

**Section 1 – Cover Page**

Matrix Wealth Advisors, Inc.  
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March 31, 2017

This Brochure provides information about the qualifications and business practices of Matrix Wealth Advisors, Inc., hereinafter “Matrix”. If you have any questions about the contents of this Brochure, please contact us at 704-358-3322. 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.

Matrix Wealth Advisors, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Matrix Wealth Advisors, Inc. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

This brochure has not been approved by the SEC or any state securities authority.

## **Section 2 – Material Changes to Form ADV Part 2A Brochure – March 31, 2017**

Pursuant to new United State Securities and Exchange Commission (SEC) Rules, the required disclosure document Form ADV Part 2A was initially filed on March 28, 2011 and we will ensure that you receive an annual summary of any materials changes to the Form ADV Part 2A Brochure within 120 days of the close of our business' fiscal year. If you would like a copy of our complete Brochure, it may be requested, by contacting Donna A. Hildebrand, Office Manager at 704-940-4296 or [dhildebrand@matrixwealth.com](mailto:dhildebrand@matrixwealth.com).

Additional information about Matrix Wealth Advisors, Inc. is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Matrix who are registered, or are required to be registered, as investment adviser representatives of Matrix.

This Section discusses only specific material changes that have been made to the Brochure since our last update on October 19, 2016 and provides clients with a summary of such changes:

1. There have been no material changes to the Form ADV Part 2A Brochure since the last update on October 19, 2016.

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## Section 4 – Advisory Business

Matrix was founded in 1990. Giles K. Almond is the principal owner of the firm.

Matrix provides wealth management services, which we define as investment advisory services and comprehensive personal financial planning services. Financial plans and investment portfolios are tailored to the individual needs of each client as each client's goals, financial situation, and family considerations are unique.

Matrix Wealth Advisors, Inc. manages all assets on a discretionary basis, totaling \$250,165,250 as of 12/31/16.

## Section 5 – Fees and Compensation

Fees are generally based on a percentage of assets under management. Matrix may occasionally perform investment consulting services (such as expert witness testimony) on an hourly or fixed fee basis. Fees are negotiable only in limited circumstances described below.

Matrix clearly defines the services included for the fee. If, following an initial review of the client's financial data, there are situations requiring work exceeding the normal scope, depth, and complexity of services normally performed, the magnitude of the fiduciary responsibility associated with the advisory relationship, or significant additional planning complexities (e.g., closely held business owners), the additional work will be billed on an hourly basis at the rate of \$350 per hour.

For accounts where NATC serves as trustee, each "nonstandard" asset (e.g., LLC interests, life insurance policies, real estate, etc.) are billed \$25 annually.

Matrix is a "fee-only" firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. No commissions in any form are accepted by Matrix. No finder's fees are accepted.

## Fee Schedule for Wealth Management

All new individual client relationships are offered both personal financial planning and investment advisory services according to the following schedule. See Billing Policies for accounts subject to aggregation under this fee schedule. **The minimum quarterly fee is \$2,500 and is subject to an inflation (CPI) adjustment at our discretion.**

First \$1,000,000 of investment assets. ....	1.00% per year
The next \$4,000,000 of investment assets. ....	0.65% per year
The next \$5,000,000 of investment assets. ....	0.35% per year
Investment assets in excess of \$10,000,000.....	Negotiable

### Fee Schedule for Non-Individual Investment Advisory Clients

Applies to trustee directed 401(k) and other retirement plans, corporations, foundations, estates, trusts, and other entities not subject to aggregation with an individual client as explained in Billing Policies. **The minimum quarterly fee is \$2,250 and is subject to an inflation (CPI) adjustment at our discretion.**

First \$1,000,000 of investment assets. ....	0.90% per year
The next \$4,000,000 of investment assets.....	0.45% per year
Investment assets in excess of \$5,000,000.....	0.25% per year

### Fee Schedule for Matrix Private Opportunities Fund I, LLC Investors

The fund's private placement memorandum provides, in part: "Investors who already obtain investment advisory services from Matrix pursuant to a separate written investment advisory agreement ("Client Members") will not pay additional fees in connection with their Fund interest. Investors who are not Client Members ("Non-Client Members") will pay the Manager quarterly fees ("Management Fees") equal to 0.25% of their pro rata share of the fair market value of the Fund's assets. "

### Billing Policies

Fees are billed quarterly in arrears. The fee for a quarter is determined as of the last day of the preceding quarterly and is billed in arrears at the end of the quarter. Fees are not adjusted for capital inflows, capital outflows, or changes in value during the quarter. Our policy is to deduct fees from a designated client asset account to facilitate billing and payment. Any invoice sent is due and payable upon receipt.

In certain instances, depending upon the client's needs, occupation, future prospects, and the services to be performed by the firm, we may enter into a contract with a fee different from the fee schedules set forth above. Different fee schedules may apply to client relationships that began in prior years. Fees are negotiable for employees, their family members, and clients with significant restricted or nonrepositionable assets at the firm's discretion.

Matrix's fees are exclusive of brokerage commissions, transaction fees, trustee fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Section 12 further describes the factors that Matrix considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions). Mutual funds, variable annuities, and exchange traded funds also charge internal management fees, which are disclosed in a prospectus. Such charges, fees and commissions are exclusive of and in addition to Matrix's fee, and Matrix shall not receive any portion of these commissions, fees, and costs.

We aggregate the following accounts for purposes of calculating fees for assets under management: accounts owned by spouses/co-clients, UTMA accounts for children where a client is the custodian, 529 plan accounts owned by a client, trusts established by the client or for the client's benefit, the estate of a client, and retirement plans with the client and/or spouse as the sole participant(s). Matrix, at its discretion, may aggregate accounts for family relationships. Matrix, at its discretion, may waive minimum fees for accounts not eligible for aggregation.

Out-of-pocket expenses (airline fares, lodging, etc.) incurred in performing professional services are charged at cost. However, the client must expressly authorize such expenses.

The client or Matrix may terminate an Agreement by written notice to the other party. Relationships initiated or terminated during a calendar quarter will be charged a prorated fee based upon the greater of the minimum quarterly fee or the normal fee calculated based on assets under management. A relationship is considered to be initiated on the date of execution of the client agreement. A relationship will be considered terminated following 30 days written notice from the terminating party. Upon termination of any agreement, unpaid fees will be due and payable.

## **Section 6 – Performance-Based Fees**

Matrix does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Section 7 – Types of Clients**

Matrix provides wealth/investment management services to individuals, qualified retirement plans, trusts, estates, charitable organizations, a pooled investment vehicle, and business entities.

Matrix does not have a minimum account size. However, there are minimum annual retainer fees as explained in Section 5, above. Generally, individual clients should meet the requirements of an “accredited investor” as defined in SEC regulations.

## **Section 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

Most of the firm’s portfolios incorporate no-load mutual funds, separately managed municipal bond accounts, interests in real estate, equipment leasing funds, managed futures funds, energy partnerships, direct ownership interests in energy properties, and other privately issued, unregistered investment vehicles. Investing in securities involves risk of loss that clients should be prepared to bear. An investment is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person.

Investment advice provided to clients is based on a due diligence process incorporating qualitative and quantitative information from numerous publications, direct contact with investment managers, various internet sources, research materials prepared by others (such as Morningstar Principia mutual fund, stock, and variable annuity information), corporate rating services, annual reports, prospectuses, and SEC filings.

Portfolios are constructed according to the principles of Modern Portfolio Theory (MPT), which essentially states that combining assets of different risk and return characteristics can result in better risk-adjusted investment performance than any one asset alone. Matrix follows a broad strategy known as “strategic asset allocation”, meaning that investments are chosen with a long-term outlook (three years or more) and assumes that short-term investment market performance is inherently chaotic and unpredictable. Matrix does not practice “tactical asset

allocation” which attempts to capitalize on short-term market trends by shifting between various asset classes, or “market timing”, which attempts to be fully invested during periods of rising prices and invested in cash during periods of falling prices.

The Investment Strategy Summary (ISS) for each client documents investment risk related to the stock and bond market as well as the non-market risks associated with alternative investments.

**Investment risks of mutual funds:** Following is a list of some of the risks that can apply to mutual fund investments. For a more thorough discussion of the risks that are applicable to a specific fund, the fund’s prospectus should be reviewed.

**Market risk** - The market value of shares of common stock and debt securities can change rapidly and unpredictably and have the potential for loss.

**Company risk** - Common stock represents ownership positions in companies. Over time, the market value of a common stock should reflect the success or failure of the company issuing the stock.

**Sector risk** - Investing a significant portion of assets in a market sector may cause a fund to be more sensitive to problems affecting companies in that sector.

**Headline Risk** - A fund may make investments in a company that becomes the center of controversy after receiving adverse media attention where the company’s stock may never recover.

**Fees and Expenses Risk** - All mutual funds incur operating fees and expenses. Fees and expenses reduce the return which a shareholder may earn by investing in a fund. A low return environment, or a bear market, increases the risk that a shareholder may lose money.

**Interest Rate Risk** – Debt securities are subject to interest rate risk. In general, if prevailing interest rates rise, the values of debt securities will tend to fall, and if interest rates fall, the values of debt securities will tend to rise. Changes in the value of a debt security usually will not affect the amount of income a fund receives from it but may affect the value of a fund’s shares. Interest rate risk is generally greater for debt securities with longer maturities/durations.

**Credit Risk** – Credit risk applies to most debt securities, but is generally not a factor for obligations backed by the “full faith and credit” of the U.S. Government. A fund could lose money if the issuer of a debt security is unable or perceived to be unable to pay interest or repay principal when it becomes due. Various factors could affect the issuer’s actual or perceived willingness or ability to make timely interest or principal payments, including



changes in the issuer's financial condition or in general economic conditions. Debt securities backed by an issuer's taxing authority may be subject to legal limits on the issuer's power to increase taxes or otherwise to raise revenue, or may be dependent on legislative appropriation or government aid. Certain debt securities are backed only by revenues derived from a particular project or source, rather than by an issuer's taxing authority, and thus may have a greater risk of default.

**U.S. Government Obligations Risk** – U.S. Treasury obligations are backed by the “full faith and credit” of the U.S. Government and generally have negligible credit risk. Securities issued or guaranteed by federal agencies or authorities and U.S. Government-sponsored instrumentalities or enterprises may or may not be backed by the full faith and credit of the U.S. Government. For example, securities issued by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association and the Federal Home Loan Banks are neither insured nor guaranteed by the U.S. Government. These securities may be supported by the ability to borrow from the U.S. Treasury or only by the credit of the issuing agency, authority, instrumentality or enterprise and, as a result, are subject to greater credit risk than securities issued or guaranteed by the U.S. Treasury.

**Low and Below Investment Grade Securities Risk** – Debt securities with the lowest investment grade rating (e.g., BBB by Standard & Poor's, a division of the McGraw & Hill Companies, Inc. (Standard & Poor's), or Fitch, Inc. (Fitch)) or that are below investment grade (which are commonly referred to as “junk bonds”) (e.g., BB or below by Standard & Poor's, or Fitch) are more speculative than securities with higher ratings, and tend to be more sensitive to credit risk, particularly during a downturn in the economy, which is more likely to weaken the ability of the issuers to make principal and interest payments on these securities than is the case for higher-rated securities. These securities typically pay a premium – a higher interest rate or yield – because of the increased risk of loss, including default. These securities also are generally less liquid than higher rated securities. The securities ratings provided by Moody's Investors Service, Inc. (Moody's), Standard & Poor's and Fitch are based on analyses by these ratings agencies of the credit quality of the securities and may not take into account every risk related to whether interest or principal will be timely repaid.

**Asset-Backed Securities Risk** – The value of a fund's asset-backed securities may be affected by, among other things, changes in: interest rates, factors concerning the interests in and structure of the issuer or the originator of the receivables, the creditworthiness of the entities that provide any supporting letters of credit, surety bonds or other credit enhancements, or the market's assessment of the quality of underlying assets. Most asset-backed securities are subject to prepayment risk, which is the possibility that the underlying debt may be refinanced or prepaid prior to maturity during periods of declining or low interest rates, causing a fund to have to reinvest the money received in securities that have lower yields. In addition, the impact

of prepayments on the value of asset-backed securities may be difficult to predict and may result in greater volatility. Rising or high interest rates tend to extend the duration of asset-backed securities, making them more volatile and more sensitive to changes in interest rates.

**Mortgage-Backed Securities Risk** – The value of a fund’s mortgage-backed securities may be affected by, among other things, changes or perceived changes in: interest rates, factors concerning the interests in and structure of the issuer or the originator of the mortgages, the creditworthiness of the entities that provide any supporting letters of credit, surety bonds or other credit enhancements, or the market’s assessment of the quality of underlying assets. Mortgage-backed securities issued by non-governmental issuers may be supported by various credit enhancements, such as pool insurance, guarantees issued by governmental entities, letters of credit from a bank or senior/subordinated structures, and may entail greater risk than obligations guaranteed by the U.S. Government, whether or not such obligations are guaranteed by the private issuer. Mortgage-backed securities are subject to prepayment risk, which is the possibility that the underlying mortgage may be refinanced or prepaid prior to maturity during periods of declining or low interest rates, causing a fund to have to reinvest the money received in securities that have lower yields. In addition, the impact of prepayments on the value of mortgage-backed securities may be difficult to predict and may result in greater volatility. Rising or high interest rates tend to extend the duration of mortgage-backed securities, making them more volatile and more sensitive to changes in interest rates.

**Foreign Securities Risk** – Foreign securities are subject to special risks as compared to securities of U.S. issuers. For example, foreign markets can be extremely volatile. Fluctuations in currency exchange rates may impact the value of foreign securities denominated in foreign currencies, or in U.S. dollars, without a change in the intrinsic value of those securities. Foreign securities may be less liquid than domestic securities so that a fund may, at times, be unable to sell foreign securities at desirable times or prices. Brokerage commissions, custodial fees and other fees are also generally higher for foreign securities. A fund may have limited or no legal recourse in the event of default with respect to certain foreign securities, including those issued by foreign governments. In addition, foreign governments may impose potentially confiscatory withholding or other taxes, which could reduce the amount of income and capital gains available to distribute to shareholders. Other risks include possible delays in the settlement of transactions or in the payment of income; generally less publicly available information about companies; the impact of political, social or diplomatic events; possible seizure, expropriation or nationalization of a company or its assets; possible imposition of currency exchange controls; and accounting, auditing and financial reporting standards that may be less comprehensive and stringent than those applicable to domestic companies.

**Dollar Rolls Risk** – Dollar rolls are transactions in which a fund sells securities to a counterparty and simultaneously agrees to purchase those or similar securities in the future at a predetermined price. Dollar rolls involve the risk that the market value of the securities a fund is obligated to repurchase may decline below the repurchase price, or that the counterparty may default on its obligations. These transactions may also increase a fund's portfolio turnover rate. If a fund reinvests the proceeds of the security sold, a fund will also be subject to the risk that the investments purchased with such proceeds will decline in value (a form of leverage risk).

**Derivatives Risk** – Derivatives are financial contracts whose values are, for example, based on (or "derived" from) traditional securities (such as a stock or bond), assets (such as a commodity like gold or a foreign currency), reference rates (such as LIBOR) or market indices (such as the Standard & Poor's (S&P) 500® Index). Derivatives involve special risks and may result in losses or may limit a fund's potential gain from favorable market movements. Derivative strategies often involve leverage, which may exaggerate a loss, potentially causing a fund to lose more money than it would have lost had it invested in the underlying security or other asset. The values of derivatives may move in unexpected ways, especially in unusual market conditions, and may result in increased volatility, among other consequences. The use of derivatives may also increase the amount of taxes payable by shareholders holding shares in a taxable account. Other risks arise from a fund's potential inability to terminate or to sell derivative positions. A liquid secondary market may not always exist for derivative positions at times when a fund might wish to terminate or to sell such positions. Over-the-counter instruments (investments not traded on an exchange) may be illiquid, and transactions in derivatives traded in the over-the-counter market are subject to the risk that the other party will not meet its obligations. The use of derivatives also involves the risks of mispricing or improper valuation and that changes in the value of the derivative may not correlate perfectly with the underlying security, asset, reference rate or index. A fund also may not be able to find a suitable derivative transaction counterparty, and thus may be unable to engage in derivative transactions when it is deemed favorable to do so, or at all.

**Liquidity Risk** – Illiquid securities are securities that cannot be readily disposed of in the normal course of business. There is a risk that a fund may not be able to sell such securities at the time it desires, or that it cannot sell such securities without adversely affecting their price.

**Frequent Trading Risk** – Frequent trading of investments increases the possibility that a fund will realize taxable capital gains (including short-term capital gains, which are generally taxable at higher rates than long-term capital gains for U.S. federal income tax purposes), which could reduce a fund's after-tax return. Frequent trading can also mean higher brokerage and other transaction costs, which could reduce returns.

**Investment risks of venture capital/private equity:** These include the general risks associated with investing in companies at the early stage of development with little or no operating history and with operating losses and/or significant variations in operating results. Venture capital/private equity companies also are likely to be dependent on the skills of a small number of executives and may be vulnerable to rapid changes in technology, uncertainty with respect to intellectual property rights, fluctuation in demand for products, and intense competition from established companies with greater resources and capabilities. Venture capital investments also involve significant risks related to possible problems in product development, manufacturing, sales, finance, or general management. In many cases, companies will require substantial capital to support expansion plans and to achieve and maintain a competitive position. Funding such additional capital requirements may be incompatible with an investor's diversification objectives, and the availability of funding from other sources will depend on a number of factors, including access to institutional private placements and public markets.

**Investment risks of real estate:** While such investments offer the opportunity for significant gains, they involve a high degree of economic, environmental, financing, and business risk. Inflation, unemployment, increases in energy and utility costs, changes in consumer confidence, fluctuating interest rates, and economic and tax policies may make real estate investments more or less speculative than other types of investments. Governmental regulations (such as rent control), natural disasters, terrorist attacks, local real estate conditions, tenant insolvencies and bankruptcies, and acquiring distressed properties also may render an additional element of uncertainty and risk. Furthermore, competition among private and institutional purchasers and sellers of real property investments has increased substantially in recent years and may have the effect of increasing costs and reducing returns to investors. With respect to real estate investments, there is no assurance that the underlying properties will increase in value or maintain present value in changing market conditions, that a ready market for resale will exist, or that returns will be sufficient to repay the capital contributions of an investor, in whole or in part. Real estate investors generally incur the burdens of ownership of property, which include the paying of expenses, and taxes, debt servicing, and maintaining such property and any improvements. Expenses of maintaining and operating, renting, buying, or selling such properties can be significant. Some real estate investments consist of a single property. All such investments will be speculative, as the investor's ability to reach its objectives will depend solely upon the success of acquiring and holding a single investment property. This type of investment will not have the benefit of a diversity of assets by type, size, and geographical location.

**Investment risks of energy investments:** While hedging can lessen the impact of material price decreases, there is still the risk of a material price decrease, resulting in lower or no returns to the investor. Additional risks that could adversely affect the investment return

include the significant costs associated with exploitation and exploration activities, the possibility of dry holes, competition for producing properties, unanticipated production interruptions and expenses, competition for labor and materials, title issues, damages and injuries to personnel and equipment, illiquidity, governmental regulation, various tax risks, conflicts of interest, and environmental problems.

**Investment risks of timber:** Timber investments will be affected by the cyclical nature of the forest product industry. The demand for timber is subject to fluctuations due to, among other factors: Changes in residential, domestic, and international economic conditions, interest rates, population growth and changing demographics, and seasonal weather cycles (e.g., dry summers, wet winters). The forest product industry is highly competitive in terms of price and quality. Wood products also are subject to increasing competition from a variety of substitute products, including non-wood and engineered wood products. The ability to harvest timber may be subject to limitations, including weather conditions, timber growth cycles, access limitations and regulatory requirements associated with the protection of wildlife, wetlands and water resources, in addition to other factors, including man-caused risks such as vandalism, damage by fire, insect infestations, disease, wind, prolonged drought and other natural disasters.

**Investment risks of managed futures/commodities:** Trading in futures is a speculative activity. Market prices are difficult to predict and are influenced by many factors including: changes in interest rates, weather and climate conditions, changing supply and demand relationships, national and international political and economic events, and the changing philosophies of market participants. Also, the effects of government intervention may be particularly significant in the financial instrument and currencies markets, and may cause such markets to move rapidly. The trading decisions of a managed futures fund manager will be based in part on quantitative trading strategies which use mathematical analyses of technical factors relating to past market performance to identify trends. A managed futures/commodity investment may incur substantial losses during periods that are dominated by fundamental factors that are not reflected in the technical data analyzed by the model, during prolonged periods without sustained moves in one or more of the markets traded, or during markets in which potential price trends start to develop but reverse before actual trends are realized.

**Investment risks of equipment leasing:** These include leverage risk, lessee defaults and bankruptcies, rapid decline in the value of leased property, lessee failure to maintain property, risks particular to leasing property in foreign countries, foreign currency fluctuations, co-investment risks, insurance risks, leases being subject to usury laws, and various risks related to income tax treatment of leases.

**Investment risks of hedge funds of funds:** These include Illiquidity, investment risk, using multiple money managers, performance-based allocations, dependence on money managers, limited access to information from money managers, use of short sales, leverage, options, futures, and derivative instruments, investment in foreign securities, various tax risks, and absence of regulatory oversight.

**Investment risks of high yield/distressed debt hedge funds:** These include risks of investment and trading, investments in high yield and distressed securities, investments in bank loans and participations, investments in event-oriented situations, general partner minority equity holders, use of leverage, investments in equity securities, structured credit investments, lower credit quality securities, liquidity of markets, valuation of investments, opportunistic/macro investing, “widening”, inability to acquire assets at favorable spreads; competition and supply, short selling, synthetic investment strategies, trading in options and swap agreements, forward trading, counterparty risk, highly volatile markets, loans of portfolio securities, currency, hedging transactions, non-U.S. and emerging market investments, third-party involvement, environmental hazards, and concentration of investments.

The above discussion of investment risks is not intended to cover every possible investment risk. For a more thorough discussion of the risks that are applicable to a specific investment, the investment’s prospectus, private placement memorandum, and/or offering materials should be reviewed.

## **Section 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Matrix or the integrity of Matrix’s management. Matrix has no information applicable to this Section.

## **Section 10 – Other Financial Industry Activities and Affiliations**

Matrix has no arrangements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients.

Matrix principals or family members of principals have less than 1% stock ownership in National Advisors Holdings, Inc. (“NAH”), a Delaware corporation organized in 1998. NAH operates National Advisors Trust Company, FSB (NATC) of Overland Park, Kansas as its sole business activity. NATC is a “trust only” federal savings bank regulated by the Office of the Comptroller of the Currency (OCC), a bureau of the U.S. Treasury Department, and is authorized to do business in all 50 states. The investment of Matrix principals or family members of



principals into NAH was primarily intended to allow clients of Matrix to access trust, custody, or employee benefit services offered by NATC. NATC does not provide compensation or share revenue with any shareholders. However, it is possible that the principals or family members of principals may ultimately benefit from any potential appreciation of NAH stock, dividends paid on such stock, or both.

Matrix Private Opportunities Fund I, LLC (“MPOF”) is a North Carolina Limited Liability Company established by Matrix to provide a private investment vehicle in a fund-of-funds format for certain accredited investors. MPOF makes investments primarily in venture capital funds and other private equity funds and investment entities devoted to specific industries and asset classes, such as energy, real estate, timber, managed futures, and distressed debt. Matrix serves as the manager of MPOF for purposes of the North Carolina Limited Liability Act, and provides investment advisory services to MPOF in such capacity. To minimize conflicts of interest, investors who are clients of Matrix and pay for investment advisory services pursuant to a separate written investment advisory agreement do not pay a separate fee to Matrix with respect to their MPOF interest.

## **Section 11 – Code of Ethics**

Matrix has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Matrix must acknowledge the terms of the Code of Ethics annually, or as amended.

In appropriate circumstances consistent with clients’ investment objectives, Matrix will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Matrix, its affiliates and/or clients, directly or indirectly, have a position of interest. Matrix’s employees and persons associated with Matrix are required to follow Matrix’s Code of Ethics. Subject to satisfying this policy and applicable laws, employees of Matrix may trade for their own accounts in securities which are recommended to and/or purchased for Matrix’s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Matrix will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of

Matrix's clients. In addition, the Code of Ethics requires pre-clearance for certain transactions. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Matrix and its clients.

Clients or prospective clients of Matrix may request a copy of the firm's Code of Ethics by contacting Donna A. Hildebrand, Office Manager at 704-940-4296 or [dhildebrand@matrixwealth.com](mailto:dhildebrand@matrixwealth.com).

It is Matrix's policy that the firm will not effect any principal securities transactions for client accounts. Matrix will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account.

## **Section 12 – Brokerage Practices**

When the client executes a limited trading authorization, Matrix has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold, in accordance with each client's Investment Strategy Summary or Investment Policy Statement. The client approves the broker/dealer to be used and the commission rates paid to the broker/dealer. Matrix does not receive any portion of the transaction fees or commissions paid by the client to the broker/dealer.

Matrix does not have any affiliation with investment product sales firms. Matrix recommends brokerage/custodial firms based on a best execution review of a variety of factors, including business reputation, financial responsibility, fees and transaction costs, expertise/availability in specific securities, research resources available, technological capabilities, trust capabilities and compatibility with client portfolio management systems. Typically, clients are steered toward Charles Schwab & Co., Inc. (Schwab) based on the above factors. Schwab Advisor Services™ (formerly Schwab Institutional) is Schwab's business servicing independent investment advisory firms like Matrix. They provide clients and Matrix with access to its institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help Matrix to manage and administer clients' accounts, while others help to manage and grow the firm's business. Matrix does not receive



any fees or commissions from this arrangement. For alternative investments that are not available on Schwab's custody platform, clients are typically steered toward Equity Institutional based on a best execution review as described above. The Matrix Private Opportunities Fund I, LLC (MPOF) is custodied at National Advisors Trust Company, FSB (NATC). Matrix principals or family members of principals have less than 1% stock ownership in National Advisors Holdings, Inc. ("NAH"), which operates NATC. NATC does not provide compensation or share revenue with any shareholders. However, it is possible that the principals or family members of principals may ultimately benefit from any potential appreciation of NAH stock, dividends paid on such stock, or both.

There are circumstances where Matrix may allow a client to use a particular broker or dealer to execute all transactions for client's account. When a client selects the broker to be used for his or her account, the commission rates are decided upon between the client and his or her broker. In addition, Matrix does not have any responsibility for obtaining for the client from any such broker the best prices or particular commission rates, and the client may not obtain rates as low as it might otherwise obtain if Matrix had discretion to select broker-dealers other than those chosen by the client.

### **Section 13 – Review of Accounts**

Account reviews are performed internally no less frequently than annually by Giles K. Almond, CPA, CFP®, PFS, CIMA (President/CCO) and/or Kimberly K. Wilhelm, CIMA® (Chief Investment Officer). Account reviews are performed more frequently when market conditions dictate. Account reviews are completed in a committee setting during the firm's regular investment committee meetings. We consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client in the context of a diversified portfolio. Other conditions that may trigger a review are: changes in the tax laws, new information about an investment, change in a client's own situation, need to raise cash, etc.

Statements will be provided no less frequently than quarterly directly by the custodian, not by Matrix. Account statements will identify account positions, balances, and transaction details. For MPOF, Matrix ensures that the qualified custodian (NATC) sends quarterly client account as well as pooled investment vehicle statements to clients directly which identify the amount of funds and/or each security in the account at the end of the period as well as a listing of all transactions in the account during the period.

Each quarter, Matrix will provide each client with a report detailing the performance and composition of the portfolio. At least annually, but often more frequently, a formal meeting with the client will be scheduled to review the portfolio and the current market/economic

environment, unless the client requests less frequent meetings. Additional meetings or telephone consultations are scheduled as needed.

## **Section 14 – Client Referrals and Other Compensation**

Matrix is a member of the Paladin Registry ([www.paladinregistry.com](http://www.paladinregistry.com)). Investors use Registry services to learn about financial advisors, to learn how to avoid bad financial advice, to learn how to select quality advisors, to search for new or replacement advisors, and to view documentation for Registry advisors' credentials, ethics, and business practices. Matrix pays fixed monthly fees to Paladin for professionals who are members of the Registry. Paladin uses membership fees to create visibility for the Registry on the Internet and in the media, develop relationships with third parties (Partners), and provide free public services to investors. Matrix is independent of and unaffiliated with Paladin.

Matrix receives an economic benefit from Schwab in the form of the support products and services it makes available to Matrix and other independent investment advisors that have their clients maintain accounts at Schwab. The availability of Schwab's products and services to Matrix is not based on giving investing advice such as buying particular securities for our clients. Matrix personnel may, on occasion, be offered the opportunity to attend conferences or research trips sponsored by Schwab, discount brokers, investment managers, or others, and to visit the offices of various investment managers in order to perform due diligence and research. Typically, the sponsoring organization will pay the travel and hotel expenses related to these trips. The research is done with the intent to benefit all clients, and the payment of expenses is not significant in the process of selecting investments to purchase for client accounts or executing client transactions with brokerage firms.

## **Section 15 – Custody**

Clients should receive at least quarterly statements from the qualified custodian that holds and maintains client's investment assets. Matrix urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Section 16 – Investment Discretion**

Matrix usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases,

however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Matrix observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines are documented in each client's Investment Strategy Summary or Investment Policy Statement.

### **Section 17 – Voting Client Securities**

As a matter of firm policy and practice, Matrix does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

In situations where NATC is directed Trustee, Matrix utilizes a proxy voting service (Broadridge's ProxyEdge) to vote proxies.

### **Section 18 – Financial Information**

Matrix does not require prepayment of fees.

### **Brochure Supplements**

The following information is provided for each supervised person of the firm who (1) formulates investment advice for the client and has direct client contact, and/or (2) has discretionary authority over a client's assets, even if that person has no direct client contact.

1. Name: Giles K. Almond
2. Educational Background and Business Experience

Date of Birth: 6/16/56

Education: Bachelor's Degree, Accounting, UNC-Wilmington (1978)

Business Background: President, Matrix Wealth Advisors, Inc. (1990 - Present)

Professional designations: CPA (Certified Public Accountant), CFP® (Certified Financial Planner®), PFS (Personal Financial Specialist), and CIMA® (Certified Investment Management Analyst®)

3. Disciplinary Information: Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.
4. Other Business Activities: None
5. Additional Compensation: None
6. Supervision: None

1. Name: Lucy G. Blough

2. Educational Background and Business Experience

Date of Birth: 11/17/1989

Education: Bachelor of Science in Business Administration – Finance, University of South Carolina (2012)

Business Background: Investment Associate, Matrix Wealth Advisors, Inc. (2012-2015), Investment Analyst, Matrix Wealth Advisors, Inc. (2015-Present)

Professional designations: APMA® (Accredited Portfolio Management Advisor®)

3. Disciplinary Information: Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.
4. Other Business Activities: None
5. Additional Compensation: None
6. Supervision: Reports to Kimberly K. Wilhelm, Chief Investment Officer, 704-940-4287. Advice rendered is approved in firm's Investment Committee and monitored through the firm's client relationship management system.

1. Name: Janice A. McGunnigle

2. Educational Background and Business Experience

Date of Birth: 01/08/78

Education: Bachelor's Degree, Business, Saint Anselm College (2000)

Business Background: Financial Planner, Matrix Wealth Advisors, Inc. (2008-Present)

Professional designations: CFP® (Certified Financial Planner®), CTFA (Certified Trust and Financial Advisor)

3. Disciplinary Information: Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.
4. Other Business Activities: None
5. Additional Compensation: None
6. Supervision: Reports to Jonie M. Parks, Wealth Manager, 704-940-4294. Advice rendered is approved in firm's Financial Planning Committee and monitored through the firm's client relationship management system.

1. Name: Jonie M. Parks
2. Educational Background and Business Experience

Date of Birth: 6/13/68

Education: Bachelor's Degree, Marketing, UNC-Wilmington (1990)

Business Background: Wealth Manager, Matrix Wealth Advisors, Inc. (1997-Present)

Professional designations: CFP® (Certified Financial Planner®)

3. Disciplinary Information: Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.
4. Other Business Activities: None
5. Additional Compensation: None
6. Supervision: Reports to Giles K. Almond, President, 704-940-4292. Advice rendered is approved in firm's Financial Planning Committee and monitored through the firm's client relationship management system.

1. Name: Kimberly K. Wilhelm
2. Educational Background and Business Experience

Date of Birth: 5/17/72

Education: Bachelor's Degree, Mathematics, SUNY Geneseo (1994)

Business Background: Investment Analyst, Matrix Wealth Advisors, Inc. (2005 - 2008);  
Chief Investment Officer, Matrix Wealth Advisors, Inc. (2008 - Present)

Professional designations: Certified Investment Management Analyst® (CIMA®)

3. Disciplinary Information: Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.
4. Other Business Activities: None
5. Additional Compensation: None
6. Supervision: Reports to Giles K. Almond, President, 704-940-4292. Advice rendered is approved in firm's Investment Committee and monitored through the firm's client relationship management system.

## **Professional Designations – Minimum Required Qualifications**

### **CFP® - Certified Financial Planner™**

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals currently hold the CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and, effective in 2007, attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include

insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

Examination – Pass the comprehensive CFP® Certification Examination. The examination, instituted in 1991, is administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances. Prior to 1991, six individual subject examinations were required in principles of financial planning, insurance planning and risk management, investment planning, income tax planning, retirement planning, and estate planning;

Experience – Effective in 1989, complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and

Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### **Certified Public Accountant (CPA)**

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours required since 1983 with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or

consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous *Code of Professional Conduct* which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services.

In addition to the *Code of Professional Conduct*, AICPA members who provide personal financial planning services are required to follow the *Statement on Standards in Personal Financial Planning Services* (the Statement). Most state boards of accountancy define financial planning as the practice of public accounting and therefore have jurisdiction over CPAs practicing in this discipline; state boards would likely look to the Statement as the authoritative guidance in this practice area regardless of specific or blanket adoption of AICPA standards.

### **Personal Financial Specialist (PFS)**

The PFS credential demonstrates that an individual has met the minimum education, experience and testing required of a CPA in addition to a minimum level of expertise in personal financial planning. To attain the PFS credential, a candidate must hold an unrevoked CPA license, fulfill 3,000 hours of personal financial planning business experience, complete 75 hours of personal financial planning CPE credits, pass a comprehensive financial planning exam and be an active member of the AICPA. A PFS credential holder is required to adhere to AICPA's *Code of Professional Conduct*, and is encouraged to follow AICPA's *Statement on Responsibilities in Financial Planning Practice*. To maintain their PFS credential, the recipient must complete 60 hours of financial planning CPE credits every three years. The PFS credential is administered through the AICPA.

### **Certified Investment Management Analyst® (CIMA®)**

The CIMA® certification signifies that an individual has met initial and on-going experience, ethical, education, and examination requirements for investment management consulting, including advanced investment management theory and application. To earn CIMA certification, candidates must: submit an application, pass a background check and have an acceptable regulatory history; pass an online Qualification Examination; complete an in-person or online executive education program at an AACSB accredited university business school; pass an online Certification Examination; and have an acceptable regulatory history as evidenced by



FINRA Form U-4 or other regulatory requirements and have three years of financial services experience at the time of certification.

CIMA® certificants must adhere to IMCA's *Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks*. CIMA® designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification. The designation is administered through Investment Management Consultants Association (IMCA).

### **Certified Trust and Financial Advisor (CTFA)**

A CTFA is a professional credential offered by the American Bankers Association (ABA) for financial professionals. This mark provides training and knowledge in Fiduciary and Trust Activities, Financial Planning, Tax Law Planning, Investment Management, and Ethics.

To achieve the designation, candidates must meet one of the following experience tiers: a minimum of three years of experience in wealth management along with the completion of an Institute of Certified Bankers (ICB)- approved wealth management training program, five years experience in wealth management and a bachelor's degree, or ten years experience in wealth management. Candidates must also sign ICB's *Professional Code of Ethics* and successfully pass an examination. In order to maintain the CTFA, designees must earn 45 credits every three years. A minimum of 6 credits are required in each of four knowledge areas: Fiduciary and Trust Activities, Personal Financial Planning, Tax Law, and Investments Management. A minimum of 3 credits in Ethics is also required.

### **Accredited Portfolio Management Advisor® (APMA®)**

Individuals who hold the APMA® designation have completed a course of study encompassing client assessment and suitability, risk/return, investment objectives, bond and equity portfolios, modern portfolio theory and investor psychology. Students have hands-on practice in analyzing investment policy statements, building portfolios, and making asset allocation decisions including sell, hold, and buy decisions within a client's portfolio. The program is designed for 80-100 hours of self-study. The program is self-paced and must be completed within one year from enrollment.