

# **Three Sixty Wealth Management, LLC**

## **Form ADV Part 2A – Disclosure Brochure**

**December 16, 2024**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Three Sixty Wealth Management, LLC (“360WM” or the “Advisor”). If you have any questions about the content of this Disclosure Brochure, please contact the Advisor at (630) 219-1695 or by email at [admin@threesixtywm.com](mailto:admin@threesixtywm.com).

360WM is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about 360WM to assist you in determining whether to retain the Advisor.

Additional information about 360WM and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 301007.

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## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about the Advisory Persons of 360WM. Please contact Three Sixty Wealth Management for a copy of the Brochure Supplements for the Advisory Persons of 360WM.

360WM believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. 360WM encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

### Material Changes

The following material changes have been made to this brochure since our last amendment in June 2024:

- Item 10 has been updated to remove dual registration disclosures. 360WM Investment Advisor Representatives are no longer dually-registered with a non-affiliated Registered Investment Advisor.

### Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs.

You may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 301007. You may also request a copy of this Disclosure Brochure at any time by contacting the Advisor at (630) 219-1695 or by email at [admin@threesixtywm.com](mailto:admin@threesixtywm.com).

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## Item 4 – Advisory Services

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### A. Firm Information

Three Sixty Wealth Management, LLC (“360WM” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The Advisor is organized as a Limited Liability Company (“LLC”) under the laws of the State of Illinois. 360WM was founded in March 2011 and is owned and operated by James Dischert (Founder). Since 2011, Three Sixty Wealth Management, LLC has been used as a doing business as name for James Dischert for purposes of marketing while affiliated with other investment advisers and the implementation of insurance related products. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by 360WM.

### B. Advisory Services Offered

360WM offers investment advisory services to individuals, high net worth individuals, trusts, estates, businesses, and retirement plans (each referred to as a “Client”).

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. 360WM's fiduciary commitment is further described in the Advisor's Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

#### Wealth Management Services

360WM provides Clients with comprehensive wealth management services, which generally includes a broad range of comprehensive financial planning and consulting services in connection with discretionary management of investment portfolios. These services are described below:

*Investment Management Services* – 360WM provides customized investment management services for its Clients as a component of its wealth management service. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and related advisory services. 360WM works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. 360WM will then construct an investment portfolio, consisting of low-cost, diversified mutual funds and/or exchange-traded funds (“ETFs”) to achieve the Client's investment goals. The Advisor may also utilize individual stocks, or bonds to meet the needs of its Clients. The Advisor may retain certain legacy investments based on portfolio fit and/or tax considerations.

360WM's investment strategies are primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held for less than one year to meet the objectives of the Client or due to market conditions. 360WM will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

360WM evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. 360WM may recommend, on occasion, redistributing investment allocations to diversify the portfolio. 360WM may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. 360WM may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of the Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client's risk tolerance.

*Retirement Accounts* – When the Advisor provides investment advice to Clients regarding ERISA retirement accounts or individual retirement accounts (“IRAs”), the Advisor is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts. When deemed to be in the Client’s best interest, the Advisor will provide investment advice to a Client regarding a distribution from an ERISA retirement account or to roll over the assets to an IRA, or recommend a similar transaction including rollovers from one ERISA sponsored Plan to another, one IRA to another IRA, or from one type of account to another account (e.g. commission-based account to fee-based account). Such a recommendation creates a conflict of interest if the Advisor will earn a new (or increase its current) advisory fee as a result of the transaction. No client is under any obligation to roll over a retirement account to an account managed by the Advisor.

At no time will 360WM accept or maintain custody of a Client’s funds or securities, except for the limited authority as outlined in Item 15 – Custody. All Client assets will be managed within the designated account[s] at the Custodian, pursuant to the terms of the advisory agreement, please see Item 12 – Brokerage Practices.

*Financial Planning Services* – 360WM will provide a broad range of financial planning services to Clients as a component of its wealth management services. Financial planning services are offered in several areas of a Client’s financial situation, depending on their goals and objectives. Financial planning services may encompass one or more areas of need, including but not limited to; investment planning, retirement planning, personal savings, education savings, insurance needs, and other areas of a Client’s financial situation.

Generally, such financial planning services involve preparing a formal financial plan or rendering a specific financial consultation based on the Client’s financial goals and objectives. A financial plan developed for, the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings, insurance needs and/or charitable giving programs. The Advisor will provide ongoing oversight and monitoring of the recommendations and goals set forth in the financial plan. Clients will have access to contact and/or meet with the Advisor throughout the year depending on the needs of the Client. The Advisor will conduct a formal review at least annually to review the financial plan and ongoing implementation with the Client. Please see Item 13 – Review of Accounts for additional information.

360WM may also refer Clients to an accountant, attorney or other specialists, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of the Client’s financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six (6) months of contract date, assuming all information and documents requested are provided promptly.

Financial planning recommendations pose a conflict between the interests of the Advisor and the interests of the Client. For example, the Advisor has an incentive to recommend that Clients engage the Advisor for investment management services or to increase the level of investment assets with the Advisor, as it would increase the amount of advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

#### Retirement Plan Advisory Services

360WM provides retirement plan advisory services on behalf of the retirement plans (each a “Plan”) and the company (the “Plan Sponsor”). The Advisor’s retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan and its Plan Participants. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services generally include:

- Investment Management Services (ERISA 3(38))
- Ongoing Investment Recommendation and Assistance

These services are provided by 360WM serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of 360WM’s fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

#### **C. Client Account Management**

Prior to engaging 360WM to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – 360WM, in connection with the Client, will develop a strategy that seeks to achieve the Client’s goals and objectives.
- Asset Allocation – 360WM will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – 360WM will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – 360WM will provide investment management and ongoing oversight of the Client’s investment portfolio.

#### **D. Wrap Fee Programs**

360WM does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by 360WM.

#### **E. Assets Under Management**

As of December 31, 2023, 360WM manages approximately \$135,830,635 in Client assets, all of which are managed on a discretionary basis. Clients may request more current information at any time by contacting the Advisor.

### **Item 5 – Fees and Compensation**

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into a written agreement with the Advisor.

#### **A. Fees for Advisory Services**

##### Wealth Management Services

Wealth management fees are paid quarterly in advance of each calendar quarter pursuant to the terms of the wealth management agreement. Wealth management fees are based on the market value of assets under management at the end of the prior calendar quarter. Wealth management fees range up to 1.50% annually based on several factors, including: the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with the Advisor. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee.

The wealth management fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by 360WM will be independently valued by the Custodian. 360WM will conduct periodic reviews of the Custodian's valuations.

The Advisor's fee is exclusive of, and in addition to any applicable securities transaction and custody fees, and other related costs and expenses described in Item 5.C. below, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

#### Financial Planning Services

Our financial planning only service is charged based on the expected project cost. The project fee generally ranges between \$7,500 and \$25,000 depending on the size and complexity of the plan. Please speak with us further to better understand how much a financial plan will cost.

#### Retirement Plan Advisory Services

Fees for retirement plan advisory services are charged an annual asset-based fee of up to 1.50% and are billed in advance of each calendar quarter, pursuant to the terms of the retirement plan advisory agreement. Retirement plan advisory fees are based on the market value of assets under management at the end of the prior calendar. Fees may be negotiable depending on the size and complexity of the services to be provided to the Plan.

### **B. Fee Billing**

#### Wealth Management Services

Wealth management fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the beginning of the respective quarter. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with 360WM at the end of the prior quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the wealth management fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting advisory fees to be deducted by 360WM to be paid directly from their account[s] held by the Custodian as part of the wealth management agreement and separate account forms provided by the Custodian.

#### Retirement Plan Advisory Services

Retirement plan advisory fees may be directly invoiced to the Plan Sponsor or deducted from the assets of the Plan, depending on the terms of the retirement plan advisory agreement.

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than 360WM, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian, as applicable. The Advisor's recommended Custodian does not charge securities transaction fees for ETF and equity trades in a Client's account, provided that the account meets the terms and conditions of the Custodian's brokerage requirements. However, the Custodian typically charges for mutual funds and other types of investments. The fees charged by 360WM are separate and distinct from these custody and execution fees.

In addition, all fees paid to 360WM for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of 360WM, but would not receive the services provided by 360WM which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by 360WM to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

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#### **D. Advance Payment of Fees and Termination**

##### Wealth Management Services

360WM is compensated for its services in advance of the quarter in which quarter wealth management services are rendered. Either party may terminate the wealth management agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the wealth management agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Advisor will refund any unearned, prepaid wealth management fees from the effective date of termination to the end of the quarter. The Client's wealth management agreement with the Advisor is non-transferable without the Client's prior consent.

##### Retirement Plan Advisory Services

360WM is compensated for its services at the beginning of the quarter before retirement plan advisory services are rendered. Either party may request to terminate the retirement plan advisory agreement, at any time, by providing advance written notice to the other party. The Client may also terminate retirement plan advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Advisor will refund any unearned, prepaid retirement plan advisory fees from the effective date of termination to the end of the quarter. The Client's retirement plan advisory agreement with the Advisor is non-transferable without the Client's prior consent.

#### **E. Compensation for Sales of Securities**

360WM does not buy or sell securities to earn commissions and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

##### Insurance Agency Affiliations

Certain Advisory Persons are also licensed as an independent insurance professional. As an independent insurance professional, Advisory Persons will earn commission-based compensation for selling insurance products, including insurance products they sell to Clients. Insurance commissions earned by Advisory Persons are separate and in addition to 360WM's advisory fees. This practice presents a conflict of interest because a person providing investment advice on behalf of the Advisor who is also an insurance agent has an incentive to recommend insurance products to Clients for the purpose of generating commissions rather than solely based on Client needs. However, Clients are under no obligation, contractually or otherwise, to purchase insurance products through Advisory Persons. Please see Item 10 – Other Financial Industry Activities and Affiliations.

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

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360WM does not charge performance-based fees for its investment advisory services. The fees charged by 360WM are as described in Item 5 above and are not based upon the capital appreciation of the funds or securities held by any Client.

360WM does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

#### **Item 7 – Types of Clients**

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360WM offers investment advisory services to individuals, high net worth individuals, trusts, estates, businesses and retirement plans. The amount of each type of Client is available on 360WM's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor. 360WM generally requires a minimum relationship size of \$1,000,000 to effectively implement its investment process to be waived in Advisor's discretion.



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

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### **A. Methods of Analysis**

360WM primarily employs fundamental analysis in developing investment strategies for its Clients. Research and analysis from 360WM are derived from numerous sources, including financial media companies, third- party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

*Fundamental analysis* utilizes economic and business indicators as investment selection criteria. This criteria consists generally of ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

As noted above, 360WM generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. 360WM will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, 360WM may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

### **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. 360WM will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with the Advisor's investment strategies:

#### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

### Bond Risks

Bonds are subject to specific risks, including the following: (1) interest rate risks, i.e. the risk that bond prices will fall if interest rates rise, and vice versa, the risk depends on two things, the bond's time to maturity, and the coupon rate of the bond. (2) reinvestment risk, i.e. the risk that any profit gained must be reinvested at a lower rate than was previously being earned, (3) inflation risk, i.e. the risk that the cost of living and inflation increase at a rate that exceeds the income investment thereby decreasing the investor's rate of return, (4) credit default risk, i.e. the risk associated with purchasing a debt instrument which includes the possibility of the company defaulting on its repayment obligation, (5) rating downgrades, i.e. the risk associated with a rating agency's downgrade of the company's rating which impacts the investor's confidence in the company's ability to repay its debt and (6) Liquidity Risks, i.e. the risk that a bond may not be sold as quickly as there is no readily available market for the bond.

### Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

## **Item 9 – Disciplinary Information**

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**There are no legal, regulatory or disciplinary events involving 360WM or its owner.** 360WM values the trust Clients place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider with whom you partner. The backgrounds of the Advisor and its Advisory Persons are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 301007.

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

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### Insurance Agency Affiliations

As noted in Item 5, Advisory Persons are also a licensed insurance professional. Implementations of insurance recommendations are separate and apart from their role with the Advisor. As an insurance professional, Advisory Persons will receive customary commissions and other related revenues from the various insurance companies whose products are sold. Advisory Persons are not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This practice presents a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Advisory Persons or the Advisor.

### Three Sixty Insurance Group LLC

As noted in Item 5, Certain Advisory Persons are licensed insurance agents through an affiliated entity, Three Sixty Insurance Group LLC ("360 Insurance"). Implementations of insurance recommendations are separate and apart from their role with the Advisor. As an insurance professional, Advisory Persons will receive customary commissions and other related revenues from 360 Insurance for products sold. Advisory Persons are not required to offer the products of 360 Insurance. Commissions generated by insurance sales do not offset regular

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advisory fees. This practice presents a conflict of interest in recommending certain products of 360 Insurance. Clients are under no obligation to implement any recommendations made by Advisory Persons or the Advisor.

360WM is not and does not have an application pending to register as a commodity pool operator.

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

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### **A. Code of Ethics**

360WM has implemented a Code of Ethics (the “Code”) that defines the Advisor’s fiduciary commitment to each Client. This Code applies to all persons associated with 360WM (“Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor’s duties to the Client. 360WM and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of 360WM’s Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of the Code, please contact the Advisor at (630) 219-1695 or via email at [admin@threesixtywm.com](mailto:admin@threesixtywm.com).

### **B. Personal Trading with Material Interest**

360WM allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. 360WM does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. 360WM does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

360WM allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that are recommended (purchase or sell) to Clients presents a conflict of interest that, as fiduciaries, must be disclosed to Clients and mitigated through policies and procedures. As noted above, the Advisor has adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons have a conflict of interest if trading in the same securities.

The fiduciary duty to act in the best interest of its Clients can be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by 360WM requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer (“CCO”) or delegate. The Advisor has also adopted written policies and procedures to detect the misuse of material, non-public information.

### **D. Personal Trading at Same Time as Client**

While 360WM allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterward. **At no time will 360WM, or any Supervised Person of 360WM, transact in any security to the detriment of any Client.**

## **Item 12 – Brokerage Practices**

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### **A. Recommendation of Custodian[s]**

360WM does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the “Custodian”) to safeguard Client assets and authorize 360WM to direct trades to the Custodian as agreed upon in the investment advisory agreement. Further, 360WM does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis.

Where 360WM does not exercise discretion over the selection of the Custodian, it does recommend the

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Custodian to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a custodian/broker-dealer not recommended by 360WM. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. 360WM recommends the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and its reputation and/or the location of the Custodian's offices.

We typically recommend Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, member SIPC, as the qualified custodian.

360WM is independently owned and operated and is not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as a custodian, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

### **Products and services available to the Firm from Schwab**

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. Schwab provides 360WM and our clients with access to 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 us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services described below are generally available on an unsolicited basis (i.e., we do not have to request them) and at no charge to us. Here is a more detailed description of Schwab's support services:

#### *Services that Benefit Clients Directly*

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit each client.

#### *Services that May Not Directly Benefit Clients*

Schwab also makes available to us other products and services that benefit us but may not directly benefit a specific client. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts. In addition to investment research, Schwab also makes available software and other technology that:

- Provides access to client account data (such as trade confirmations and account statements);
- Facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- Provides pricing and other market data;
- Facilitates payment of our fees from our clients' accounts; and
- Assists with back-office functions, recordkeeping and client reporting.

#### *Services that Generally Benefit Only Us*

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include (among others) the following:

- Educational conferences and events
- Technology, compliance, legal, and business consulting
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants and insurance providers

Schwab will provide some of these services itself or will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third-party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

### **Our Interest in Schwab's Services**

The availability of the services described above from Schwab benefits us because we do not have to produce or purchase them. They are not contingent upon 360WM committing any specific amount of business to Schwab in trading commissions or assets in custody. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our recommendation of Schwab as a custodian and broker is in the best interest of our clients. Our selection is primarily supported by the scope, quality and price of Schwab's services, and not Schwab's services that benefit only us.

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker-dealer/custodian in exchange for research and other services. **360WM does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor receives certain economic benefits from the Custodian. Please see Item 14 – Client Referrals and Other Compensation.**

**2. Brokerage Referrals** - 360WM does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** – **Advisor does not accept directed brokerage arrangements and will only conduct trades through Advisor's recommended Custodian.**

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### **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. 360WM will execute its transactions through the Custodian as authorized by the Client.

360WM may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Clients' accounts.

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### **Item 13 – Review of Accounts**

#### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by Logan Spaw, Chief Compliance Officer of 360WM. Formal reviews are generally conducted at least annually or more frequently depending on the needs of the Client.

#### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify 360WM if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

#### **C. Review Reports**

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The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

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### **A. Compensation Received by 360WM**

360WM does not receive commissions or other compensation from product sponsors, broker-dealers or any unrelated third party. 360WM may refer Clients to various unaffiliated, non-advisory professionals (e.g. attorneys, accountants, estate planners) to provide certain financial services necessary to meet the goals of its Clients. Likewise, 360WM may receive non-compensated referrals of new Clients from various third-parties.

### **B. Client Referrals from Solicitors**

360 is and has been fortunate to receive client referrals. The client referrals may come from current clients, estate planning attorneys, accountants, personal friends, the internet, or other similar sources. 360 does not compensate these referring parties for their referrals with cash or fee sharing arrangement. 360 does, however, maintain mutual referral arrangements with some of these professionals. Clients referred to 360 or from 360 to these professionals will receive additional disclosure of these arrangements at the time of referral.

## **Item 15 – Custody**

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360WM does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fees. All Clients must place their assets with a "qualified custodian". Clients are required to engage the Custodian to retain their funds and securities and direct 360WM to utilize that Custodian for the Client's security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by 360WM to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 – Brokerage Practices.

On February 21, 2017, the SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of authorization ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodians:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## **Item 16 – Investment Discretion**

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360WM generally has discretion over the selection and amount of securities to be bought or sold in Client

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accounts, as well as allocate among third-party money managers without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by 360WM. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by 360WM will be in accordance with each Client's investment objectives and goals.

#### **Item 17 – Voting Client Securities**

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360WM does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

#### **Item 18 – Financial Information**

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Neither 360WM, nor its management, have any adverse financial situations that would reasonably impair the ability of 360WM to meet all obligations to its Clients. Neither 360WM, nor any of its Advisory Persons, have been subject to a bankruptcy or financial compromise. 360WM is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.

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