

## **FIRM BROCHURE**

**Matrix 360 Advisor, LLC**  
419 Lafayette Street  
New York, New York 10003  
816.787.0718 Office  
816.553.7940 Fax

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### **Brochure/Form ADV Part 2A**

This brochure provides information about the qualifications and business practices of Matrix 360 Advisor, LLC (“M3Sixty”). If you have any questions about the contents of this brochure, please contact your investment relationship manager or our corporate operator at 800.944.8876. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. We are a registered investment adviser with the SEC. This registration does not imply any level of skill or training.

Additional information about M3Sixty is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number, which is assigned to our firm. The CRD number for the M3Sixty is 155351.

No information contained herein should be construed as a solicitation or offer, or recommendation, to buy any security, or as an offer to provide advisory services. Any offering or potential transaction that may be related to information in this brochure will be made pursuant to separate and distinct documentation.

## Item 2. **Material Changes**

On July 28, 2010, the SEC published “Amendments to Form ADV,” which amends the disclosure document that we provide to clients as required by SEC Rules. This brochure, dated September 17, 2014, is a new document prepared according to the new SEC requirements. As such, this document is materially different in structure and requires certain new information that our previous disclosure document did not require.

Our current Form ADV Part 2 will be available to existing and prospective clients 24 hours a day through the Investment Adviser Public Disclosure website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Additionally, we will annually and within 120 days of the end of our fiscal year provide you either: (i) a copy of our Form ADV Part 2 that includes or is accompanied by a summary of material changes; or (ii) a summary of material changes that includes an offer to provide a copy of the current Form ADV Part 2.

In the future, this Item will discuss only specific material changes that are made to the brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure. We urge you to carefully review all subsequent summaries of material changes, as they will contain important information about any significant changes to our advisory services, fees, business practices, and conflicts of interest, disciplinary and other information. If you have any questions about the contents of this brochure, please contact your investment relationship manager or our corporate operator at 800.944.8876.

This brochure has been updated to report a change in the current address of the firm which is 419 Lafayette Street, New York, New York 10003. This is the same address of our advisory affiliate, Matrix Capital Group, Inc. which is also registered as a broker-dealer. Certain recordkeeping and support activities for these entities is also performed at our Kansas City, Missouri location.

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A note about the format of this brochure: The SEC requires us to organize this disclosure document according to specific categories, some of which do not pertain to our business. In such cases, we simply list the required category and state that it does not apply.

#### **Item 4. Advisory Business**

Matrix 360 Advisor, LLC (“M3Sixty”) has been in business as a registered investment adviser with the SEC since June 7, 2011. M3Sixty will provide investment advisory services directly to individuals and institutions (commonly referred to as separately managed or individually managed accounts). Such advisory services as to investing in securities may be in the form of discretionary or non-discretionary advice depending on the requirements or needs of the client. Prior to engaging the Firm to provide investment advisory services, all clients are required to enter into one or more written agreements with M3Sixty setting forth the terms and conditions under which the Firm renders its services (collectively the “Agreement”). Depending on the opportunity, M3Sixty may also provide, either directly or through advisory and sub-advisory arrangements, investment strategies in equity and fixed income securities for mutual fund, unit trusts and business development companies. Our investment advisory services can be customized for clients to meet their respective investment mandates and any additional restrictions or investment limitations (e.g., no alcohol related securities, no trading in derivatives, no acquiring specific securities, etc.).

As of the date of this brochure, M3Sixty does not currently provide discretionary or non-discretionary advisory services to separately managed accounts and is in the process of working with individual financial professionals and consultants who have extensive experience to provide individual investment management services.

#### **Item 5. Fees and Compensation**

##### ***Investment Management Fee***

M3Sixty provides investment management services for an annual fee based upon a percentage of the market value of the clients’ assets being managed by the Firm. The annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. M3Sixty does not, however, receive any portion of these commissions, fees, and costs. M3Sixty does not require the prepayment of fees. The annual rate is established in the client’s written advisory agreement and typically applies to the sum of all cash and fair market value (including accrued interest) of the securities in the account on the last day of the preceding quarter. The annual fee for all clients varies (between 0.35% and 1.00%) depending upon the market value of the assets under management and scope of services provided.

M3Sixty, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.).

##### ***Fees Charged by Financial Institutions***

As further discussed in response to Item 12 (below), M3Sixty generally recommends that clients utilize the brokerage and clearing services of an independent broker-dealer for investment management accounts. The Firm may only implement its investment management recommendations after the client has arranged for and furnished M3Sixty with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to any broker-dealers recommended by the Firm, broker-dealers directed by the client, trust companies, banks, etc. (Collectively referred to herein as the “Financial Institutions”).

Clients may incur certain charges imposed by the Financial Institutions and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees, and commissions are exclusive of and in addition to M3Sixty's fee.

The Firm's Agreement and the separate agreement with any Financial Institution may authorize M3Sixty to debit the client's account for the amount of the Firm's fee and to directly remit that management fee to M3Sixty. Any Financial Institutions recommended by the Firm have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to the Firm. Certain clients may elect to have M3Sixty send an invoice for payment.

#### ***Fees for Management During Partial Quarters***

For the initial period of investment management services, the fees are calculated on a pro rata basis.

The Agreement between M3Sixty and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. M3Sixty's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to the Firm's right to terminate an account. If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets may be adjusted or prorated based on the number of days remaining in the quarter. Institutional clients may impose different requirements on the end-client. Additions may be in cash or securities provided that M3Sixty Advisors reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to M3Sixty, subject to the usual and customary securities settlement procedures. However, M3Sixty designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. M3Sixty may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

#### ***Registered Investment Company***

To the extent that M3Sixty provides investment management services to a mutual fund, its services and fees will be described in the respective Fund's prospectus and statement of additional information.

#### ***Other Fee Information***

As provided later, the Firm and its supervised persons do not accept direct compensation for the sale of securities or other investment products distributed or offered by its affiliated broker-dealers (Matrix Capital Group, Inc. and Matrix 360 Distributor, LLC).

These brokers do not underwrite or participate in underwriting syndicates; execute brokerage transactions; or solicit and provide individual brokerage services to M3Sixty's clients.

## **Item 6. Performance-Based Fees and Side-By-Side Management**

M3Sixty does not accept arrangements that provide incentive-based compensation or performance-based fees. Clients should understand that performance arrangements pose a variety of conflicts because the adviser can potentially receive greater fees from its accounts that have a performance-based compensation structure than from those accounts it charges a fee unrelated to performance (e.g., an asset-based fee). As a result, the investment adviser may have an incentive to direct the best investment ideas to, allocate to or sequence trades in favor of the account that pays a performance fee.

There may be situations in which our portfolio managers manage an account that does not have a performance fee; however, it may have a competing or similar strategy to that of other accounts. This may create an incentive and in turn a conflict of interest to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. As a fiduciary, M3Sixty will make every effort to select investments and allocate trades consistent with the respective client's strategy and objectives and on a basis so as to neither favor nor disadvantage an account where there are competing interests.

## **Item 7. Types of Clients**

M3Sixty offers investment management services to individuals, high net worth individuals, trusts, estates, charitable organizations, investment companies, pension plans, corporations or other clients. These accounts will be managed on an individual basis pursuant to a written Agreement.

The minimum amount for opening an individually managed account is \$1,000,000. Exceptions may be made to the minimum requirement based upon the circumstances and requirements of the client. M3Sixty may act as an investment adviser or sub-adviser to certain bank-maintained personal trust accounts; however, it will not serve as a trustee for such accounts.

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

M3Sixty does not currently provide direct portfolio management or take custody of client's assets. However, the Firm monitors portfolio managers and sub-advisers that have entered into strategic relationships with M3Sixty to provide support and assistance in managing separate advisory accounts. Various strategies, information and levels of risk are monitored accordingly.

In analyzing and reviewing the services provided to clients, M3Sixty utilizes a broad spectrum of information, including financial publications, regulatory filings, annual reports, prospectuses and offering documents, company press releases, Bloomberg and other services. Certain strategies may impose more risk than others. Accordingly, M3Sixty will work with the portfolio managers and sub-advisors to ensure that the level of reporting and oversight is appropriate given the investment mandate and goals of the client.

## ***RISKS***

Investment in securities including but not limited to equities, ETFs, bonds and municipal

securities involves the possible risk of loss which clients should be prepared to bear. Clients should understand that our past performance is no guarantee of future results. Certain market and economic risks exist, particularly in a volatile market, which may adversely affect an account's performance that could result in capital losses in that client's account.

The following is a description of the principal risks of the portfolios, which may adversely affect a client's total return. There are other circumstances (including additional risks not described herein) that could prevent your portfolio from achieving its objective.

***Stock Market Risk*** – The value of equity securities and bonds in the portfolios will fluctuate. As a result, the value of the portfolios may decline suddenly or over a period of time.

***Managed Portfolio Risk*** – The investment strategies or choice of specific securities may be unsuccessful and may cause the portfolio to incur losses.

***Industry Risk*** - Investments could be concentrated within one industry or group of industries. Any factors detrimental to the performance of such industries will disproportionately impact performance. Investments focused in a particular industry are subject to greater risk and are more greatly impacted by market volatility than less concentrated investments.

***Interest Rate Risk*** - The risk that fixed income securities will decline in value because of changes in interest rates. Generally, the value of debt securities falls as interest rates rise. Specific fixed income securities differ in their sensitivities to changes in interest rates depending on their particular characteristics. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Duration is determined by a number of factors including coupon rate, whether the coupon is fixed or floating, time to maturity, call or put features, and various repayment features.

***Credit Risk*** - The inability or perceived inability of the issuer to make interest and principal payments will cause the value of its securities to decrease, and cause a loss is a credit risk. If an issuer's financial health deteriorates, it may result in a reduction of the credit rating of the issuer's securities and may lead to the issuer's inability to honor its obligations, including making timely payment of interest and principal. Although a downgrade of a bond's credit ratings may not affect its price, a decline in credit quality may make bonds less attractive, thereby increasing the yield on the bond and driving down the price. Declines in credit quality can result in bankruptcy for the issuer and permanent loss of investment.

Rating agencies are private services that provide ratings of the credit quality of fixed income securities. Ratings assigned by a rating agency are not absolute standards of credit quality and do not evaluate market risks. Rating agencies may fail to make timely changes in credit ratings and an issuer's current financial condition may be better or worse than a rating indicates. Further, rating agencies may also lose credibility or end coverage of a previously-rated security. M3Sixty does not rely solely on credit ratings, and develops its own analysis of issuer credit quality. M3Sixty may purchase unrated securities if it determines that the security is of comparable quality to a rated security. Unrated securities may be less liquid than comparable rated securities and involve the risk that M3Sixty may not accurately evaluate the security's comparative credit rating.

***Liquidity Risk*** – A liquidity risk exists when particular investments are difficult to purchase or sell. During periods of market turbulence or low trading activity, in order to meet client withdrawals it may be necessary for M3Sixty to sell securities at prices that are less advantageous. Additionally, the market for certain investments may become illiquid independent

of any specific adverse changes in the conditions of a particular issuer. Smaller portfolios may have increased exposure to liquidity risk.

***Inflation*** – Most fixed income securities will sustain losses if inflation increases or the market anticipates increases in inflation. If we enter a period of moderate or heavy inflation, the value of your fixed income portfolio could go down.

## **Item 9. Disciplinary Information**

There are no material legal or disciplinary events involving M3Sixty or any of its management team that should affect its advisory business or the integrity of its management.

On December 31, 2013, FINRA closed its investigation of Matrix Capital Group, Inc. with respect to a sales related matter which dates back to 2011. This matter had no impact on M3Sixty's advisory business or Matrix 360 Administration, LLC in working and servicing mutual fund clients and customers. This matter was isolated to the supervision of one broker at our affiliated broker dealer, Matrix Capital Group, Inc. According to the Acceptance, Waiver & Consents ("AWC"), FINRA fined MCG \$30,000 and Chris Anci \$20,000 for his failure to supervise in overseeing exchanges in the sale of variable annuities by a single representative. Mr. Anci was also suspended from acting in any principal capacity from February 3, 2014 through March 2, 2014. More information about the AWC can be found through the BrokerCheck function on FINRA's web site at [www.finra.org](http://www.finra.org).

## **Item 10. Other Financial Industry Activities and Affiliations**

Matrix 360 Holding, LLC is the holding company for Matrix 360 Advisor, Matrix 360 Administration, LLC and Matrix 360 Distributor, LLC, which are managed from its principal location at 4520 Main Street, Suite 1425, Kansas City, Missouri 64111. Matrix 360 Administration, LLC is a registered transfer agent (TA File No. 84-6409) that provides mutual fund accounting, administration, and transfer agent services for the 360 Funds, Capital Management Investment Trust, AMIDEX and Monteagle family of funds. Matrix 360 Distributors is newly registered broker-dealer.

Matrix 360 Holding, LLC also owns Matrix Capital Group, Inc. which is registered as a broker-dealer (SEC File Number 8-46398) and registered investment adviser (SEC File Number 801-61224). Matrix Capital Group, Inc.'s serves as the principal underwriter for the American Independence Funds as well as the other funds mentioned above. The principal business location of Matrix Capital Group, Inc. is 419 Lafayette Street, New York, New York 10003.

### ***Conflicts of Interest***

The advisory, administrative, distribution, and other services provided are dependent on various interrelationships among M3Sixty and its related entities, as well as other unaffiliated vendors and organizations. Consequently, there may exist certain potential or actual conflicts of interests within these relationships, which may not be readily apparent to an investor. M3Sixty in providing advisory services may provide services that are the same as, or differ from, or contrary to in terms of investment objectives or strategies provided to other advisory and fund clients. This may result in a client or fund holding investments in the same security or securities on either side of the capital structure of an issuer. In turn, this may pose conflicting interests or competing priorities arising in managing accounts, which engage in, and compete for, the same types of securities or other investments or invest in securities of the same issuers that have different, and possibly conflicting, characteristics.



The trading and other investment activities related to such accounts or funds may be carried out separately without regard to the other account(s). As a result, the value of securities held by an advisory client or fund may be affected and will differ in terms of performance. Clients may experience losses during periods in which other accounts advised by M3Sixty achieve gains. M3Sixty has adopted policies and procedures designed to address potential conflicts of interest and competing priorities; however, such policies and procedures may also tend to limit the investment activities and affect its performance of other accounts. Additionally, the Firm has adopted written policies to prohibit its employees from trading on inside or proprietary information obtained from the investment management, oversight and support of clients.

M3Sixty and its related entities do not offer or underwrite private placements, hedge funds or limited partnerships. To do so, would represent a significant change in the business platform for M3Sixty and pose additional conflicts of interest that would need to be addressed. Finally, neither M3Sixty nor its related entities recommend or select other investment advisers for compensation.

### **Item 11. Code of Ethics, Participation or Interest in Client Transaction and Personal Trading**

Employees of M3Sixty may purchase or sell securities that are also recommended for purchase or sale by the Firm for its client accounts and funds. To minimize any potential conflict of interest and ensure that our employees are acting in the best interest of clients, M3Sixty has adopted a Code of Ethics (“Code”) governing the personal securities trading and conduct of employees. The Code contains various disclosure, reporting, and approval requirements covering an employee’s personal securities transactions in reportable securities. Employees who have a securities brokerage account are required to arrange for their broker-dealer to provide duplicate confirmations and statements for all reportable securities to Compliance. All employees are prohibited from participating in initial public offerings (“IPOs”) and must obtain approval from Compliance before purchasing any privately offered securities. In addition to transactions in IPOs and private placements, employees who are privy to the investment and trading decisions for client accounts must obtain prior approval from Compliance before they can buy or sell a reportable security.

The Code also sets forth general standards of conduct and practices to be followed by all employees in working with shareholders, clients and broker-dealers to minimize conflicts of interest, including the prohibition of misusing material non-public information and restrictions on gifts to or from broker-dealers and financial advisers. You may obtain a copy of M3Sixty’s Code of Ethics in its entirety by contacting Compliance at the address noted in this brochure.

### **Item 12. Brokerage Practices**

M3Sixty will generally have the authority and discretion to determine which type and amount of securities are to be bought and sold, as well as the choice of which broker/dealer will execute the trade. In making investment and trade allocation decisions, M3Sixty is fully aware of its fiduciary obligation to act in the best interests of the funds and accounts when making decisions relative to opportunities, including those on both sides of an issuer’s capital structure.

In general, the primary consideration in effecting equity and debt transactions is seeking to obtain the most favorable price and efficient execution under the prevailing circumstances. The best net price, after giving effect to markups or brokerage commissions and other transaction costs, is

normally an important factor in this decision, but a number of other judgmental factors may also enter into the decision.

Such other factors include, but are not limited to, the reliability, integrity, and financial condition of the firm; the firm's knowledge and difficulty of the security being traded; the size of the transaction; the desired timing of the trade; the activity existing and expected in the market, especially local or regional markets, of the particular security; confidentiality; and the execution, settlement and clearance capabilities of the broker or dealer selected. Recognizing the value of these factors, M3Sixty may pay a brokerage commission or markup in excess of that which another broker might have charged for effecting the same transaction.

In allocating fixed income trades, M3Sixty will generally deal directly with the selling or purchasing principal or market maker. Such transactions will normally be executed on a principal basis at net prices and include a spread between the bid and asked prices. M3Sixty may also acquire fixed income securities from underwriters that include a commission or concession paid by the issuer to the underwriter. Where feasible, M3Sixty may acquire fixed income securities from an issuer, municipality or issuing authority in the form of a direct purchase or private placement. This allows the issuer to avoid certain underwriting and issuance costs, which, in turn, may provide an opportunity for a higher yield.

M3Sixty normally executes equity transactions on an agency basis in which the broker-dealers is paid a commission. Transactions may also be executed on a principal or net basis in which the broker-dealer is selling or purchasing the security for its own account. Again, the underlying objective is to seek obtain the most favorable overall price and efficient execution under the circumstances.

Where M3Sixty has the opportunity, it may invest in new issues of fixed income securities or initial public offerings. The Firm will attempt to allocate such transactions among client accounts in a reasonable and equitable manner. Factors considered to determine an allocation among participating client accounts may include, but are not limited to, the amount of the new issuance or initial public offering to be received; the account's respective size; the amount of securities proposed to be purchased or sold in the account; diversification within the respective accounts; the investment objective of the account; liquidity and cash available for investment in each account.

### ***Research and Other Soft Dollar Benefits***

M3Sixty pays directly for research and information that support the development, implementation and review of its investment decision process. As a matter of policy and practice, M3Sixty does not receive soft-dollar benefits or pay for research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.<sup>1</sup> The Firm will receive information through direct contact and in interacting with individuals that is considered supplemental and not subject to a soft dollar arrangement such as quotations on portfolio securities and other information on particular issuers and industries, as well as on market, economic, or institutional activities. Such supplemental information is normally provided without charge and carries no obligation for M3Sixty to direct brokerage transactions to a broker-dealer or third party.

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<sup>1</sup> Consistent with Section 28(e) under the Securities and Exchange Act of 1934, investment advisers may allocate transactions to broker-dealers and pay a higher commission on an agency trade to receive brokerage and research services.

### ***Brokerage for Client Referrals***

M3Sixty does not consider the receipt of client referrals from broker-dealers or third parties as a factor in the selection of a broker or allocation of trades on behalf of our clients.

### ***Directed Brokerage***

M3Sixty does not recommend, request, or require that a client direct its transactions to be executed through a specified broker-dealer. Clients for whom M3Sixty manages separate accounts may have chosen to enter into an arrangement with a specific broker-dealer to direct a portion of commissions/spreads from their accounts for research and services pertaining specifically to their accounts. As with all directed brokerage transactions, M3Sixty may not be able to freely negotiate spreads or select brokers on the basis of best price and execution for such transactions. In addition, transactions directed in this manner may result in clients foregoing any benefit from savings on execution costs that M3Sixty may obtain for its other clients through, for example, negotiating volume discounts on aggregated or combined orders. As a result, such clients may have to pay higher spreads or receive less favorable prices than would be the case if M3Sixty were authorized to choose the broker through which to execute transactions for the client's account.

A client who designates the use of a particular broker/dealer should consider whether, under that designation, spreads or commission equivalents, execution, clearance and settlement capabilities will be comparable to those otherwise obtainable by M3Sixty. A client who designates use of a particular broker-dealer should understand that it may lose the possible advantage which non-designating clients derive from the aggregation of orders for several clients as a single transaction for the purchase or sale of a particular security.

Unless otherwise requested, M3Sixty will aggregate or combine trades in the same security into a single order in which all participating accounts will receive the same average price per share for the transacted security. If an aggregated order is not completely filled on a particular day, any further trading of the security will continue to be allocated on a pro rata basis across participating accounts. The price to a particular account participating in an aggregated trade could be higher or lower than the actual price otherwise obtained in the absence of participating in a combined trade. The transaction costs incurred in the combined transaction will be shared pro rata based on the extent of each account's participation in the transaction.

Consistent with the applicable regulatory requirements and as authorized by the client, M3Sixty may engage in cross or interaccount transactions among client accounts to seek reduced trading costs and efficiencies in the simultaneous purchase and sale of the same security. The Firm will provide the details of such transactions as part of its quarterly report to clients.

### **Item 13. Review of Accounts**

M3Sixty conducts formal peer reviews of accounts at least annually. These peer reviews include the participation of portfolio management, compliance and client servicing in an effort to ensure portfolios are being managed within the guidelines and investment objectives established.

Clients also receive, at a minimum, a quarterly status report, which is generally either accessible online or mailed to the client. Depending on the information the client requests, these reports may include:

- A description of the assets held,

- The quality and market value for each position,
- The account's market value,
- A transaction history,
- Interest and expense items, and
- Fee calculations.

In addition to the above, M3Sixty will work with its advisory clients to provide additional information necessary to the management of an account.

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

M3Sixty may enter into consulting or strategic agreements where it provides cash compensation to people (solicitors) who refer clients to the Firm, but are not clients themselves. In these circumstances, we will agree to pay a third party a referral fee equal to a percentage of the management fee received by us from the referred client. The referral fee may be split between third parties who have jointly referred a client to us. M3Sixty will provide disclosure of such referral agreement, if any, to clients before entering into an advisory agreement. Referral agreements are governed by, and require that the solicitor meet the disclosure and other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940. Solicitors also must comply with all other applicable laws and regulations.

M3Sixty does not receive economic benefits (sales awards or other prizes) from a non-client for providing investment advice or advisory services to our clients.

#### **Item 15. Custody**

All clients are requested to make arrangements to have their funds and securities held by a qualified custodian. Such arrangements will normally provide for direct or automatic payment of the advisory fee as agreed upon in the advisory agreement. M3Sixty Advisor neither provides nor maintains custody of the funds and securities of clients. Clients should carefully review their account statements received directly from their qualified custodian. We urge you to review these statements and compare them to the information provided by us.

#### **Item 16. Investment Discretion**

M3Sixty accepts full discretionary authority to make and execute all investment decisions for your account pursuant to a written Agreement. Any changes or limitations to such authority must be communicated by you to M3Sixty in writing.

At a client's request, we may be retained on a non-discretionary basis. In such circumstances, we will make recommendations for your account, but all investment decisions will be made by you and all account transactions will be executed only in accordance with your advisory agreement.

#### **Item 17. Voting Client Securities**

Many of our advisory clients have chosen to vote and maintain records relative to the voting of proxies with respect to securities held in their account. They will establish arrangements with their custodian or transfer agent to directly receive proxy and solicitation material. Clients voting their own proxies can contact their investment relationship person or call Client Services at

800.944.8876 to receive assistance if they have questions or want to discuss a particular solicitation.

On request and where authorized by the client, M3Sixty will accept the authority to vote proxies with respect to securities held in the client's account. In carrying out this responsibility, we will follow our proxy voting policies and procedures ("Guidelines"), which have been reasonably designed to ensure that proxies are voted in the best interests of our clients and that we maintain documentation on how proxies were voted. To facilitate our proxy responsibilities and consistent with our Guidelines, M3Sixty may delegate to a non-affiliated third party vendor, the responsibility to review proxy proposals, make voting recommendations on our behalf, and maintain appropriate records to document proxy voting. In exercising its voting authority, the Firm may vote a proxy contrary to the Guidelines if it determines that such action is in the best interest of clients.

Conflicts of Interests relating to proxy proposals will be handled in various ways depending on the type and materiality. Generally, where the Guidelines outline our voting position, as either "for" or "against" such proxy proposal, voting will be in accordance with the Guidelines. Where the Guidelines outline the voting position to be determined on a "case by case" basis for such proxy proposal, or such proposal is not listed in the Guidelines, M3Sixty will choose either to vote the proxy in accordance with the voting recommendation of a non-affiliated third party vendor, or vote the proxy pursuant to client direction. The method selected by the Firm will depend upon the facts and circumstances of each situation and the requirements of applicable law.

M3Sixty Advisor may choose not to vote proxies in certain situations or for certain accounts, such as: (1) where a client has retained the right to vote the proxy, (2) where the cost of voting exceeds any anticipated benefits to the client, (3) where a proxy is received for a security the Firm no longer manages, and /or (4) where the exercise of voting rights could restrict the ability to freely trade the security. When M3Sixty needs further input on an issue, we may confer with members of our Investment Committee, counsel, or an independent third party.

M3Sixty views the delegation of proxy voting as an "all or nothing" choice by our clients. Consequently, M3Sixty does not generally accept subsequent directions on matters presented to shareholders for a vote, regardless of whether such subsequent directions are from the client itself or a third party.

Voting records will be maintained in a dedicated file for proxy votes. In cases where votes may be considered controversial, M3Sixty Advisor will document the reasoning for the vote and add that to the file. M3Sixty will rely on the SEC's EDGAR (Electronic Data Gathering and Retrieval) system and/or third parties to provide proxy statement documentation.

Clients may obtain a copy of our Guidelines and information about the proxy voting record of securities held in their account by sending a written request to Matrix 360 Advisor, LLC, Attn: Client Services, 4520 Main Street, Suite 1425, Kansas City, MO 64111 or by calling Client Services at 800.944.8876.

## **Item 18. Financial Information**

M3Sixty has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. M3Sixty does not require or solicit prepayment of fees by clients. The Firm is not otherwise required to provide financial information about its financial position.

## Item 19. Privacy Notice

### Privacy Notice

FACTS	WHAT DOES M3SIXTY DOES WITH YOUR PERSONAL INFORMATION?		
<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.		
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>▪ Social Security number</li> <li>▪ Assets</li> <li>▪ Retirement Assets</li> <li>▪ Transaction History</li> <li>▪ Checking Account Information</li> <li>▪ Purchase History</li> <li>▪ Account Balances</li> <li>▪ Account Transactions</li> <li>▪ Wire Transfer Instructions</li> </ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>		
<b>How?</b>	All financial companies need to share your personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons M3Sixty chooses to share; and whether you can limit this sharing.		
Reasons we can share your personal information		Does M3Sixty share?	Can you limit this sharing?
<b>For our everyday business purposes –</b> Such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus		Yes	No
<b>For our marketing purposes –</b> to offer our products and services to you		No	We don't share
<b>For joint marketing with other financial companies</b>		No	We don't share
<b>For our affiliates' everyday business purposes –</b> information about your transactions and experiences		No	We don't share
<b>For our affiliates' everyday business purposes –</b> information about your creditworthiness		No	We don't share
<b>For nonaffiliates to market to you</b>		No	We don't share
<b>Questions?</b>	Call (800.944.8876)		

<b>Who we are</b>	
<b>Who is providing this notice?</b>	<p>Matrix 360 Advisor, LLC  M3Sixty Administration, LLC (Administrator)  Matrix 360 Distributors, LLC (Distributor)  Matrix Capital Group, Inc. (Distributor)</p>
<b>What we do</b>	
<b>How does M3Sixty protect my personal information?</b>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>Our service providers are held accountable for adhering to strict policies and procedures to prevent any misuse of your nonpublic personal information.</p>
<b>How does M3Sixty collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>▪ Open an account</li> <li>▪ Provide account information</li> <li>▪ Give us your contact information</li> <li>▪ Make deposits or withdrawals from your account</li> <li>▪ Make a wire transfer</li> <li>▪ Tell us where to send the money</li> <li>▪ Tell us who receives the money</li> <li>▪ Show your government-issued ID</li> <li>▪ Show your driver's license</li> </ul> <p>We also collect your personal information from other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>▪ Sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>▪ Affiliates from using your information to market to you</li> <li>▪ Sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
<b>Definitions</b>	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>▪ <i>M3Sixty Administration, LLC, Matrix 360 Distributor, LLC and Matrix Capital Group, Inc., could each be deemed to be an affiliate.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies</p> <ul style="list-style-type: none"> <li>▪ <i>M3Sixty does not share with nonaffiliates so they can market to you.</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or</p>

	services to you. ▪ <i>M3Sixty does not jointly market.</i>
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## **BROCHURE SUPPLEMENT (Form ADV Part 2B)**

M3Sixty

### **ADVISOR REPRESENTATIVE:**

**ROBERT S. DRIESSEN**  
**Chief Executive Officer and Chief Compliance Officer**  
**Matrix 360 Advisor, LLC**  
**4520 Main Street, Suite 1425**  
**Kansas City, Missouri 64111**  
**816.274.1830**  
**EMAIL ADDRESS: BOB.DRIESSEN@M3SIXTY.NET**

### **COMPANY:**

**Matrix 360 Advisor, LLC**  
**4520 Main Street, Suite 1425**  
**Kansas City, Missouri 64111**  
**800.944.8876**

December 15, 2014

This Brochure Supplement provides information about Robert S. Driessen that supplements the Disclosure Brochure of Matrix 360 Advisor, LLC (“M3Sixty”), a copy of which you should have received. Please contact the Firm’s Chief Compliance Officer if you did not receive the Disclosure Brochure or if you have any questions about the contents of this Brochure Supplement. Additional information about Robert S. Driessen is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ROBERT S. DRIESSEN – Chief Executive Officer and Chief Compliance Officer**

Mr. Driessen was born in 1947. He is the Chief Executive Officer and Chief Compliance Officer for Matrix 360 Advisor, LLC since November 2014. He earned his B.S. from the University of Maryland, College Park, Maryland in 1971. In 1979, he received his Master's in Business Administration from Loyola College in Baltimore, Maryland. Mr. Driessen has over 40 years of experience working in the financial industry which includes 21 years of regulatory experience working with the U.S. Securities and Exchange Commission in Washington, D.C. Mr. Driessen also serves as the Chief Compliance Officer for Matrix 360 Administration, LLC. Prior to joining Matrix 360 Administration in July 2013, he served as the Chief Compliance Officer for Aquila Investment Management LLC from 2009. From 2004 to the end of 2008, he was the Compliance Officer for Curian Capital, LLC.

### **Disciplinary Information**

- A. Mr. Driessen has not been the subject of a criminal or civil action in any domestic, foreign or military court of competent jurisdiction.
- B. Mr. Driessen has never had an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory.
- C. Mr. Driessen has never been the subject of a self-regulatory organization (SRO) proceeding.
- D. Mr. Driessen has never been involved in any other proceeding in which a professional attainment, designation, or license was revoked or suspended because of a violation of rules relating to professional conduct.

### **Other Investment-Related Business Activities**

Mr. Driessen also serves as the Chief Compliance Officer for the Matrix Enterprise of businesses which include Matrix 360 Administration, LLC (registered transfer agent and administrator for mutual funds), Matrix 360 Distributors, LLC (mutual fund distributor), and Matrix Capital Group, Inc. (dually registered advisor and full-service broker).

### **Additional Compensation**

Mr. Driessen receives no economic benefit from any non-client individuals for providing advisory services.

### **Supervision**

Mr. Driessen's activities are supervised by Randall Linscott (CEO and Managing Member of Matrix 360 Administration 816.787.0714). His activities are monitored to ensure compliance with the Firm's Compliance Manual, Code of Ethics and related policies and procedures implemented to prevent violations of industry laws, rules and regulations.