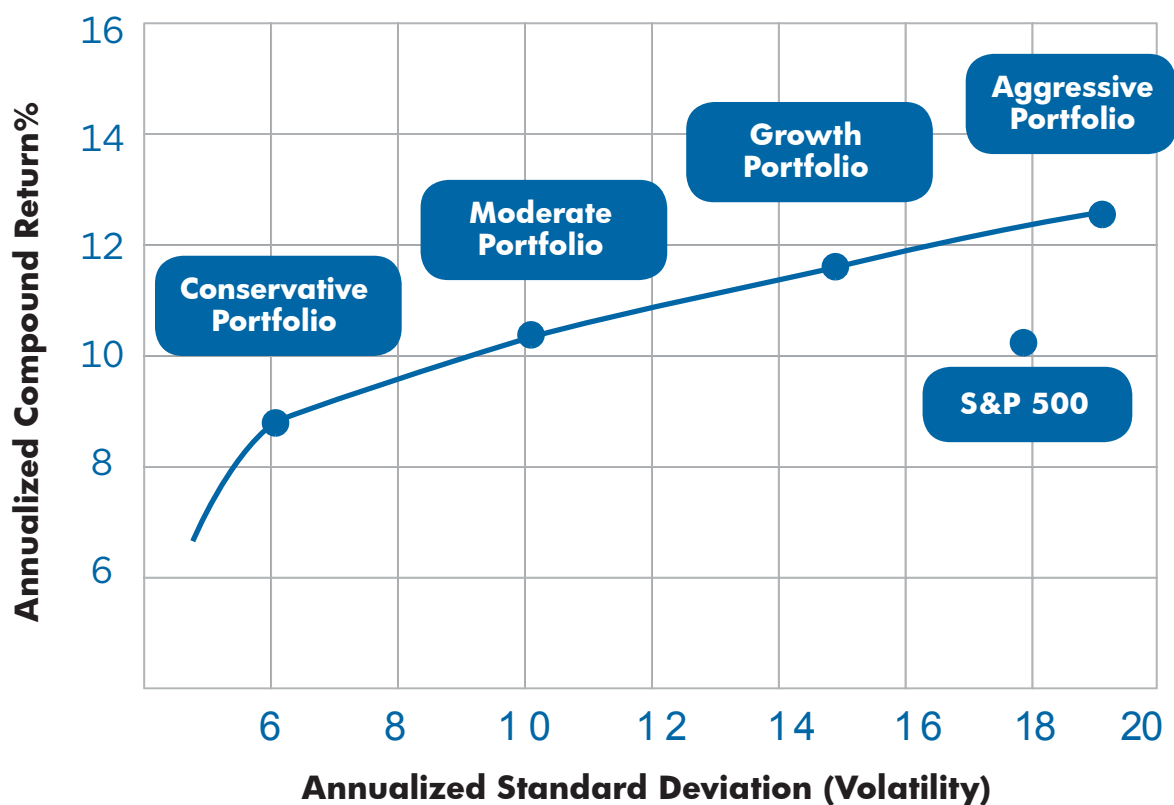
The second basic component of Free Market Portfolio Theory is Modern Portfolio Theory, which earned the Nobel Prize in Economics in 1990 for the collaborative work of Harry Markowitz, Merton Miller and Myron Scholes.

MPT – A Summary:

- The risk of an individual asset is far less important than the contribution the asset makes to the portfolio's risk as a whole.
- For the same amount of risk, diversification can increase returns.
- The mechanism to reduce risk is dissimilar price movements; therefore, the task is to find assets with low correlations.
- The Efficient Frontier allows individuals to maximize expected returns for any level of volatility.

Markowitz's Efficient Frontier

The graph below is referred to as “An Efficient Frontier.” Based on the concept of Modern Portfolio Theory, which earned Harry Markowitz the Nobel prize in 1990, this chart allows you to maximize expected returns for any level of volatility. By plotting your existing investment information using annualized compound return and annual standard deviation, you can find out the risk and the rate of return of your current portfolio. With this baseline information, you can see how utilizing free-market-investing strategies can be used to either decrease risk or increase returns in your portfolio.



This graph, referred to as Markowitz's “Efficient Frontier,” plots annualized compound return and standard deviation of a portfolio. It illustrates how free market strategies can either increase expected returns for the same level of volatility or decrease portfolio volatility for the same expected rate of return. This graph represents back-tested performance, the inherent limitations of which are discussed in the endnotes, and assumes reinvestment of dividends, but does not deduct fees and expenses which would reduce returns. It is for illustrative purposes only and does not reflect actual performance of any portfolio managed by Matson Money. Source: The Efficient Frontier was developed by Nobel Prize winner, Harry Markowitz. It helps to illustrate an optimal portfolio for any given level of risk. January 1973-December 2015.

What MPT means to you, the investor:

- It is possible to use the Efficient Frontier to improve the risk/return trade-off.
- You will be able to choose whether you would prefer to increase returns (without increasing volatility) or reduce risk (without accepting lower returns).
- To do this, you will need to identify your own risk-tolerance level so you may choose between Matson Money's models.

What MPT means to Matson Money:

- Assets are evaluated based on their effect on the entire portfolio.
- Diversification is utilized to reduce risk.
- Structured funds are used to create investment portfolios.
- The following principles are applied to every portfolio:
 - Structure is a primary determinant of performance: The manner in which assets are allocated across investment classes is crucial.
 - Risk and return are related: Increased exposure to market, small-cap and value factors is a good way to increase expected returns.

3. The Three-Factor Model

The final component of Free Market Portfolio Theory is the Three-Factor Model, which defines three independent dimensions of equity returns.

The Three-Factor Model – A Summary:

- There are three independent dimensions of equity returns.
- It is possible to apply these factors to measure the role of each factor in returns.
- The 3 Factors are:
 1. The Market Factor: the extra risk of Stocks vs. Fixed Income.
 2. The Size Effect: the extra risk of Small-Cap stocks over Large-Cap stocks.
 3. The "Value" Effect: the extra risk of high Book-to-Market (BtM) over low BtM stocks.

Three Crucial Decisions:

Investing is uncertain. Research hasn't fully resolved the nature of risk and price movements. Until recently, much investing involved guessing what really matters in returns. In 1991 this changed. Eugene F. Fama and Kenneth R. French, two leading economists, conducted an exhaustive investigation into the sources of risk and return. Grounded in Efficient Market Hypothesis (EMH), their research revealed that a portfolio's exposure to three simple but diverse risk factors determines the vast majority of investment results. These three factors are referred to as the Three-Factor Model.

Matson Money utilizes the **Three-Factor Model** when engineering portfolios to determine how much of an equity position to hold, the allocation between small and large equities and the allocation between value and growth equities in each of the Matson Money seven investment models. When properly educated, investors have the opportunity to apply these factors to their portfolio productively.

The first risk factor in the Three-Factor Model is the amount of exposure to equities. Since equities are riskier than fixed income, equities historically provide greater returns.

The second risk factor is called the size effect. In regards to size, small companies historically provide a greater return than large companies.

The third risk factor is the Value effect. This means value companies historically provide greater returns than growth companies.

What the Three-Factor Model means to you, the investor:

- It is possible to identify the sources of risk that will compensate you with premium returns.
- You need to decide how much of each type of risk you are willing to tolerate. You must structure your portfolio to achieve risk exposures in the most effective manner.
- It clarifies decisions because portfolios are based on research and rational expectations rather than hunches.

What the Three-Factor Model means to Matson Money:

- Performance vs. the market or another manager depends almost entirely on the three factors.
- It is possible to:
 - Calculate expected returns based on factor exposure.
 - Analyze manager styles and success.
 - Analyze proposed portfolios and reallocations.
 - Analyze contributions of additional asset classes.

HISTORY: WHAT IT CAN AND CANNOT TELL US

History is a reliable source of information relative to asset categories as a whole. By looking at historical returns, we can assess the overall risk and volatility of an asset category. It is also possible to understand how different asset categories behave in relationship to one another (correlation).

This type of information is useful in designing diversified portfolios that will achieve market rates of return over a long-term period of time.

However, historical information cannot offer us any indication of how any one asset class or individual investment is going to perform in the future. Past performance is not a guarantee of future performance. Therefore, it is imprudent to base future investing decisions on the track record of one asset class or individual investment. Matson Money discourages financial professionals and investors from using short-term returns to make long-term investment decisions.

Historical Investment Returns: What You Need to Know

Performance of Various Investment Asset Classes From 1973 – 2015 (43 Years)

	U.S. Inflation Rate	U.S. Treasury Bills	Long-Term U.S. Gov't Bonds	U.S. Large Stocks	U.S. Small Stocks	INT'l Large Stocks	INT'l Small Stocks
Annual Return	N/A	4.94%	8.39%	10.13%	12.18%	8.92%	12.84%
Avg. Inflation Rate	4.07%	4.07%	4.07%	4.07%	4.07%	4.07%	4.07%
Real Return	N/A	0.84%	4.14%	5.82%	7.79%	4.66%	8.43%
Negative Years	0	0	11	9	12	12	12
Positive Years	43	43	31	34	30	30	31
Total Years	43	43	43	43	43	43	43
Standard Deviation	N/A	3.51	12.57	17.83	24.57	22.07	27.46
"Worst" Performance Year							
Year	1979	2014	2009	2008	2008	2008	2008
Loss	N/A	.02%	-14.90%	-37.00%	-38.72%	-43.06%	-45.79%
"Best" Performance Year							
Year	2008	1981	1982	1995	1975	1986	1977
Gain %	N/A	14.71%	40.36%	37.58%	63.92%	69.94%	74.08%

The historical return data provided above can be interpreted to indicate that investors with a time horizon of 10 years or more should allocate a portion of their assets to common stock, because, historically, only common stocks have had the potential to outdistance and overcome the capital destroying effects of inflation.

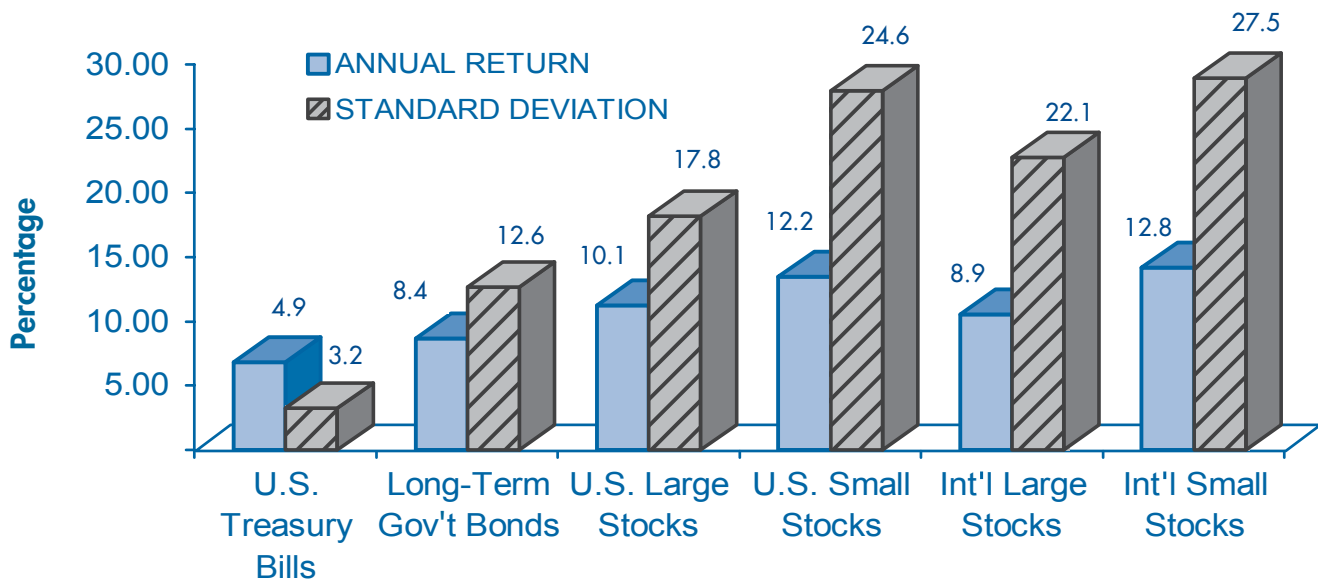
See endnotes for a description of the above-referenced indices and calculation of market performance. The long time periods shown above are designed to provide a historical perspective of how different asset classes have performed over time. Past performance is no guarantee of future results. There can be no assurance that the asset classes shown above will perform in a similar manner over future market cycles.

DIFFERENT INVESTMENTS EQUAL DIFFERENT RETURNS

Three basic asset categories are available in which to invest in the securities markets: (1) stocks, (2) bonds and (3) cash or cash equivalents. Stocks historically have provided the greatest returns. During the 90-year period from 1926 to 2015, statistics show that Large Company stocks have provided investors an average return of 10.02% while Long-Term Government Bonds have averaged

only 5.58%, and treasury bills, a cash equivalent, have averaged 3.42%. Over the 90-year period, after inflation, returns for investing in stocks amount to 6.91%, only 2.99% for long-term corporate bonds, 2.59% for long-term U.S. government bonds and 0.49% for U.S. treasury bills.

Historical Asset Class Returns 1973-2015 ^{#2}



#1 The historical return data provided above can be interpreted to indicate that investors with a time horizon of 10 years or more should allocate a portion of their assets to common stock, because, historically, only common stocks have had the potential to outdistance and overcome the capital destroying effects of inflation.

#2 See endnotes for a description of the above-referenced indices and calculation of market performance. The long time periods shown above are designed to provide a historical perspective of how different asset classes have performed over time. Past performance is no guarantee of future results. There can be no assurance that the asset classes shown above will perform in a similar manner over future market cycles.

THREE KINDS OF RISK

Every investment strategy carries risk. Three distinct types of investment risk that you should consider in setting your investment objectives are capital risk, inflation risk and liquidity risk. These risks affect these three asset categories: stocks, bonds and cash—each in different ways.

1. Capital Risk

The risk of actually losing principal, or capital, is probably most investors' biggest fear. All but the most conservative investments experience fluctuations. Over short periods of time, volatile investments will sometimes suffer a loss. When longer time periods are considered, however, these fluctuations are likely to smooth out into eventual gains. Capital risk is often referred to as volatility.

2. Inflation Risk

Inflation seriously erodes purchasing power. Purchasing power indicates how much in goods and services your dollars can buy, and when eroded by inflation, the value of your investment diminishes. For example, when inflation averaged 4.07%^{#3} per year from 1973-2015, a \$500,000 portfolio would be reduced to \$335,516.94 on the basis of purchasing power at the end of a 10-year period. As inflation cuts into the purchasing power of an account, the investment not only must achieve absolute growth but attempt to grow faster than the rate of inflation by a significant margin. Historically, the real return (after inflation) on stocks

has been significantly larger than the real return on Long-Term U.S. Government Bonds and Treasury Bills. During the 81-year period (1935-2015) studied, \$1 in Treasury Bills would have grown to only about \$0.96 after inflation. A \$1 Long-Term Government Bond would have grown to about \$4.84. Stocks in the same \$1 amount would have grown to about \$255.17. Inflation risk is usually not as much of a concern for short-term investors. However, for most long-term investors, a portfolio should be structured to emphasize investments which have been successful at beating inflation.

^{#3} Source: DFA returns software 12/15. Inflation represented by CPI

*Past Performance is not indicative of future performance.

Not actual investor results. Index performance returns do not reflect any management fees, transaction costs or expenses. In addition, the index is unmanaged and not available for direct investment; therefore its performance does not reflect the expenses associated with the management of an actual portfolio.

3. Liquidity Risk

Liquidity risk is the risk of your inability to meet essential outlays. A portfolio with higher volatility will make it more difficult for you to meet your specific funding needs at specific times. Your time horizon and withdrawal needs should be considered in terms of liquidity risk. If you have expected cash flow needs from the portfolio, you may risk selling assets when they are low. If you need access to the

funds in the portfolio within a relatively short period of time or will be taking regular withdrawals from the portfolio you may want to consider a less risky portfolio consisting of more Short-Term Fixed Income instruments and less volatile equity assets.

Risk And Reward

If you assume greater volatility, you also expect greater rewards and the prospect of a higher long-term rate of investment. Stocks, according to Ibbotson Associates, have subjected investors to the greatest risk and have yielded the greatest returns. Treasury bills, or cash, show the lowest chance of capital loss and the lowest returns. You must, therefore, choose between the level of risk to be assumed, acknowledging the level of return likely to be received.

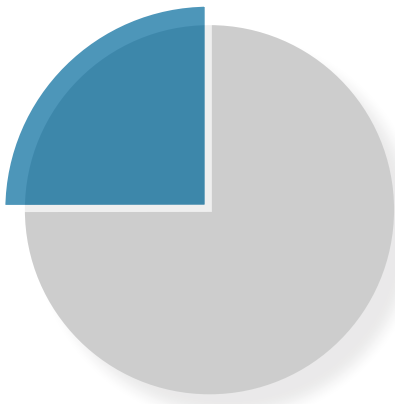
Risk Reduction

One of Matson Money's major functions is to allocate investments among the different asset classes to manage risks more effectively. Effective risk management depends, to a great extent, upon effective asset allocation. The idea is to design the portfolio with investments in asset classes that have behaved with certain characteristics which will not expose the investor to the most serious risks. The performance of the portfolio is based on the behavior of the individual asset classes and the correlation among them. Matson Money attempts to reduce risk by allocating and re-allocating assets in portfolios over time in order to take advantage of the diversification benefit of low correlations between asset classes.

UNDERSTANDING THE INVESTMENT OBJECTIVES

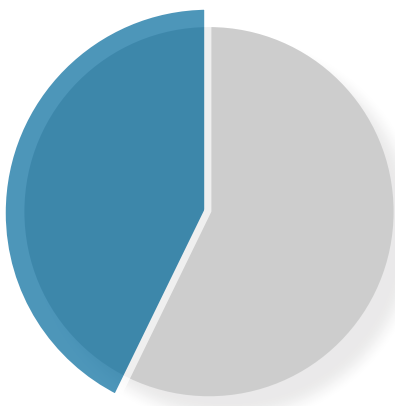
No one investment guarantees both the greatest returns and absolute protection from all risk. Matson Money recognizes that your two basic goals are capital growth and preservation of capital. The seven investment objectives below allow you to choose how much emphasis

you want placed on growth and how much on preservation of capital by reducing the risk of capital loss. Each involves a different approach to managing your funds in order to reach your goal.



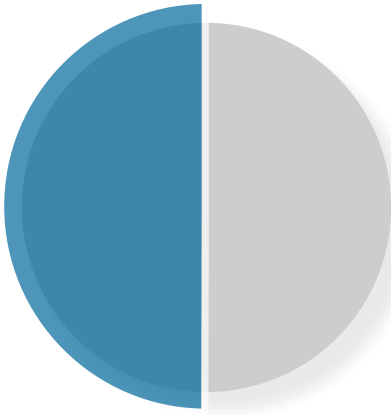
1. Income and Growth (25% Equities / 75% Fixed Income)

This objective is to minimize capital fluctuations while attempting to deliver a rate of return in excess of inflation as measured by the consumer price index (C.P.I.). The choice of this objective indicates a realization that the Account Owner's portfolio must stay ahead of inflation to make any real gains. While this approach will provide the least amount of capital fluctuation, the possibility of negative returns is not eliminated, only reduced. This approach does imply a substantial reduction of capital growth when compared to the stock market. This objective fits with a time horizon of less than three years.



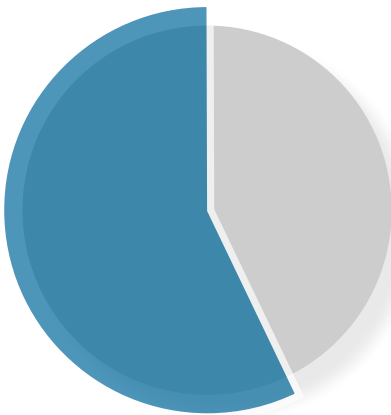
2. Balanced Growth (40% Equities / 60% Fixed Income)

This objective has two purposes: to preserve capital and to obtain capital growth. This objective indicates a need for a balance between capital preservation and long-term growth and will result in Matson Money choosing more stable and less volatile investment strategies than with the Long-Term Growth investment objective. Inherent in this position is that the earning potential of your investment will be less than in the objectives 3 or 4, but this objective should also be less volatile over time while earning a premium above short-term rates. The risk of capital loss and negative returns cannot be eliminated, but with this choice, your portfolio will be subjected to less capital risk than is characteristic of the stock market. While the rate of return cannot be compared to the stock market, the investment manager will be expected to exceed the returns of money-market funds and three-month treasury bills. To achieve these returns, no less than a full-market cycle of three to five years is required.



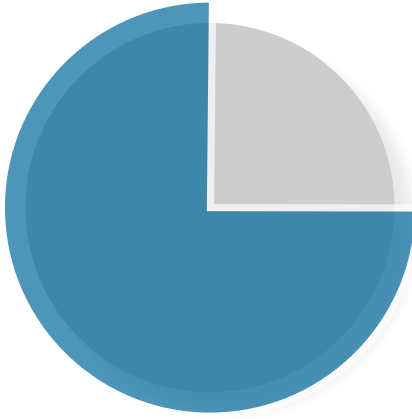
3. Balanced Growth (50% Equities / 50% Fixed Income)

This objective has two purposes: to preserve capital and to obtain capital growth. This objective indicates a need for a balance between capital preservation and long-term growth and will result in Matson Money choosing more stable and less volatile investment strategies than with the Long-Term Growth investment objective. Inherent in this position is that the earning potential of your investment will be less than in the objective 4, but this objective should also be less volatile over time while earning a premium above short-term rates. The risk of capital loss and negative returns cannot be eliminated, but with this choice, your portfolio will be subjected to less capital risk than is characteristic of the stock market. While the rate of return cannot be compared to the stock market, the investment manager will be expected to exceed the returns from money market-funds and three-month treasury bills. To achieve these returns, no less than a full-market cycle of three to five years is required.



4. Balanced Growth (60% Equities / 40% Fixed Income)

This objective has two purposes: to preserve capital and to obtain capital growth. This objective indicates a need for a balance between capital preservation and long-term growth and will result in Matson Money choosing more stable and less volatile investment strategies than with the Long-Term Growth investment objective. Inherent in this position is that the earning potential of your investment will be less than in the objective 5, but this objective should also be less volatile over time while earning a premium above short-term rates. The risk of capital loss and negative returns cannot be eliminated, but with this choice, your portfolio will be subjected to less capital risk than is characteristic of the stock market. While the rate of return cannot be compared to the stock market, the investment manager will be expected to exceed the returns from money-market funds and three-month treasury bills. To achieve these returns, no less than a full-market cycle of three to five years is required.



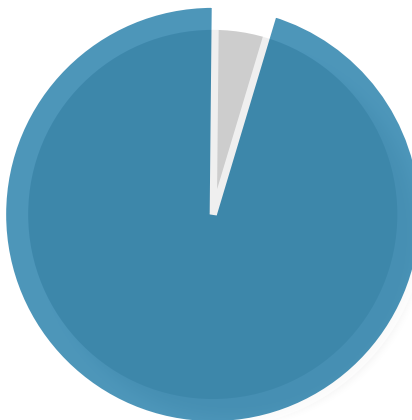
5. Long-Term Growth (75% Equities / 25% Fixed Income)

This objective provides a reasonably high rate of growth without the full degree of risk usually found in the stock market. The primary goal is long-term capital growth while the secondary goal is preservation of capital. In order to achieve long-term capital growth, greater volatility, including the risk of negative returns will be encountered more with this objective than with the choice of prior objectives. This objective does not, however, expose investors to the full capital risk of the stock market. Returns will not compare with the stock market on a year to year basis but should be less volatile than stock market returns. Six to nine years may be required to achieve this objective. Annual withdrawals may not be appropriate with this objective due to the short-term volatility of the stock market.



6. Long-Term Growth (85% Equities / 15% Fixed Income)

This objective provides a reasonably high rate of growth without the full degree of risk usually found in the stock market. The primary goal is long-term capital growth while the secondary goal is preservation of capital. In order to achieve long-term capital growth, greater volatility, including the risk of negative returns will be encountered more with this objective than with the choice of prior objectives. This objective does not, however, expose investors to the full capital risk of the stock market. Returns will not compare with the stock market on a year to year basis but should be less volatile than stock market returns. Six to nine years may be required to achieve this objective. Annual withdrawals may not be appropriate with this objective due to the short-term volatility of the stock market.



7. Aggressive Growth (95% Equities / 5% Fixed Income)

Since capital growth is the only goal in this objective, the investor must also accept the high degree of risk inherent in the stock market. This objective provides the greatest growth potential of the seven and exposes the Account Owner to the greatest degree of volatility. Matson Money will focus the Account Owner's portfolio in equity funds to help produce better long-term returns. This is a long-term investment strategy of at least ten years. Annual withdrawals may not be appropriate with this objective due to the short-term volatility of the stock market.

CHOOSING YOUR INVESTMENT OBJECTIVE

Based upon my understanding of all seven Matson Money Investment Objectives, I instruct Matson Money Asset Allocation to manage my portfolio in accordance with the following objective:

Select one	Investment Objective	Time Horizon	Risk	Goal of Objective
☐	Objective 1: Income and Growth (25% Equities / 75% Fixed Inc.)	Less than Three years	Low risk. Low equity risk and capital risk. Long-term investors subject to inflation risk.	Focus on capital preservation and low volatility with goal of maintaining purchasing power by exceeding inflation.
☐	Objective 2: Balanced Growth (40% Equities / 60% Fixed Inc.)	Three to Five years	Moderate risk. Medium equity risk and capital risk. Reduced inflation risk due to strong equity component.	Capital preservation with moderate capital growth and significantly lower volatility than long-term bonds or stocks.
☐	Objective 3: Balanced Growth (50% Equities / 50% Fixed Inc.)	Three to Five years	Moderate risk. Medium equity risk and capital risk. Reduced inflation risk due to strong equity component.	Capital preservation with moderate capital growth and significantly lower volatility than long-term bonds or stocks.
☐	Objective 4: Balanced Growth (60% Equities / 40% Fixed Inc.)	Three to Five years	Moderate risk. Medium equity risk and capital risk. Reduced inflation risk due to strong equity component.	Capital preservation with moderate capital growth and significantly lower volatility than long-term bonds or stocks.
☐	Objective 5: Long-Term Growth (75% Equities / 25% Fixed Inc.)	Six to Nine years	Medium to High risk. Significant equity and capital risk in short-term. Low inflation risk over long-term.	Long-term capital growth with lower volatility than equities and long-term bonds. Annual withdrawals may not be appropriate.
☐	Objective 6: Long-Term Growth (85% Equities / 15% Fixed Inc.)	Six to Nine years	Medium to High risk. Significant equity and capital risk in short-term. Low inflation risk over long-term	Long-term capital growth with lower volatility than equities and long-term bonds. Annual withdrawals may not be appropriate.
☐	Objective 7: Aggressive Growth (95% Equities / 5% Fixed Inc.)	Over Ten years	High risk. Full equity risk of stocks diversified across U.S. and international markets. Low inflation risk over long-term.	Maximum long-term capital growth with full equity allocation and little emphasis on short-term capital preservation. Annual withdrawals may not be appropriate.

THE TOP REASONS TO USE MATSON MONEY'S FREE MARKET INVESTING

1. Matson Money's Free Market Investing Is Based On A Sound Investment Philosophy

Matson Money applies Free Market Portfolio Theory in its attempt to increase investment returns without increasing risk or reducing risk without sacrificing returns. Matson Money's investment philosophy, Free Market Investing, is based on attempting to achieve market returns in asset categories and

applying Nobel Prize-winning economic research. Matson Money utilizes high book-to-market stocks and small cap stocks. This investment strategy is based on the Three-Factor model developed at the University of Chicago by Eugene Fama and Kenneth French.

2. Matson Money's Free Market Investing Uses Worldwide Asset Class Diversification

Matson Money utilizes asset class funds such as international high book-to-market stocks, emerging countries' stocks, international small stocks and global fixed-income securities. Matson Money chooses asset classes based on low correlation to each other so they are less likely to move in

tandem. This strategy provides better diversification as asset classes move in opposite cycles with the objective that losses in one asset class may be offset with simultaneous gains in other asset classes.

3. Matson Money's Free Market Investing Can Reduce The Costs Of Investing

The portfolio is reviewed for rebalancing on a quarterly basis so the target asset allocations are consistently maintained.

Matson Money uses no-load institutional mutual funds with low costs, low turnover and low redemptions relative to consumer mutual funds.

There are no commissions, so there are no incentives to trade.

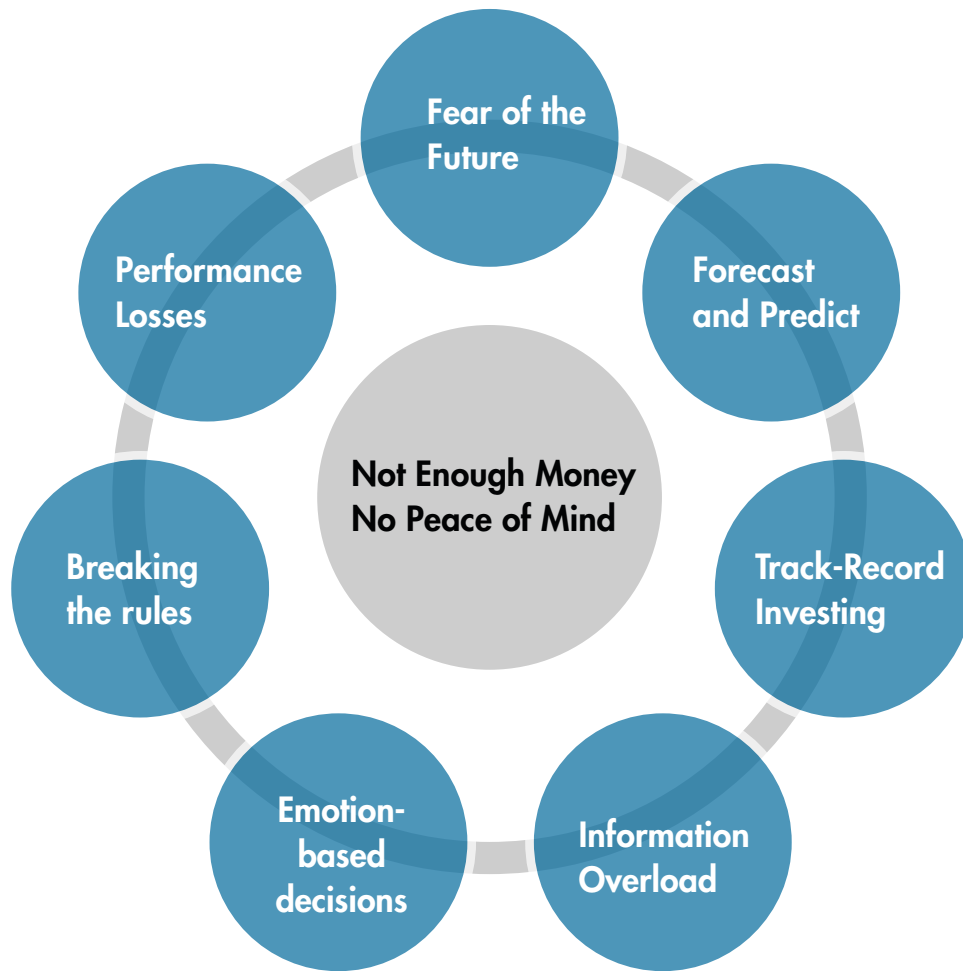
Low fund management fees, low trading costs and low turnover may equate to low expenses and low bid/ask spread costs within the mutual funds Matson Money uses for clients' portfolios. Accounts under Matson Money's management will be subject to Matson Money's fee and custodial charges.

4. Matson Money's Free Market Investing Can Simplify The Investment Experience

Constantly watching investments is unnecessary because you are always fully invested. Diversification across markets aims to reduce concerns over economic events. A consistent investment strategy eliminates the need to change investment

strategies constantly. Under Matson Money's guidance, the portfolio may satisfy the very strict fiduciary standards imposed by law on trustees, officers and directors.

THE INVESTORS' DILEMMA™



The Investors' Dilemma™ is a cycle that explains why many investment decisions are driven by emotional and psychological bias consistent with investors' values and goals. On the one hand, investors want assets to grow to an ideal state – to have enough wealth accumulated to meet personal financial goals. Yet, for most, this will only happen by investing money prudently. Therefore, investors need to make decisions and select strategies to maximize investments year after year. Unfortunately, the actions investors frequently take are likely to be self-defeating. Let's look at how each step of this counterproductive cycle interferes with an investor's ability to develop and maintain an ideal investment strategy.

The Investors' Dilemma™

1. Fear of the Future

The cycle begins with a sense of uncertainty about the future. Questions are prevalent. Questions like: "Will there be enough money to maintain my standard of living? How much do I need to save? How do I know what is the best investment?" The media and advertisers prey upon this fear of the future in an effort to sell products.

2. Forecasting the Future

Because of this fear of the future, investors have a strong desire to comprehend and predict future events...if someone could tell what is going to happen with inflation, long-term interest rates, share prices and overseas markets, then there would be nothing to fear. Along these lines, investors are frequently convinced that someone has the information, power and insight to forecast the future.

3. Track Record Investing

The primary method investors employ to convince themselves that the future can be foretold is Track Record Investing. This means they look for stock managers who have performed better than the market in the past and hope they will continue to have superior performance in the future.

4. Information Overload

In the past, gathering information was the best way to guide prudent investment decisions. However, the current Information Age has created access to so much information that it is easy to become overloaded. In the quest to find the right investments, investors feel compelled to expose themselves to all available information: Internet, books, newspapers, magazines, TV talk shows, advertisements, friends' experiences, etc. Indeed, instead of reducing fears and doubts about investment decisions, this deluge of information often intensifies them.

5. Emotion-Based Decisions

As investors we never overcome our own humanity. Even though most investors prefer to think that they make investment decisions based upon logic, it is typically emotions, such as trust, loyalty, hope, greed and fear that drive investment decisions.

6. Breaking the Rules

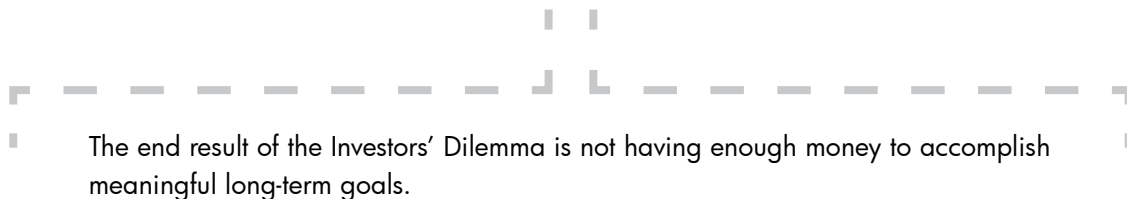
There are three commonly accepted rules of investing: 1) own equities; 2) diversify; 3) rebalance. The golden rule of investing is buy when prices are low and sell when prices are high. It sounds simple. However, when investors base decisions about the future on the past, they often wind up breaking this rule, thereby sabotaging their portfolio.

7. Performance Losses

Performance loss means investors fail to capture the returns they expected. Unfortunately, because investors so frequently break the golden rule of investing, they do not receive the rate of return they expected. Investor performance does not equal investment performance.

When this effect is compounded over a period of years, wealth potential for reaching financial goals is significantly decreased. Such loss creates additional frustrations and fears about the future, once again initiating the cycle.

The Result: Not Enough Money





Mark Matson is CEO and founder of Matson Money Inc., a registered investment adviser company that manages in excess of \$6.4 billion*. With over twenty years of experience in the financial industry, Mark is a regular contributor in the national media, both in print and on television. His optimistic outlook on finance, investing, and economic issues makes him a frequently sought expert on CNBC, Fox News, BNN, Fox Business News, and publications such as the Wall Street Journal, The New York Times, and Investment News.

As a dynamic public speaker, Mark has shared his message of free markets and global investing with thousands of people throughout the country. His direct approach, passion, and enthusiasm make him both a compelling speaker and a fierce proponent of free markets.

Mark has authored several books on the topic of investing and economics for both investors and financial professionals; he also hosts Matson Money Live!, a weekly live web-based show about investing, economics, and current events.

TELEVISION: CNBC "Kudlow Report," CNBC "Power Lunch," Fox Business News "Opening Bell," Fox Business News "Power and Money," Fox Business News "Closing Bell," and CNBC Reports.

ARTICLES PUBLISHED IN: The Wall Street Journal, Investment News, SmartMoney.com, Forbes.com, The Business Courier, USA Today, Financial Services Advisor, Advisor Today, Personal Financial Planning Monthly and many more.

BOOKS: "Main Street Money: How to Outwit, Outsmart, & Out Invest the Wall Street Bullies," "The Dirty Filthy Lies My Broker Taught Me, 101 Truths About Money & Investing," "Confessions of a Commission Junkie," and "FlashPoint: Mastering the Art of Economic Abundance."

VIDEO: "How the Really Smart Money Invests" and "Navigating the Fog of Investing."

AUDIO: The Seven Deadly Investor Traps that Destroy Your Wealth & Three Power Strategies to Fix your Portfolio, The Curriculum for Conscious Investing, The Investor Coaching Series, and Breakthrough to Abundance.

ONLINE: Matson Money Live! and Mark Matson TV.

Mark is the proud husband of Melissa and father of eight children. He is an avid cyclist and trains regularly for challenging races.

Connect with Mark Matson at:
www.markmatson.tv
www.matsonmoney.com
[www.twitter.com/markmatson](https://twitter.com/markmatson)
[www.twitter.com/matsonmoney](https://twitter.com/matsonmoney)
www.facebook.com/markmatson
www.facebook.com/matsonmoney

*As of 04/30/2016

Endnotes

1. This Presentation includes simulated or back-tested performance information from various markets derived from returns software created by Dimensional Fund Advisors LP (DFA) as updated through Dec. 2015. DFA is a registered investment adviser that, among other things, specializes in and sells statistical market research and mutual fund management. DFA obtains some of its market data from the Center for Research & Security Pricing (CRSP), part of the University of Chicago's Booth School of Business (Chicago Booth). Back-tested performance has inherent limitations and does not reflect the performance of actual accounts managed by Matson Money. The performance returns for each Sample Asset Class Mix were calculated based on the asset allocation weights in effect at the time period reflected in the various charts and graphs and rebalanced as the allocation formulas changed in response to newly available data. Back-tested results assume that asset allocations would not change over time or in response to market conditions, which might have occurred in the case of actual account management. Both the back-tested Sample Asset Mixes and Matson Money's own asset allocation formulas may change as additional economic research becomes available. Matson Money has managed clients' assets since 1991 and actual client portfolios are subject to various fees and expenses which are explained below. All Sample Mix performance figures in this presentation assume the reinvestment of all dividends and capital gains, but are presented gross of fees and expenses and do not deduct fees or expenses which would reduce returns. The returns would be lower if advisory fees and other expenses were deducted. For example, if a 2.50% advisory fee was deducted quarterly (0.625% each quarter) and your annual return happened to be 10.00% (approximately 2.5% each quarter) before deduction of advisory fees, the deduction of advisory fees would result in an annual return of approximately 7.65%, due, in part, to the compound effect of such fees. Advisory fees charged to Matson Money clients, whether directly or indirectly through a mutual fund, are described in Part 2 of Matson Money's Form ADV and are discussed more fully in endnote 4, below. Past performance is no guarantee of future results.

2. Referenced Indices – Segments of market performance information are represented by the following indices:

A. S&P 500 – an unmanaged, market-weighted stock index based on the market capitalizations (cap) of 500 leading companies publicly traded in the U.S. stock market, as determined by S&P Dow Jones. It is one of the most commonly followed equity indices. Roger G. Ibbotson and Rex A. Sinquefeld performed groundbreaking work on this data in *Stocks, Bonds, Bills, and Inflation: The Past and the Future*, Dow Jones, 1989. Ibbotson Associates, Chicago.

B. CRSP Stock File Capitalization Decile Indexes – CRSP calculates indices for five groups of U.S. stock markets (NYSE, AMEX and NASDAQ separately, NYSE/AMEX combined and NYSE/AMEX/NASDAQ combined) in which all securities other than ADRs are ranked by their market cap and then divided into 10 deciles with an equal number of securities in each decile. Starting with the NYSE, CRSP first sorts all stocks on the NYSE by market cap and breaks the universe into ten equal groups, called "deciles," by number of names. Decile 1 represents the largest stocks on the NYSE and decile 10 represents the smallest NYSE stocks. CRSP then includes all equivalently sized AMEX and NASDAQ stocks into the NYSE size decile in which they fit by market cap. This Presentation uses market data from the following CRSP indices:

- 1) CRSP 1-10 Index: Representing the entire market cap of the NYSE and other exchange equivalents.
- 2) CRSP 1-5 Index: The largest half of NYSE stocks by name and all equivalents from other exchanges, covering Large Cap through Mid Cap stocks.
- 3) CRSP 6-10 Index: The smallest half of NYSE stocks by name and all equivalents from other exchanges, sometimes referred to as "small-cap" stocks. Similar in size to the Russell 2000 Index.
- 4) CRSP 9-10 Index: The smallest fifth of NYSE stocks by name and all equivalents from other exchanges, sometimes referred to as "micro-cap" stocks.

C. Morgan Stanley Capital International (MSCI) Europe, Australasia, Far East (EAFE) Index – The MSCI EAFE is an unmanaged, free float-adjusted market cap index designed to measure the equity market performance of developed markets, excluding the US & Canada. As of 12/31/12, it consists of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

D. DFA International Small Company Stock Index – created as follows for various time periods:

- January 1994 - Present: Simulated by DFA from Bloomberg securities data. Returns computed from the average of four staggered, market cap-weighted annually rebalanced portfolios of small company securities. Small companies defined as the bottom 10% of the market ranked by market cap. REITs are excluded. Maximum index weight of any one company is capped at 5%. Countries included are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Switzerland, Sweden, United Kingdom.

- July 1981 - December 1993: Simulated by Dimensional from Style Research securities data. Includes securities of MSCI EAFE countries 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.
- January 1970-June 1981: 50% Hoare Govett Small Companies Index (hgsmall.ind), 50% Nomura Small Companies Index (nomura.ind)

E. Fama/French US Large Value research data and Fama/French US Small Value research data – developed by Eugene Fama and Kenneth R. French, the U.S. Large Value strategy relies, in part, on the CRSP 1-5 Index and the U.S. Small Value strategy relies, in part, on the CRSP 6-10 Index, both of which are described above.

F. Barclays U.S. Government/Credit Index (formerly a Lehman Brothers Index) – the nonsecuritized portion of the Barclays U.S. Aggregate Index, including Treasuries, government-related issues and corporates to reflect the performance and characteristics of the underlying market. The Barclays U.S. Aggregate Bond Index reflects the broadest measure of the taxable U.S. bond market, including most Treasury, agency, corporate, mortgage-backed, asset-backed, and international dollar-denominated issues, all with maturities of 1 year or more and covers the USD-denominated, investment-grade (rated Baa3 or above by Moody's), fixed-rate, and taxable areas of the bond market.

G. Morningstar Five-Year US Treasury Notes Index (formerly Ibbotson Intermediate Five Year Treasury Notes data derived from Stocks, Bonds, Bills and Inflation, referenced above).

H. Bank of America Merrill Lynch 1-Year US Treasury Notes Index – an unmanaged index comprised of a single outstanding two-year Treasury Note purchased at the beginning of the month and held for a full month. The Note selected at each month-end rebalancing is one that matures closest to, but not beyond, one year from the rebalancing date.

I. T-Bill Data – developed by Roger G. Ibbotson and Rex A. Sinquefeld in Stocks, Bonds, Bills, and Inflation, referenced above.

J. Consumer Price Index (CPI) – the CPI is produced and published monthly by the U.S. Bureau of Labor Statistics to reflect changes in the prices paid by urban consumers for a representative basket of goods and services and is commonly used as a measure of domestic inflation.

3. Asset Class Components

U.S. Large Company Stocks – represented by the S&P 500 Index

U.S. Small Company Stocks – represented by CRSP 9-10 Index and CRSP 6-10

International Large Company Stocks – represented by MSCI EAFE Index

International Small Company Stock – represented by DFA index described in endnote 2.D., above.

U.S. Small Company Value Stocks – represented by Fama/French US Small Value Research index

U.S. Large Company Value Stocks – represented by Fama/French US Large Value Research index

5 Year Government Portfolio – represented by Morningstar Five-Year US Treasury Notes Index

One Year Fixed Income – represented by Bank of America Merrill Lynch 1-Year US Treasury Notes Index

4. Fee and Expense Information

A. Market Indices – Investors cannot invest in a market index directly, the performance of an index does not represent any actual transactions and its performance does not reflect the deduction of any fees or expenses associated with actual investing. Market performance information is included in this Presentation solely to demonstrate the potential benefits historically associated with diversification of asset classes and does not represent or suggest results Matson Money would or may have achieved when managing client portfolios.

B. Mutual Funds – The performance history of a mutual fund includes all embedded fees, costs and expenses of the fund, such as the manager's advisory fee, brokerage commissions associated with the acquisition of portfolio securities and fund operating costs like legal and accounting fees. These fees are reflected in each fund's expense ratio and are deducted from the value of each fund share. However, commissions associated with the sale of fund shares are not included. Fund investors who also engage an investment adviser to manage their assets generally also pay a separate advisory fee to this manager.

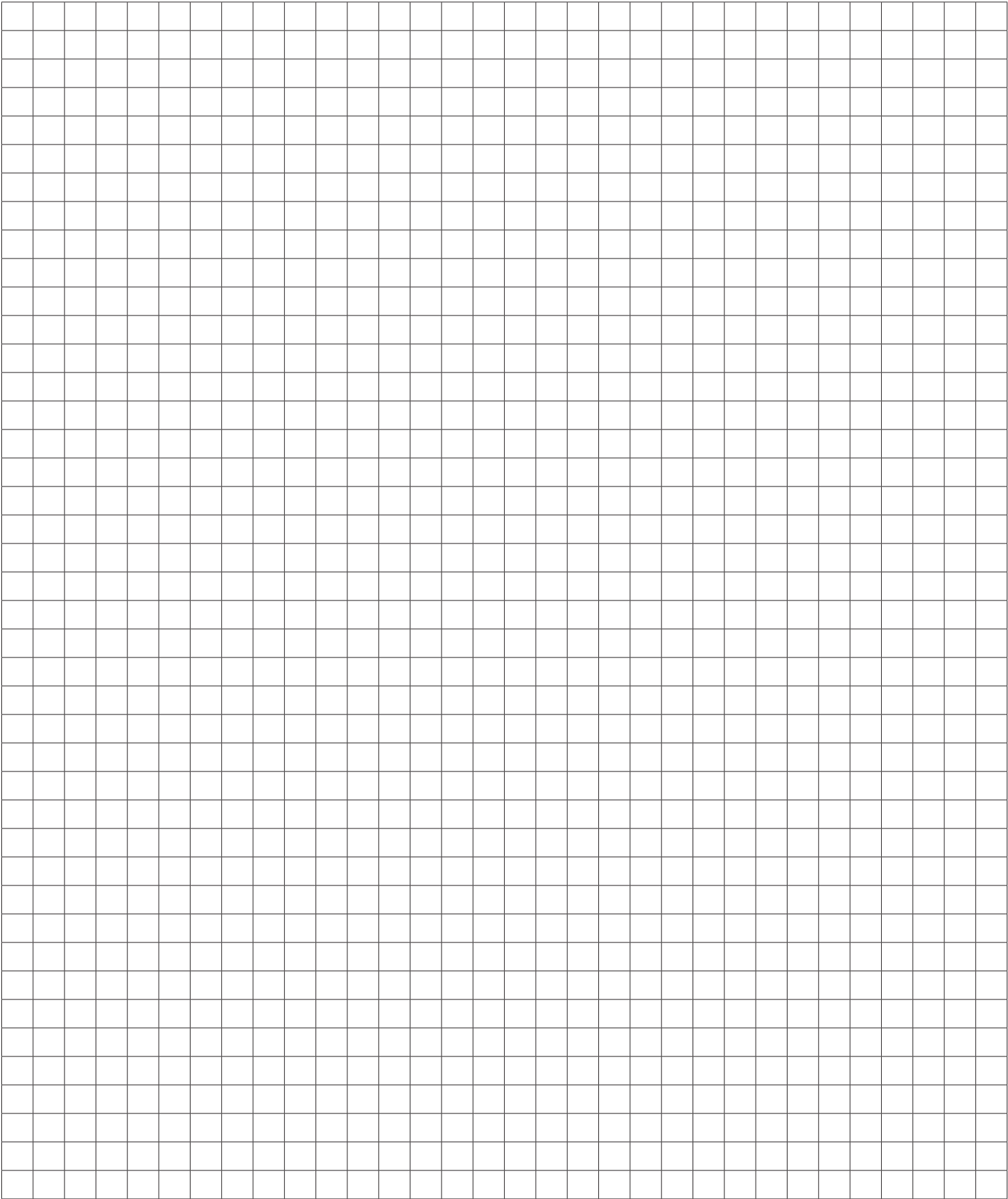
C. Matson Clients - In the case of the Matson Money mutual fund advisory program, clients generally do not pay any additional fee to Matson Money beyond the embedded advisory fee. Instead, clients generally pay a separate advisory fee to an unaffiliated adviser that serves as a co-adviser to the clients in conjunction with Matson Money's mutual fund asset allocation program. Mutual funds created and managed by Matson Money are designed as "funds-of-funds" and invest in, among other things, mutual funds managed by DFA which include DFA's management fee. In addition, clients enter into an agreement with a custodian that works with the Matson Money mutual fund platform and separately pay the custodian's fee.

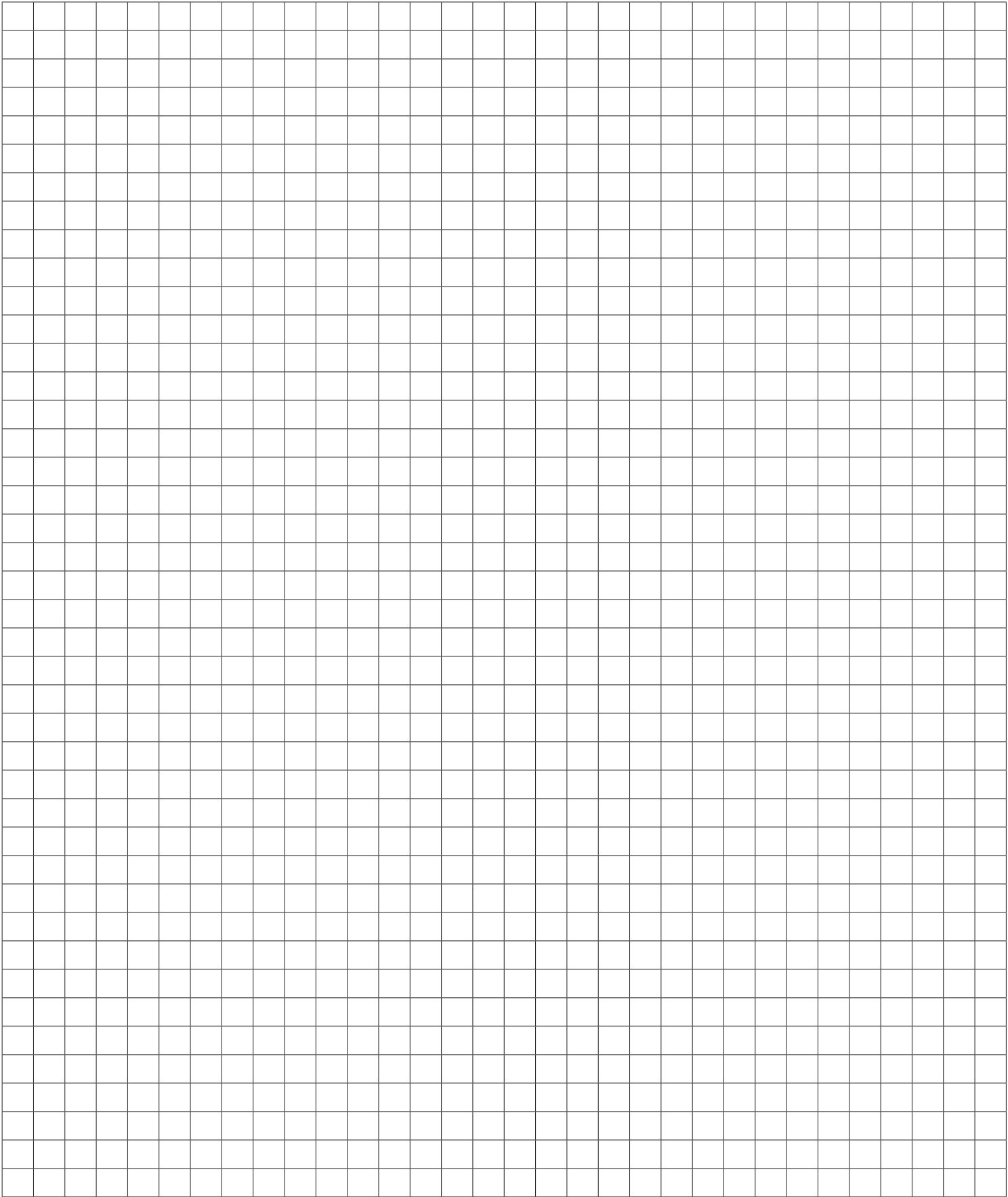
PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.

All investing involves risk and costs. Your adviser can provide you with more information about the risks and costs associated with specific programs. No investment strategy (including asset allocation and diversification strategies) can ensure peace of mind, guarantee profit, or protect against loss.

85/15, 95/5, 75/25, 40/60, 60/40, 25/75, 50/50. These results are based on the performance of 30 Day T-Bills, BofA Merrill Lynch 1-Year US Treasury Note Index Total returns in USD July 2000 - Present: BofA Merrill Lynch 1-Year US Treasury Note Index June 1991 - June 2000: ML One Year Treasury Bill Index July 1963 - May 1991: CRSP/DFA Source: BofA Merrill Lynch GC03 Index Currency: USD The Merrill Lynch Indices are used with permission; copyright 2013 Merrill Lynch, Pierce, Fenner & Smith Incorporated; all rights reserved ; the hypothetical moderate results are based on Five-Year US Treasury Notes Total returns net of all fees in USD January 1926 - Present: Five-Year US Treasury Notes Source: Morningstar Former Source: Ibbotson Intermediate Five Year Treasury Notes Currency: USD Mutual fund universe statistical data and non-Dimensional money managers' fund data provided by Morningstar, Inc., S&P 500 Index, Fama/French US Large Value Research, CRSP (Center for Research & Security Pricing) 9-10, CRSP 6-10, Fama/French US Small Value Research, EAFE Index, and Dimensional's Small International Index [1970 - June 1988 - 50% Japan, 50% United Kingdom. July 1988 - September 1989 - 50% Japan, 30% Continental, 20% United Kingdom, October 1989 - March 1990 - 40% Japan, 40% Continental, 20% United Kingdom, 10% Asia-Australia. April 1990 - December 1992 - 40% Japan, 35% Continental, 15% United Kingdom, 10% Asia-Australia. January 1993 to present - 35% Japan, 35% Continental, 15% United Kingdom, 15% Australia.], and assume the asset allocation among these indices as shown as:

	85/15	95/5	75/25	40/60	60/40	25/75	50/50
EAFE: MSCI EAFE Index (gross div.)	13.75%	15.75%	11.38%	5.00%	10.00%	2.63%	7.00%
TBILL: One-Month US Treasury Bills	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
FFSMH: Fama/French US Small Value Research Index	11.50%	12.50%	10.63%	7.00%	8.00%	4.38%	7.50%
S&P500: S&P 500 Index	7.00%	7.50%	6.37%	3.50%	5.50%	2.63%	4.50%
INTIX: Dimensional International Small Cap Index	25.00%	29.25%	21.12%	10.00%	16.00%	4.85%	13.00%
FFBGH: Fama/French US Large Value Research Index	13.75%	15.00%	12.75%	7.50%	9.50%	5.25%	9.00%
C6-10: CRSP Deciles 6-10 Index	7.00%	7.50%	6.38%	3.50%	5.50%	2.63%	4.50%
C9-10: CRSP Deciles 9-10 Index	7.00%	7.50%	6.37%	3.50%	5.50%	2.63%	4.50%
T1: BofA Merrill Lynch 1 Yr US Treasury Note Index	6.50%	1.50%	11.50%	29.00%	19.00%	36.50%	24.00%
INTBN: Five Year US Treasury Note	6.50%	1.50%	11.50%	29.00%	19.00%	36.50%	24.00%
Total	100%	100%	100%	100%	100%	100%	100%







Matson Money
5955 Deerfield Blvd
Mason, OH 45040