

# Frank & Kraft Wealth Coaching, Inc. Form ADV 2A Brochure

This brochure provides information about the qualifications and business practices of Frank & Kraft Wealth Coaching, Inc. If you have any questions about the contents of this brochure, please contact us at **(317) 684-1100** or by email at: [info@frankkraft.com](mailto:info@frankkraft.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Please note that information about investment adviser representatives is not found at the FINRA Broker Check site, because investment adviser representatives are not registered representatives with a broker-dealer. Information on investment adviser representatives is found instead at the SEC's website located at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Additional information about Frank & Kraft Wealth Coaching, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Frank & Kraft Wealth Coaching, Inc.'s CRD number is: 175328.

Registration as a Registered Investment Adviser does not imply a certain level of skill or training. A Registered Investment Adviser refers to the firm itself, not any person.

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## **Item 2: Material Changes**

The last update prior to this one was 04/16/2019.

We made some minor formatting changes such as adding our web site address on the cover page of this document and adding page numbers. In addition, we have made some other minor changes for clarification purposes.

*Please note that when you see the acronym “**F&KWC**” in this document, this is an abbreviation for our firm name Frank & Kraft Wealth Coaching, Inc.*

## **Item 4: Advisory Business**

### **A. DESCRIPTION OF THE ADVISORY FIRM**

Frank & Kraft Wealth Coaching, Inc. (hereinafter "F&KWC, Inc.") is a Corporation organized in the State of Indiana. The firm was licensed as a registered investment adviser in the State of Indiana on June 1, 2015, and the principal owners are Paul A. Kraft and Bryan L. Weiss.

### **B. TYPES OF ADVISORY SERVICES**

*Portfolio Analysis (Portfolio MRI®) Services - Matson Money, Inc.*

For prospective clients of F&KWC, Inc. who are referred to Matson Money, Inc., the investment adviser representative performs a Portfolio MRI® service; an analogy used to describe looking deeply into the holdings of a client's portfolio during analysis. F&KWC, Inc. will prepare a report for prospective clients at a flat fee between \$250.00 and \$500.00. This negotiable fee is optional and only charged to clients who request the Portfolio MRI® service.

#### *Selection of Other Advisers*

F&KWC, Inc. provides Investor Coaching and acts as a Co-Advisor in selecting a registered investment adviser to act as a money manager for clients and further assists in selection of a portfolio to match the client's investment objectives. F&KWC, Inc. also periodically reviews the money managers for continued adherence to the client's objectives.

F&KWC, Inc. recommends to clients an unaffiliated SEC registered investment adviser firm named Matson Money, Inc. - CRD # 110425 and SEC File No. 801-40176. Please refer to the Matson Money, Inc. Investment Advisory Agreement and Form ADV 2A for more information regarding Matson Money, Inc. and their money management options.

### **C. CLIENT IMPOSED RESTRICTIONS**

Each investment account is managed by Matson Money, Inc. and these clients may not impose restrictions regarding investing or holding certain positions due to potential tax liabilities or income needs.

Note: Matson Money, Inc. requires that all accounts transferred to their firm for money management have their investment positions converted to cash for these firms to implement their money management strategies.

#### **D. WRAP FEE PROGRAMS**

F&KWC, Inc., the firm, does not offer wrap fee programs nor does it offer portfolio management services.

#### **E. ASSETS UNDER MANAGEMENT**

F&KWC, Inc. acts as an Investor Coach and Co-Adviser and as a result, is not directly involved in investment trading or portfolio management decisions. F&KWC, Inc. refers all clients to the unaffiliated registered investment advisers described Item 4.B. above for those services. As a result, the amount of discretionary and non-discretionary assets that F&KWC, Inc. manages is:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$0	\$0	December 31, 2019

### **Item 5: Fees and Compensation**

#### **A. COMPENSATION METHODS**

*Portfolio Analysis (Portfolio MRI®) Services - Matson Money, Inc.*

Each prospective client referred to Matson Money, Inc. may have an optional Portfolio MRI® prepared for them for a one-time flat fee which ranges from \$250.00 to \$500.00. This optional fee is charged to all prospective clients of Matson Money, Inc. who request the Portfolio MRI® service. This optional fee is negotiable within the range of \$250.00 to \$500.00.

Clients may terminate their Portfolio MRI® fee without penalty, for full refund, within five business days of signing the Investment Advisory Contract. After five business days, no refund will be paid for the Portfolio MRI®.

*Frank & Kraft Wealth Coaching, Inc. Fee Schedule*

These fees are negotiable, and the final fee schedule will be detailed in the F&KWC, Inc. Investment Advisory Contract. Our standard fee schedule for Co-Advisor Services is below:

- The first \$1,000,000 = 0.95% annually, payable quarterly in advance
- The next \$3,000,000 = 0.80% annually, payable quarterly in advance
- The remainder over \$4,000,000 = 0.50% annually, payable quarterly in advance

Fees are paid quarterly in advance by deducting them from each client account. F&KWC, Inc. relies on Matson Money, Inc. to deduct the fees from the client's account(s) and remit the Co-Advisor fee to F&KWC, Inc.

Note: F&KWC, Inc. does not have any authority to deduct fees from any client account. The authority to deduct fees from client accounts is granted to the money management firm Matson Money, Inc. by completion of their Client Services Agreement.

#### *Selection of Other Advisers (Money Managers and Custodian) Fees*

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

Clients referred to the Matson Money, Inc.'s Matson Fund Platform will be placed with Charles Schwab & Co. Inc., hereinafter referred to as "Schwab" in most cases. Schwab may also charge other fees such as interest on margin loans, wired funds fees, checkbook fees, insufficient funds fees and other fees disclosed in the Charles Schwab & Co. Inc. Pricing Guide which is available online at [www.schwaballiance.com](http://www.schwaballiance.com) or by calling 800- 515-2157. In addition, clients in the Matson Fund Platform pay Schwab an asset-based fee of 6 basis points on the value of the assets held in the account(s).

As an alternative to Charles Schwab & Co. Inc., clients may be placed with another custodian chosen by Matson Money, Inc. which may be TIAA, TD Ameritrade, or E\*TRADE Advisor Services (formerly Trust Company of America), hereinafter referred to as "E\*TRADE." E\*TRADE also charges clients of Matson Fund Platform an asset-based fee instead of trading commissions. This asset-based fee is 10 basis points. In addition, E\*TRADE charges other fees like Schwab such as interest on margin loans, wired fund fess, checkbook fees, insufficient funds fees and other fees disclosed in the E\*TRADE Pricing Guide which is available by contacting F&KWC.

Clients referred to the Matson Money, Inc.'s Matson Fund Platform are placed into one or more mutual funds, hereinafter called "Free Market Funds," specifically one or more of the following funds:

- Free Market U. S. Equity Fund of the RBB Fund, Inc. - Ticker Symbol - FMUEX
- Free Market International Equity Fund of the RBB Fund, Inc. - Ticker Symbol - FMNEX
- Free Market Fixed Income Fund of the RBB Fund, Inc. - Ticker Symbol - FMFIX

These Free Market Funds are fund of funds which means they invest in other open end mutual funds or Exchange Traded Funds. More information regarding these mutual funds can be found in the Prospectuses, Summary Prospectuses, Annual & Semi-Annual Reports and Statements of Additional Information for each fund can be found at:

<http://hosted.rightprospectus.com/MatsonMoney>.

Since these Free Market Funds are funds of funds, they have expenses associated with them, plus the investor will also bear the cost of the other fees related to the ETF's or mutual funds that are held by these funds. These fees are charged by the Free Market Funds and are not shared with F&KWC, Inc.

Matson Money, Inc. is compensated for its Matson Fund Platform by a management fee which is currently 0.49% and is deducted from the Annual Fees and Fund Expenses of the Free Market Funds. The Annual Fees and Fund Expenses for the Free Market Funds range from 0.73% to 1.03% according to the Summary Prospectuses dated December 31, 2018. These fees are in addition to the fees charged by F&KWC, Inc. Please review the specific Free Market Fund prospectus for a detailed disclosure of all related fees.

#### *Other Fee Related Information*

Clients may terminate their accounts with written notice to our home office. F&KWC, Inc. retains the right to terminate their relationship with clients with either verbal or written notice. Upon termination by either F&KWC, Inc. or the client, the effective date of termination shall be used as the ending date for valuation of the Account. The final charge for Co-Advisor services shall cover the period from the first day of the quarter to the termination date.

Since fees are charged in advance, then, clients would receive a final bill for Co-Advisor Services that would include the actual number of days that the account or accounts under management were in the quarter. Refunds would be paid for clients who were charged in advance for any unused days in the quarter after the termination date.

Our firm does not earn any other types of fees in connection with our recommendations to you. We are not paid from 12(b)-1 fees, fund management expenses or sales commissions. Our firm only earns its fees from our clients via our Co-Advisor relationship with Matson Money, Inc.

#### **B. FEE PAYMENT METHODS**

##### *Payment of fees for the Portfolio MRI<sup>®</sup> Service*

The Portfolio MRI<sup>®</sup> fee is paid in advance via check made payable to Frank & Kraft Wealth Coaching, Inc.

##### *Payment of Selection of Other Advisers Fees*

Fees for selection of Matson Money, Inc. as a money manager are withdrawn directly from the client's accounts with client's written authorization. Fees are paid quarterly in advance based on assets under management.

### **C. OTHER FEES AND EXPENSES**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by F&KWC, Inc. Please see Item 12 of this brochure regarding broker-dealers and custodians.

### **D. FEE DEDUCTIONS AND REFUNDS**

Fees are paid quarterly in advance by deducting them from each client account. F&KWC, Inc. relies on Matson Money, Inc. to deduct the fees from the client's account(s) and remit the Co-Advisor fee to F&KWC, Inc. F&KWC, Inc. does not have any authority to deduct fees from any client account. Since fees are charged in advance, then, clients would receive a final bill for Co-Advisor Services that would include the actual number of days that the account or accounts under management were in the quarter. Refunds would be paid for clients who were charged in advance for any unused days in the quarter after the termination date.

### **E. OTHER COMPENSATION**

Neither F&KWC, Inc. nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

### **Item 6: Performance Based Fees and Side-by-Side Management**

F&KWC, Inc. does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **Item 7: Types of Clients**

F&KWC, Inc. generally provides advisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Trusts
- Estates
- Charitable Organizations
- Limited Liability companies
- Business entities that our individual clients may be affiliated with



### *Minimum Account Size*

There is no account minimum for any of F&KWC, Inc.'s services. However, Matson Money, Inc. may impose account minimums. See their disclosure documents for more information about their account minimums.

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

### **A. RISK OF LOSS**

Investing involves risk and the potential for loss of principal. The client assumes the risk of principal loss by opening an account with F&KWC, Inc. and Matson Money, Inc. F&KWC, Inc. relies on Matson Money, Inc. and their Matson Fund Platform for the recommended investment strategy for its clients.

### **B. METHODS OF ANALYSIS**

F&KWC, Inc. relies on Matson Money, Inc. and their methods of securities analysis.

### **C. TYPES OF SECURITIES RECOMMENDATIONS AND MATERIAL RISKS**

F&KWC, Inc. is a Co-Advisor with Matson Money, Inc. and relies on this firm and their long-term investment strategies that include the following:

#### *Matson Money, Inc. - Free Market Portfolio Theory™*

Free Market Portfolio Theory™ is the synthesis of three academic principles: Efficient Market Hypothesis, Modern Portfolio Theory, and The Three-Factor Model. Together these concepts form a powerful, disciplined and diversified approach to investing. The result is globally diversified portfolios including over 12,000 equities spread across forty-two countries, designed and engineered to capture market rates of return over specific time horizons.

For more information about Free Market Portfolio Theory™ please visit:

<http://www.matsonmoney.com/FreeMarketPortfolio.aspx>

### *Fund of Funds Risk*

As discussed above, the Matson Fund Platform invest in the Free Market Funds, which are funds of funds. Similarly, the Matson Money Funds are also funds of funds. A fund of fund's NAV will fluctuate due to business developments concerning an issuer or industry as well as general market and economic conditions affecting securities held by the underlying funds in which the Fund invests. Investment decisions by the investment advisers of the underlying funds are made independently of us and the Funds. Each Fund will be affected by the losses of its underlying funds and the risks involved in the investment practices of such funds. Neither we nor the Funds have any control over the risks taken by the underlying funds. Our judgment about the attractiveness or potential appreciation of an underlying fund could prove to be wrong or the Fund could miss out on an investment opportunity because the assets necessary to take advantage of such opportunity are tied up in less advantageous investments. Some underlying funds may concentrate their investments in various industries or sectors and may have the authority to invest in derivative instruments, options or futures.

### *Investments in Third Party Mutual Funds or Commingled Investment Vehicles*

Under the Matson Fund Platform, Client accounts are directly invested in certain third party mutual funds (e.g., the DFA funds). Account values will fluctuate due to business developments concerning an issuer or industry as well as general market and economic conditions affecting securities held by the underlying funds held in Client accounts.

Investment decisions by the investment advisers of the underlying funds are made independently of Matson Money. Each account will be affected by the losses of its underlying funds and the risks involved in the investment practices of such funds. We do not have any control over the risks taken by the underlying funds. Our judgment about the attractiveness or potential appreciation of an underlying fund could prove to be wrong or the Fund could miss out on an investment opportunity because the assets necessary to take advantage of such opportunity are tied up in less advantageous investments. Some underlying funds may concentrate their investments in various industries or sectors and may invest in derivative instruments, options or futures.

We encourage Clients participating in the Matson Fund Platform to review the prospectus of the Matson Funds for additional information regarding the risks of investing in the Funds. In addition, we encourage Clients in the Matson Fund Platform to review the prospectuses or offering memorandum of the DFA mutual funds or any other third party commingled investment vehicle used in their account for additional information regarding the risks of those investments.

### *Investments in Exchange Traded Funds*

ETFs are a type of Investment Company bought and sold on a securities exchange. An ETF represents a fixed portfolio of securities designed to track a market index. The risks of owning an ETF generally reflect the risks of owning the underlying securities that they are designed to track, although lack of liquidity in an ETF could result in more volatility. Underlying index-based ETFs may use derivatives, including futures contracts, options on futures contracts, forward currency contracts, options and swaps to help the ETF track its underlying index. These derivative instruments are subject to many risks including liquidity, interest rate, market, credit and management risks, and the risk of improper valuation. Changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index, and it is possible to lose more than the principal amount invested. A derivative contract will obligate or entitle an underlying investment company to deliver or receive an asset or cash payment that is based on the change in value of one or more securities, currencies or indices. Even a small investment in derivative contracts can have a big impact on an underlying investment company's stock market, currency and interest rate exposure. Therefore, using derivatives can disproportionately increase losses and reduce opportunities for gains when stock prices, currency rates or interest rates are changing. A Fund may incur brokerage fees in connection with its purchase of ETF shares. Investments in ETFs will be valued at their market price.

### *Cyber Security Risk*

The Funds and their service providers, including Matson Money, may be prone to operational and information security risks resulting from breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause a Fund to lose proprietary information, suffer data corruption, or lose operational capacity. Breaches in cyber security include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cyber-attacks. Cyber security breaches affecting a Fund or its adviser, custodian, transfer agent, intermediaries and other third-party service providers may adversely impact a Fund. For instance, cyber security breaches may interfere with the processing of shareholder transactions, impact a Fund's ability to calculate its NAVs, cause the release of private shareholder information or confidential business information, impede trading, subject a Fund to regulatory fines or financial losses and/or cause reputational damage. The Funds may also incur additional costs for cyber security risk management purposes. Similar types of cyber security risks are also present for issuers of securities in which a Fund may invest, which could result in material adverse consequences for such issuers and may cause the Fund's investment in such companies to lose value.

See below for more detail about the risks investing in the Free Market Mutual Funds. For more information about the Matson Fund Platform, please see the Matson Money, Inc. Form ADV 2B disclosure document.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

*Matson Money, Inc. - Free Market Mutual Funds*

**Summary of Primary Risks for the Free Markets International Equity Fund**

(For more specific risk information, refer to the individual Free Market Funds prospectus.)

As with all mutual funds, a shareholder is subject to the risk that his or her investment could lose money. An investment in the Fund involves the same investment risks as those of the underlying investment companies in which the Fund invests. These risks may adversely affect the Fund's net asset value ("NAV") and investment performance. The Fund is subject to the following principal risks:

- The value of foreign equity securities which the Fund's underlying investment companies may purchase or foreign stock markets on which the securities they may purchase are traded may decline in value.
- Stocks of large cap or small cap foreign companies in which the Fund's underlying investment companies may invest may temporarily fall out of favor with investors or may be more volatile than foreign stock markets or foreign stock markets as a whole.
- The smaller the capitalization of a company, generally the less liquid its stock and the more volatile its price. Companies with smaller market capitalizations also tend to have unproven track records and are more likely to fail than companies with larger market capitalizations.
- Stocks of large cap or small cap foreign companies in which the Fund's underlying investment companies may invest may suffer unexpected losses or lower than expected earnings or such securities may become difficult or impossible to sell at the time and for the price the underlying investment advisers would like.
- Because the Fund owns shares of underlying investment companies that invest in foreign issuers, the Fund is subject to risks presented by investments in such issuers. Securities of foreign issuers may be negatively affected by political events, economic conditions, or inefficient, illiquid or unregulated markets in foreign countries. Foreign issuers may be subject to inadequate regulatory or accounting standards.
- Investments in emerging market securities by underlying investment companies in which the Fund invests are subject to higher risks than those in developed market countries because there is greater uncertainty in less established markets and economics.
- Currency risk is the risk that exchange rates for currencies in which securities held by the underlying investment companies in which the Fund invests are denominated will fluctuate daily. In general, the underlying investment companies do not hedge currency risk. As a result, if currencies in which foreign holdings are

denominated depreciate against the U.S. Dollar, the value of your investment in the Fund may be adversely affected.

- The Adviser's judgment about the attractiveness or potential appreciation of an underlying investment company security could prove to be wrong or the Fund could miss out on an investment opportunity because the assets necessary to take advantage of such opportunity are tied up in less advantageous investments.
- Because under normal circumstances the Fund invests at least 80% of its net assets in shares of registered investment companies that emphasize investments in equity securities of foreign companies, the NAV of the Fund will change with changes in the share prices of the investment companies in which the Fund invests.
- There is a risk that the Fund, which is passively managed, may not perform as well as funds with more active methods of investment management, such as selecting securities based on economic, financial, and market analysis.
- The derivative instruments in which the underlying investment companies may invest are subject to several risks including liquidity, interest rate, market, credit and management risks, and the risk of improper valuation. Changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index, and it is possible to lose more than the principal amount invested.
- The performance of the Fund will depend on how successfully the investment adviser(s) to the underlying investment companies pursue their investment strategies.

#### **Summary of Primary Risks for the Free Markets U.S. Equity Fund**

(For more specific risk information, refer to the individual Free Market Funds prospectus.)

As with all mutual funds, a shareholder is subject to the risk that his or her investment could lose money. An investment in the Fund involves the same investment risks as those of the underlying investment companies in which the Fund invests. These risks may adversely affect the Fund's net asset value ("NAV") and investment performance.

The Fund is subject to the following principal risks:

- Stocks of large cap, small cap or micro-cap companies in which the Fund's underlying investment companies invest in and which the Fund invests directly may temporarily fall out of favor with investors or may be more volatile than the rest of the U.S. market as a whole.
- The smaller the capitalization of a company, generally the less liquid its stock and the more volatile its price. Companies with smaller market capitalizations also tend to have unproven track records and are more likely to fail than companies with larger market capitalizations.
- Although the Fund will invest in other investment companies that invest in equity securities believed to be undervalued, there is no guarantee that the prices of these securities will not move even lower.

- Companies in which the Fund's underlying investment companies invest may suffer unexpected losses or lower than expected earnings or their securities may become difficult or impossible to sell at the time and for the price that the underlying investment adviser(s) would like.
- The Adviser's judgment about the attractiveness or potential appreciation of an underlying investment company security could prove to be wrong or the Fund could miss out on an investment opportunity because the assets necessary to take advantage of such opportunity are tied up in less advantageous investments.
- Because under normal circumstances the Fund invests at least 80% of its net assets in shares of registered investment companies that emphasize investments in U.S. equity securities, the NAV of the Fund will change with changes in the share prices of the investment companies in which the Fund invests.
- There is a risk that large capitalization stocks may not perform as well as other asset classes or the U.S. stock market as a whole. In the past, large capitalization stocks have gone through cycles of doing better or worse than the stock market in general.
- There is a risk that the Fund, which is passively managed, may not perform as well as funds with more active methods of investment management, such as selecting securities based on economic, financial, and market analysis.
- The derivative instruments in which the underlying investment companies may invest are subject to several risks including liquidity, interest rate, market, credit and management risks, and the risk of improper valuation. Changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index, and it is possible to lose more than the principal amount invested.
- The performance of the Fund will depend on how successfully the investment adviser(s) to the underlying investment companies pursue their investment strategies.

**Summary of the Principal Risks of the Free Market Fixed Income Fund**

(For more specific risk information, refer to the individual Free Market Funds prospectus.)

As with all mutual funds, a shareholder is subject to the risk that his or her investment could lose money. An investment in the Fund involves the same investment risks as those of the underlying investment companies in which the Fund invests. These risks may adversely affect the Fund's net asset value ("NAV") and investment performance. The Fund is subject to the following principal risks:

- Fixed income securities in which the Fund's underlying investment companies may invest are subject to certain risks, including: interest rate risk, reinvestment risk, prepayment and extension risk, credit/default risk, and the risks associated with investing in repurchase agreements.
- Interest rate risk involves the risk that prices of fixed income securities will rise and fall in response to interest rate changes.

- Reinvestment risk involves the risk that proceeds from matured investments may be re-invested at lower interest rates.
- Prepayment risk involves the risk that in declining interest rates environments prepayments of principal could increase and require the Fund to reinvest proceeds of the prepayments at lower interest rates.
- Extension risk involves the risk that prepayments of principal will decrease when interest rates rise resulting in a longer effective maturity of a security.
- Credit risk involves the risk that the credit rating of a security may be lowered.
- Repurchase agreement risk involves the risk that the other party to a repurchase agreement will be unable to complete the transaction and the underlying investment company in which the Fund invests may suffer a loss as a result.
- Because the Fund owns shares of underlying investment companies that invest in foreign issuers, the Fund is subject to risks presented by investments in such issuers. Securities of foreign issuers may be negatively affected by political events, economic conditions, or inefficient, illiquid or unregulated markets in foreign countries. Foreign issuers may be subject to inadequate regulatory or accounting standards.
- Currency risk is the risk that exchange rates for currencies in which securities held by the underlying investment companies in which the Fund invests are denominated will fluctuate daily. Forward foreign currency exchange contracts may limit potential gains from a favorable change in value between the U.S. dollar and foreign currencies. Unanticipated changes in currency pricing may result in poorer overall performance for the Fund than if it had not engaged in these contracts.
- The Adviser's judgment about the attractiveness or potential appreciation of an underlying investment company security could prove to be wrong or the Fund could miss out on an investment opportunity because the assets necessary to take advantage of such opportunity are tied up in less advantageous investments.
- Because under normal circumstances the Fund invests at least 80% of its net assets in shares of registered investment companies that emphasize investments in fixed income securities, the NAV of the Fund will change with changes in the share prices of the investment companies in which the Fund invests.
- Not all obligations of U.S. government agencies and instrumentalities are backed by the full faith and credit of the U.S. Treasury. Some are backed only by the credit of the issuing agency or instrumentality. Accordingly, there may be some risk of default by the issuer in such cases. There is a risk that the Fund, which is passively managed, may not perform as well as funds with more active methods of investment management, such as selecting securities based on economic, financial, and market analysis.
- The derivative instruments in which the underlying investment companies may invest are subject to several risks including liquidity, interest rate, market, credit and management risks, and the risk of improper valuation. Changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index, and it is possible to lose more than the principal amount invested.

- The performance of the Fund will depend on how successfully the investment adviser(s) to the underlying investment companies pursue their investment strategies.
- Banks are very sensitive to changes in money market and general economic conditions. Adverse general economic conditions can cause financial difficulties for a bank's borrowers and the borrowers' failure to repay their loans can adversely affect the bank's financial situation. Banks are subject to extensive regulation and decisions by regulators may limit the loans banks make and the interest rates and fees they charge, which could reduce bank profitability.

More information about the Free Market Fund's investments and risks is contained under the section entitled "More about Each Fund's Investments and Risks" in the Free Market Fund's Prospectus.

*The Free Market Funds are Not Guaranteed or Insured*

An investment in a Free Market Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

We encourage Clients participating in the Matson Fund Platform to review the prospectuses of the Matson Funds for additional information regarding the risks of investing in the Funds.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

**Item 9: Disciplinary Information**

There are no legal or disciplinary actions to report.

**Item 10: Other Financial Industry Activities and Affiliations**

**A. BROKERAGE FIRM AFFILIATIONS**

Neither F&KWC, Inc. nor its investment adviser representatives are registered as, or have pending applications to become, a broker/dealer or a registered representative of a broker/dealer.

**B. FUTURES OR COMMODITIES FIRM AFFILIATIONS**

Neither F&KWC, Inc. nor its investment adviser representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor.



### **C. RELATED PERSONS AND CONFLICTS OF INTEREST**

Paul A. Kraft and Bryan L. Weiss are co-owners and co-supervisors of Frank & Kraft Wealth Coaching, Inc.

#### **Paul A. Kraft**

Paul A. Kraft is a lawyer and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. F&KWC, Inc. strives to always act in the best interest of the client and clients are in no way required to utilize the services of any investment adviser representative of F&KWC, Inc. in connection with such individual's activities outside of F&KWC, Inc.

Paul A. Kraft is an independent licensed insurance agent, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. F&KWC, Inc. strives to always act in the best interest of the client; including with the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any investment adviser representative of F&KWC, Inc. in connection with such individual's activities outside of F&KWC, Inc.

Paul A. Kraft spends a significant amount of time (more than 60%) working with Frank & Kraft, A Professional Corporation, Attorneys-at-Law and a lesser amount of time (less than 40%) working with Frank & Kraft Wealth Coaching, Inc.

#### **Bryan L. Weiss, AIF®**

Bryan L. Weiss also owns Marian Financial Partners, Inc. (MFP) a Registered Investment Advisor firm located in Greenwood, Indiana. MFP is not affiliated with Frank & Kraft Wealth Coaching, Inc. or any broker-dealer nor is it affiliated with any commodities firm or commodities exchange. The principal officer of Marian Financial Partners, Inc., Bryan L. Weiss, AIF®, may recommend to clients that they seek the services of a bank, a credit union, an accountant, an attorney, an insurance agency, a pension consultant or a real estate broker. Mr. Weiss may have established business relationships with individuals in these institutions or business professionals. This may constitute a conflict of interest if Mr. Weiss refers you to one of these financial institutions or business professionals. Comparable services may be obtained at other financial institutions or business professionals.

Bryan L Weiss is a licensed insurance agent with Asset Preservation Alliance, Inc., and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a

conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. F&KWC, Inc. strives to always act in the best interest of the client; including with the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any investment adviser representative of F&KWC, Inc. in connection with such individual's activities outside of F&KWC, Inc.

Mr. Weiss spends an insignificant amount of time (less than 2%) working for Asset Preservation Alliance, Inc. and a significant amount of time (more than 98%) working for Marian Financial Partners, Inc. and Frank & Kraft Wealth Coaching, Inc.

Detailed information regarding Paul A. Kraft and Bryan L. Weiss is available on their Form ADV Part 2B Brochure Supplements.

#### **D. RECOMMENDATION OF OTHER REGISTERED INVESTMENT ADVISERS**

F&KWC, Inc. will refer clients to Matson Money, Inc., who is an unaffiliated registered investment adviser firm, offering money management services. Matson Money, Inc. only offer money management services through registered investment adviser firms such as F&KWC, Inc.

F&KWC, Inc. is a Co-Adviser with Matson Money, Inc. and earns Co-Advisor fees. Fees for F&KWC, Inc.'s Co-Adviser activities are deducted from client accounts by Matson Money, Inc. and are forwarded to F&KWC, Inc. as payment for its Co-Adviser services.

Each client receives a Co-Adviser Disclosure Statement detailing the fee arrangement between F&KWC, Inc. and Matson Money, Inc. This Co-Adviser Disclosure Statement is initial and signed by the client(s) as part of the Matson Money, Inc. Investment Management Agreement.

F&KWC, Inc. is a fiduciary and as such strives to act in the best interests of the client.

Please see item 5 of this disclosure for a breakdown of F&KWC, Inc. Co-Advisor fees.

### **Item 11: Code of Ethics, Participation in Client Transactions and Personal Trading**

#### **A. CODE OF ETHICS**

F&KWC, Inc. has a written Code of Ethics that is available upon request to any client or prospective client.

#### **B. RELATED PERSON RECOMMENDATIONS TO BUY OR SELL**

F&KWC, Inc. does not recommend that clients buy or sell any security in which a related person to F&KWC, Inc. or F&KWC, Inc. has a material financial interest.

### **C. RELATED PERSON INVESTING IN THE SAME SECURITIES AS A CLIENT**

F&KWC, Inc. may invest in the same securities offered to clients by Matson Money, Inc.

F&KWC, Inc. receives no special deals or arrangements different from what clients receive from Matson Money, Inc. as it pertains to securities purchased.

### **D. TIMING OF TRADES**

From time to time, representatives of F&KWC, Inc. may buy or sell securities for themselves that they also recommend to clients. If we place a trade for our own account, it is usually done without the knowledge of what Matson Money, Inc. may or may not be trading for clients at the same time. Because of this fact, we hope to remove any kind of favoritism for the personal trading of Mr. Kraft, Mr. Weiss or their family members as opposed to our clients.

## **Item 12: Brokerage Practices**

### **A. FOR MATSON MONEY, INC. REFERRED CLIENTS**

F&KWC, Inc. recommends Matson Money, Inc. as a money manager, which in turn will require clients to use Schwab Institutional, a division of Charles Schwab & Co., Inc. or Trust Company of America.

For F&KWC, Inc. client accounts referred to Matson Money, Inc. and maintained in their custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Advisor Services also makes available to F&KWC, Inc. other products and services that benefit F&KWC, Inc. but may not directly benefit its clients' accounts.

Many of these products and services may be used to service all or some substantial number of F&KWC, Inc.'s accounts, including accounts not maintained at Schwab. Schwab's products and services that assist F&KWC, Inc. and Matson Money, Inc. in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help F&KWC, Inc. and Matson Money, Inc. manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to F&KWC, Inc. and Matson Money, Inc. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to F&KWC, Inc. and Matson Money, Inc. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of F&KWC, Inc. or Matson Money, Inc. personnel. In evaluating whether to recommend or require that a client custody their assets at Schwab, F&KWC, Inc. may consider the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

F&KWC, Inc. does not receive research or other products in connection with client securities transactions.

Also, in limited circumstances, Matson Money, Inc. may request company retirement plan clients to utilize the services of TD Ameritrade for their company retirement plans.

Further, MFP may request clients to place their accounts with Trust Company of America as an alternative to Charles Schwab & Co., Inc.

#### 1. Research and Other Soft-Dollar Benefits

F&KWC, Inc. does not trade client's accounts and therefore receives no research, product, or services from a broker-dealer or custodian ("soft dollar benefits").

#### 2. Brokerage for Client Referrals

F&KWC, Inc. receives no referrals from a broker-dealer or custodian in exchange for using that broker-dealer or custodian.

#### 3. Directed Brokerage

F&KWC, Inc. relies on the brokerage recommendations of Matson Money, Inc. as to which broker/dealer or custodian to use for each client.

F&KWC, Inc. does not trade clients' accounts and therefore does not have the ability to make any block trade purchases across multiple client accounts.

## **Item 13: Review of Accounts**

### **A. CLIENT REVIEWS**

Our firm relies on the portfolio management expertise of Matson Money, Inc. regarding reviewing client accounts. Matson Money, Inc. will review accounts and make changes as they deem warranted. More details about how accounts are reviewed can be found in their respective Form ADV 2A disclosure documents which is provided to clients of our firm upon account opening.

F&KWC, Inc. and its principals and investment adviser representatives are Co-Advisors with Matson Money, Inc. and independently monitors the deposits and withdrawals of client accounts by the internal web sites provided by Matson Money, Inc.

### **B. NON-PERIODIC CLIENT REVIEWS**

Client accounts are reviewed by Paul A. Kraft and Bryan L. Weiss, AIF® and its investment adviser representatives in preparation for and during client meetings.

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. FREQUENCY OF CLIENT REPORTS**

Clients will receive at least a quarterly statement of account from the custodian. If there is enough activity to warrant a monthly statement, then the custodian may also provide a monthly statement to the client.

In addition, the client will receive a quarterly account statement from Matson Money, Inc. Other reports to assist at tax time and to review accounts are available as needed and upon request.

We recommend that clients compare the statement from the custodian and the one from Matson Money, Inc. to verify their accuracy. Clients are advised to report any perceived discrepancies to our firm immediately.

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

### **A. ECONOMIC BENEFITS FOR CLIENT REFERRALS**

F&KWC, Inc. does not receive any compensation from any source for travel and lodging related to attending any training events. F&KWC, Inc. may receive meals including

refreshments and special entertainment such as musical guests while attending training events sponsored by Matson Money, Inc.

**B. COMPENSATION FOR CLIENT REFERRALS**

F&KWC, Inc. does not directly or indirectly compensate any person who is not an investment adviser representative for client referrals.

**Item 15: Custody**

F&KWC, Inc. does not take custody of client accounts at any time nor choose custodians. Client accounts are generally held at the custodian choices of Matson Money, Inc. Please refer to the Form ADV 2A disclosure documents for these firms for more information.

**Item 16: Investment Discretion**

F&KWC, Inc. does not have discretion over client accounts at any time. F&KWC, Inc. is a non-discretionary investment manager, because we refer all clients to Matson Money, Inc. for money management services. You are granting investment discretion to these firms by opening an account(s) and completing their paperwork and the paperwork of their custodian.

**Item 17: Voting Client Securities**

**A. VOTING POLICIES**

F&KWC, Inc. will not ask for, nor accept voting authority for client securities. Since we refer all of our clients to Matson Money, Inc., then this means that their policies and procedures on voting client securities are relevant to our clients. For full details of Matson Money, Inc.'s policies and procedures on voting client securities, please see their respective Form ADV 2A disclosure document.

**B. NO VOTING AUTHORITY**

F&KWC, Inc. does not have authority nor vote client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security or custodian.

**Item 18: Financial Information**

**A. BALANCE SHEET REQUIREMENT**

F&KWC, Inc. neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

**B. FINANCIAL CONDITION**

This is not applicable to F&KWC, Inc. since we do not have custody of client accounts and we are non-discretionary managers.

**C. BANKRUPTCY**

Neither F&KWC, Inc. nor its principals have been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements for State-Registered Advisers

**A. MANAGEMENT PERSONS**

The education and business backgrounds of F&KWC, Inc.'s current management persons, Paul A. Kraft and Bryan L. Weiss, can be found on the Form ADV Part 2B brochure supplements for those individuals.

**B. OTHER BUSINESS ACTIVITIES**

Other business activities for each principal or investment adviser representative can be found on the Form ADV Part 2B brochure supplement for each such individual.

**C. PERFORMANCE-BASED FEES**

F&KWC, Inc. does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

**D. LEGAL OR DISCIPLINARY EVENTS**

There are no legal or disciplinary proceedings to report related to the principals for this firm.

**E. ISSUER RELATIONSHIPS**

There are no material relationships that the principals have with the issuers of any securities.