

Matrix Advisory Inc.

Part 2A of FORM ADV Firm Brochure

Matrix Advisory Inc.
800 Third Avenue – 28th Floor
New York, New York 10022
(212) 292-5249

March 16, 2018

This brochure (the “Brochure”) provides information about the qualifications and business practices of Matrix Advisory Inc. (“Matrix”). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer at (212) 292-5249.

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 is a registered investment adviser, registered with the United States Securities and Exchange Commission. Registration of an investment adviser does not imply a certain level of skill or training.

Additional information about Matrix Advisors Inc. is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 1 COVER PAGE

Please refer to previous page.

ITEM 2 MATERIAL CHANGES

On July 28, 2010, the United States Securities and Exchange Commission amended Part 2 of Form ADV. Part 2 of Form ADV sets forth the minimum requirements for the disclosure statement, or brochure, that investment advisors must deliver to their advisory clients and prospective advisory clients.

Investment advisors must update the information in their brochure at least annually. Pursuant to SEC Rules, Matrix will ensure that clients receive a summary of any material changes to this Brochure within 120 days of the close of Matrix' fiscal year-end. Clients wishing to receive a complete copy of the then-current Brochure may request the complete Brochure at no charge by contacting our Chief Compliance Officer, at (212) 292-5249.

Because Matrix is a newly formed advisor, and this is its first filing of Form ADV Part 2, there are no material changes to report.

Additional information about Matrix Advisors Inc. is available via the SEC's web site 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.

ITEM 3 TABLE OF CONTENTS

Item 1.	Cover Page	1
Item 2.	Material Changes	2
Item 3.	Table of Contents	3
Item 4.	Advisory Business	4
Item 5.	Fees and Compensation	7
Item 6.	Performance-Based Fees and Side-By-Side Management	9
Item 7.	Types of Clients	10
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss	12
Item 9.	Disciplinary Information	15
Item 10.	Other Financial Industry Activities and Affiliations	15
Item 11.	Code of Ethics	16
Item 12.	Brokerage Practices	17
Item 13.	Review of Accounts	19
Item 14.	Client Referrals and Other Compensation	20
Item 15.	Custody	20
Item 16.	Investment Discretion	21
Item 17.	Voting Client Securities	21
Item 18.	Financial Information	21
Item 19.	Requirements for State Registered Advisers	21

ITEM 4 ADVISORY BUSINESS

A. Description of Firm

Founded in 2017, Matrix Advisory Inc (“Matrix” or the “Firm”) is a New York City-based investment management firm founded by Mauricio Abadi. Matrix is a New York corporation, currently registered with the United States Securities and Exchange Commission (the “SEC”) as an investment adviser. The Firm conducts business in New York, where its headquartered, and in Florida.

Matrix’s principal owner is Mauricio Abadi, who also serves as Matrix’s Chief Executive Officer and Managing Director and Chief Compliance Officer. *For information on his qualifications and business background, please refer to his Form ADV Part 2B Brochure Supplements.*

Matrix participates in various professional alliance programs (the “Alliance Programs”) with financial services firms (“Alliance Sponsors”) that provide broker-dealer, custodial and investment advisory services for Matrix clients and may also act as sponsors of wrap fee programs made available to Matrix clients. One such Alliance Program is the Morgan Stanley Smith Barney LLC (“MSSB”) Professional Alliance Group program (the “MSSB Alliance Program”) which allows certain unaffiliated third parties, such as Matrix, to introduce clients to MSSB investment advisory programs. Alliance Sponsors will contract with Matrix clients introduced through the Alliance Programs by Matrix and will deduct the advisory fees from client accounts and pay a portion thereof to Matrix.

B. Types of Advisory Business.

Matrix offers individual and institutional investors a variety of advisory services, which include investment management and wealth management services and financial planning and clients may invest in an array of investment types designed to assist clients in meeting their investment objectives and financial goals. *Additional detail about each of the client types for which Matrix provides advisory services is provided in Item 7.* Consistent with each client’s stated investment objectives, policies and restrictions, Matrix will contact clients with recommendations regarding the establishment of wrap fee accounts, retention of third-party investment managers and/or the purchase or sale of securities or other investments. *Item 8 provides additional detail about the various investment strategies Matrix offers.*

Matrix generally provides advisory services for each client under the terms of an investment advisory agreement (“Advisory Contract”).

Investment Management and Wealth Management Services

Matrix may provide clients with wealth management services which includes a broad range of comprehensive non-discretionary management of investment portfolios.

Matrix primarily recommends allocation of client assets among individual debt and equity securities, mutual funds, exchange-traded funds (“ETFs”), structured products and various

independent investment managers (“Independent Managers”), in accordance with the investment objectives of its individual clients. Where appropriate, Matrix may also provide advice about any type of legacy position or other investment held in client portfolios.

Clients may also engage Matrix to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts, and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans), and other non-securities assets such as real estate. In these situations, Matrix directs or recommends the allocation of client assets among the various investment options available with the product or asset. These assets are maintained at the custodian designated by the product’s provider.

Matrix tailors its advisory services to meet the needs of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment profiles. Matrix consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other factors relevant to the management of their portfolios. Clients are advised to promptly notify Matrix if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Matrix determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the firm’s management efforts.

Through the Alliance Programs, Matrix introduces clients to Alliance Sponsor investment advisory programs, including WRAP Programs sponsored by Alliance Sponsors, and Matrix provides investment advisory services to clients with respect to these programs.

Financial Planning

Matrix financial planning services may be as broad-based or narrowly focused as clients may desire. The inclusion of some or all of the focuses described below can provide for a comprehensive view in creating a plan that meets specific goals and objectives. The desired areas of planning and certain other variables impact the cost involved in Matrix’s planning efforts, including the complexity and number of current investments, diversity of relevant insurance products and employee benefits, size of the potential estate and special needs of the client or their dependents, among others. Matrix, in consultation with clients, may concentrate on only a specific area or areas, in which case a client’s comprehensive, wholistic needs may not be fully reviewed.

Whether Matrix is engaged on a broad or specific basis, the firm will provide recommendations and consult on their implementation and offer periodic reviews. Matrix will not exercise any discretion with respect to financial planning recommendations and so all implementation decisions are made by clients who remain free to accept or reject any recommendations.

Cash Flow Analysis and Debt Management

This focus entails a review of income and expenses to that will guide a realistic plan towards goals and objectives. Matrix can advise on recommended changes to spending and saving and

prioritization of debt reduction, based upon such factors as the debt's interest rate and tax considerations. Recommendations may also be made regarding recommended cash reserves in case of emergencies and for other financial goals.

Risk Management

This review includes an analysis of exposure to foreseeable risks that could impact clients, such as premature death, disability, liability, property and casualty losses, unanticipated medical expenses or the need for long-term care. We can advise on ways to minimize such risks, including various insurance considerations.

Employee Benefits

Matrix may, upon request by a client, conduct a review and analysis as to whether the client, as an employee, is taking maximum advantage of available employee benefits. We may also advise on employer-sponsored retirement plan and/or stock options, along with other benefits that may be available.

Personal Retirement

Matrix's retirement planning services will generally include projections regarding clients' likelihood of achieving their financial goals and objectives. Matrix can make recommendations regarding the impact on those projections of changes in certain variables such as savings and spending rates, retirement dates, and aggressiveness of investments. For clients that are at or near retirement, Matrix may advise regarding appropriate distribution strategies.

College Funding

Matrix can advise clients regarding college funding needs and targets, along with education savings strategies and various education savings account types that may be available. Matrix may also assist with a financial picture review in consideration of eligibility for financial aid, if appropriate.

Estate Planning

Matrix can assist with estate planning which may include an analysis of exposure to estate taxes and current estate plans, including the existences and/or necessity for wills, powers of attorney, trusts and other related documents. Matrix generally recommends that clients consult with qualified counsel regarding estate matters, and may provide referrals to attorneys who specialize in estate planning.

Investment Consultation

Matrix's investment consultation services consist of review, analysis and recommendations regarding investment vehicles, employee retirement plans, employee stock options, investment analysis and strategies, asset selection and portfolio design in connection with client investments

maintained at another broker/dealer or custodian outside of the Matrix relationship.

Investment Management Services (Third-Party Investment Managers)

Based upon a client's investment objectives, financial goals and other factors, Matrix may recommend a third-party investment manager to manage all or a portion of that client's investments. Prior to recommending a third-party investment manager, Matrix will conduct what is believed to be an appropriate level of due diligence, and periodically thereafter Matrix will review will review and assess whether a third-party investment manager remains the appropriate manager for the client.

With third party manager arrangements, Matrix collects client information, including investment objectives, risk tolerance and reasonable restrictions and works with the third-party manager and clients to develop the investment allocation. Third-party managers will invest on behalf of a client account in accordance with the strategies set forth in their own requisite disclosure documents which Matrix provides to clients. The selected third-party investment manager may exercise discretionary authority over an account and some of these programs may not be available for those clients who prefer an account to be managed under a non-discretionary engagement or who may have other unique account restrictions.

Assets Under Management

Because Matrix is a new Advisor that is just commencing business, Matrix has no assets under management as of January 1, 2018.

ITEM 5 FEES AND COMPENSATION

The following information describes Matrix's compensation for the advisory services it provides.

Matrix typically provides investment advisory services for an annual fee based on the amount of assets in the client's account. This fee varies depending upon the value of a client's portfolio and the type of services rendered, based generally on the following fee schedule:

Portfolio Value Band	Annual Fee Per Band
Amount from \$100,000 - \$249,999	1.25 – 2.00%
Next \$250,000 - \$499,999	1.00 – 1.75%
Next \$500,000 - \$999,999	0.85 – 1.60%
Next \$1,000,000 - \$2,000,000	0.75 – 1.50%
Next \$3,000,000	0.50 – 1.25%
Next \$5,000,000	0.25 – 1.00%
Next \$10,000,000	0.15 – 0.75%
Amount in excess of \$20,000,000	0.10 – 0.50%

Fees are assessed on a "first, next, next" basis applicable to each band of asset value rather than retroactive to dollar one. Unless otherwise specified below or in the Advisory Contract between Matrix and a particular client, Matrix's fees will be automatically deducted from client accounts

by the wrap program sponsors or custodian. Generally, advisory fees are paid quarterly in advance based on the market value of assets in an account as of the last day of each calendar quarter. However, certain accounts such as mutual funds calculate advisory fees based upon average daily assets. Matrix imposes investment minimums on certain types of accounts. *For a discussion of the applicable investment minimums, see Item 7.*

Wrap Fees

The majority of Matrix's retail business is generated through Matrix's participation in the Alliance Programs and the wrap fee programs sponsored by Alliance Sponsors thereunder. In the Alliance Programs, all fees are deducted from client accounts by Alliance Sponsors or their affiliates, and the Alliance Sponsor pays Matrix's portion of the fees to Matrix.

A wrap fee is an asset-based fee charged by a sponsor as compensation for its custody, brokerage and advisory services. Matrix does not act as sponsor, advisor, sub-advisor, or custodian with respect to these wrap fee programs.

Refunds of Pre-Paid and Unearned Advisory Fees

Either party to a clients' Advisory Contracts may typically terminate the contract at any time upon written notice to the other party. If an Advisory Contract is terminated, the client will promptly receive a refund of any unearned and pre-paid advisory fees.

Portfolio Values for Fee Calculations

As set forth in the client's Advisory Contract, portfolio valuations are generally determined by either (i) the custodian utilized for the client account, or (ii) the wrap program sponsor (or its affiliates or agents) using asset valuations and methodologies as described in the applicable wrap brochure. These valuations are generally based upon information received from third party pricing vendors and may be higher or lower than the portfolio valuation calculated by a custodian bank.

Financial Planning Fees

For financial planning and other consulting services, Matrix may assess an hourly fee at the rate of \$250 per hour, billing in 30-minute increments, or Matrix may assess a periodic (monthly, quarterly, annually, etc...) flat fee commensurate with the services desired and in agreement with the client. Prior to entering into an agreement with Matrix, financial planning clients will receive an estimate of the overall cost based on their requirements and the expected time involved.

Performance Fees

As described in more detail under Item 6 below, Matrix may enter into performance-based fee arrangements as agreed with a client whereby Matrix's fees will be based on a share of capital gains or capital appreciation (growth) of all or any portion of the investments in such client's accounts.

Fee Discretion

Matrix, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and pro bono activities.

Additional Expenses

If clients invest assets in a mutual fund, or exchange-traded fund or certain other investment vehicles, the client may incur additional expenses and fees as a shareholder of those mutual or exchange traded funds or vehicles. These additional expenses may include: advisory/management fees, distribution fees, administrative expenses, and other fund operating expenses. Clients wishing to obtain more information about the fees and expenses that may apply due to investing in mutual funds, exchange-traded funds or other investment vehicles should contact Matrix. Clients may also obtain more information by reviewing the relevant prospectus(es) for the underlying mutual funds, exchange-traded funds and investment vehicles in which the clients' assets are invested. *Attention is also directed to Item 12, for additional information about the types of brokerage and other transaction costs that Matrix's clients may incur.*

Services to Family and Friends of Matrix

Matrix may provide portfolio management and financial planning services to certain clients, family members or friends of Matrix's principals without charge, or for fee rates that are lower than the rates available to other clients.

Tax Implications; Liquidation of Existing Positions upon Transition to Matrix

Unless Matrix is otherwise directed by a client pursuant to their Advisory Contract, Matrix will liquidate all securities deposited into an account if the securities are not suitable or consistent with applicable investment recommendations for a particular client. Matrix will then recommend re-allocation of the cash resulting from the liquidations according to the recommended strategy for the client. Matrix does not consider a client's tax consequences when liquidating securities deposited into an account that it will manage.

Miscellaneous

Matrix policy dictates that the firm will not take action regarding class action suits for stocks and other investments owned by its clients. Clients are advised to consult their attorney to determine course of legal action.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Matrix may, in agreement with a client, enter into performance-based fee arrangements and so may face conflicts of interest presented by so-called side-by-side account management. In performance-based fee arrangements, Matrix's fee will be based on a share of capital gains or capital

appreciation (growth) of all or any portion of the investments in such client's accounts.

Side-by-side management refers to a firm simultaneously managing accounts that do pay performance-based fees and those that do not. This type of arrangement poses several conflicts of interest for Matrix, including those described below.

Matrix may be perceived to have an incentive to favor accounts which it charges a performance-based fee over other types of client accounts by allocating more profitable investments to performance-based fee accounts or by devoting more resources toward the performance-based fee accounts' management.

Additionally, the fee arrangement described above may be perceived as providing an incentive for Matrix to seek to maximize the investment return by making investments that are subject to greater risk or are more speculative than would be the case if Matrix's compensation were not based upon the investment return.

Matrix's performance-based fee is contingent upon the return experienced by the client, which is computed based upon unrealized and realized appreciation of assets in the client's account. Accounts participating in a performance-based fee arrangement may pay Matrix more compensation when compared to standard fee rates. Performance-based fee rates will depend on the desired investment style and embedded risks, and are negotiable in that a client may negotiate the base fee rate, performance-based fee rate, the index used to calculate the performance-based fee, or the use of no index in calculating the performance-based fee.

Any performance-based fee arrangement that Matrix charges and all activity conducted in such accounts are intended to comply with Matrix's Code of Ethics, the Advisory Contracts and all requirements under the Investment Adviser's Act of 1940 (the "Adviser's Act").

Matrix seeks to mitigate the potential conflicts of interest which may arise from managing accounts that bear a performance-based fee by monitoring and diligently enforcing its policies and procedures, including those related to investment allocation, and complying with its Advisory Contracts and the Adviser's Act as stated above.

ITEM 7 TYPES OF CLIENTS

Matrix provides portfolio investment advisory services to the individuals and institutions as explained further below.

Individual Clients

From time to time, Matrix may also provide investment and wealth management services to individuals. Matrix will customize services and recommendations for individual clients consistent with the particular investment strategy or strategies the client selected for that account. Clients may impose certain limitations or restrictions on Matrix's services and recommendations. However, Matrix reserves the right not to enter into a contract with a prospective client, or to terminate an agreement with an existing client, if the proposed limitation or restriction is likely in

Matrix's opinion to impair its ability to provide services to a client or Matrix otherwise believes to be administratively or practically infeasible.

Matrix may make available a variety of investment strategies to individual clients, including Equity Strategies, Fixed Income Strategies and Balanced Strategies.

The account minimum for an individual retail client account is \$500,000. Matrix reserves the right in its sole discretion to waive account minimums in certain circumstances.

Institutional Clients

Matrix provides portfolio management services to institutions, including corporations and partnerships. Matrix's services to the institutional client's account will be consistent with the particular investment strategy or strategies the client selected for that account. Clients may impose certain limitations or restrictions on Matrix's recommendation. However, Matrix reserves the right not to enter into a contract with a prospective client, or to terminate an agreement with an existing client, if the proposed limitation or restriction is likely in Matrix's opinion to impair its ability to provide services to a client or is otherwise believed by Matrix to be administratively or practically infeasible. Matrix may make available a variety of investment strategies to institutional clients, including Equity Strategies, Fixed Income Strategies and Balanced Strategies.

The account minimum for an institutional client account is \$2,000,000. Matrix reserves the right in its sole discretion to waive account minimums in certain circumstances.

Wrap Programs

The majority of Matrix's business is generated through Matrix's participation in the Alliance Programs and the wrap fee programs sponsored by Alliance Sponsors or their affiliates thereunder. In the Alliance Programs, all fees are deducted from client accounts by the Alliance Sponsors or their affiliates, and they pay Matrix's portion of the fees to Matrix. In a typical Wrap Program arrangement, the client enters into an investment Advisory Contract with the sponsor, and the sponsor enters into various arrangements to have services provided to the clients, including an agreement with Matrix providing for Matrix's introduction of the client to an Alliance Program and compensation of Matrix. The sponsor pays Matrix's portion of the investment advisory fee out of the fee that the sponsor collects from the client.

Matrix has responsibility for determining that the portfolio management services are suitable for a particular client and for monitoring and evaluating account activity and performance on the client's behalf. The sponsor is responsible for executing brokerage transactions within the client's account, and for providing custodial services for the client's assets. Matrix will, on a non-discretionary basis, make recommendations to clients for the establishment of a particular wrap account, the hiring of a third-party manager, and/or purchase and sale of securities and other investments within the client's account, consistent with the particular investment strategy the client selected, and the capabilities of the client's custodian. The investments and strategies Matrix makes available to clients vary from one Wrap Program to another; currently, not all

investments and strategies are available in every Wrap Program. Each Wrap Program sponsor may impose a minimum account size to open and maintain an account as disclosed in the applicable wrap brochure.

Matrix will provide each client with the wrap program brochure applicable to the wrap program in which they will participate.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Matrix utilizes a combination of fundamental and technical methods of analysis and further analyzes investments using an asset allocation strategy.

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For Matrix, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Matrix will be able to accurately predict such a reoccurrence.

At times, Matrix utilizes an asset allocation strategy based on Modern Portfolio Theory ("MPT"), which is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such, the factors for which MPT does not account (e.g., tax implications, regulatory constraints and brokerage costs) may negate the upside or add to the actual risk of a particular allocation, although Matrix's investment process is structured in such a way as to try and integrate those assumptions and real life considerations for which MPT analytics do not account.

SUITABILITY CONSIDERATIONS FOR ALL CLIENTS

Advisory services provided by Matrix to its clients range from fixed income objectives with more conservative goals to equity objectives with more aggressive goals. The equity investor's primary goal should be to maximize long-term returns with great importance attached to capital appreciation

and relatively little emphasis on current income. Conversely, the fixed income investor's primary goal should be to generate income while conserving principal. Equity securities generally have a greater potential for both reward and risk while fixed income securities offer more modest rewards with correspondingly less risk. Investing in securities carries with it the risk of loss of capital. Matrix generally imposes a minimum dollar amount of \$100,000 worth of assets for retail equity accounts and \$200,000 worth of assets for retail fixed income accounts. Matrix reserves the right in its sole discretion to waive account minimums in certain circumstances.

Descriptions of Material Risks

General Risk of Loss. Investing in securities involves the risk of monetary loss, and clients investing their money with Matrix should be prepared to bear that loss. None of the strategies for which Matrix provides portfolio management services is a deposit in any bank, nor are those investment vehicles insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

Credit Risk. If debt obligations held by an account are downgraded by ratings agencies, go into default, or if management action, legislation or other government action reduces the issuers' ability to pay principal and interest when due, the obligations' value may decline and an account's value may be reduced. Because the ability of an issuer of a lower-rated or unrated obligation (including particularly "junk" or "high yield" bonds) to pay principal and interest when due is typically less certain than for an issuer of a higher rated obligation, lower rated and unrated obligations are generally more vulnerable than higher-rated obligations to default, ratings downgrades, and liquidity risk. Political, economic and other factors also may adversely affect governmental issues.

Derivatives Risk. An account's investments in derivatives involve risks associated with the securities or other assets underlying the derivatives, as well as risks different or greater than the risks affecting the underlying assets. Risk unassociated with the underlying assets include the inability or unwillingness of the other party to a derivative to perform its obligations to an account, an account's inability or delay in selling or closing positions in derivatives, and difficulties in valuing derivatives.

Foreign Investment Risk. Investments in securities of foreign issuers may involve risks including adverse fluctuations in currency exchange rates, political instability, confiscations, taxes or restrictions on currency exchange, difficulty in selling foreign investments, and reduced legal protection. These risks may be more pronounced for investments in developing countries.

Interest Rate Risk. When interest rates increase, the value of the account's investments may decline, and the account's share value may decrease. This effect is typically more pronounced for intermediate and longer-term obligations. This effect is also typically more pronounced for mortgage and other asset-backed securities since value may fluctuate more significantly in response to interest rate changes. When interest rates decrease, the account's current income may decline.

Liquidity Risk. Due to a lack of demand in the marketplace or other factors, an account may not be able to sell some or all of the investments promptly, or may only be able to sell investments at

less than desired prices.

Management Risk. Matrix client accounts are actively managed portfolios. The accounts' value may decrease if Matrix pursues unsuccessful investments or fails to correctly identify risks affecting the broad economy or specific issuers comprising the accounts.

Market and Economic Risk. An account's investment value may decline due to changes in general economic and market conditions. A security's value held in an account may change in response to developments affecting entire economies, markets or industries, including changes in interest rates, political and legal developments, and general market volatility. The profitability of a significant portion of Matrix's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Matrix will be able to predict those price movements accurately.

Mutual Funds and Exchange-Traded Funds (ETFs). An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a funds' stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Use of Independent Managers. Matrix may recommend the use of Third Party Managers. In these situations, Matrix and/or its agents continue to do ongoing due diligence of such managers, but such recommendations rely to a great extent on the Third-Party Managers' ability to successfully implement their investment strategies. In addition, Matrix generally does not have the ability to monitor or supervise the Third-Party Managers on a daily basis.

Prepayment Risk – Decreases in market interest rates may result in prepayments of obligations in the account, requiring the account to reinvest at lower interest rates.

Real Estate Risk – An account’s investments in real estate investment trusts (“REITs”) are subject to risks affecting real estate investments generally (including market conditions, competition, property obsolescence, changes in interest rates and casualty to real estate), as well as risks specifically affecting REITs (the quality and skill of REIT management and the REIT’s internal expenses).

Risks Affecting Specific Issuers – The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including but not limited to management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer’s competitive position.

Smaller Company Risk – Investments in smaller companies may involve additional risks because of limited product lines, limited access to markets and financial resources, greater vulnerability to competition and changes in markets, lack of management depth, increased volatility in share price, and possible difficulties in valuing or selling the investments.

Structured Products Risk – An account’s investments in structured finance arrangements, including Collateralized Mortgage Obligations (CMOs), Collateralized Debt Obligations (CDOs), Collateralized Loan Obligations (CLOs), involve the risks associated with the underlying pool of securities or other assets, as well as risks different or greater than the risks affecting the underlying assets. In particular, these investments may be less liquid than other debt obligations, making it difficult for an account to value its investment or sell the investment in a timely manner or at an acceptable price.

ITEM 9 DISCIPLINARY INFORMATION

Neither Matrix, nor any of its management persons, has been the subject of any material legal or disciplinary action.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Matrix is an investment adviser registered with the Securities and Exchange Commission (“SEC”). The information in this brochure has not been approved or verified by the SEC, and SEC registration of an investment adviser does not imply a certain level of skill or training.

Neither Matrix, nor any of its associated persons have any other financial industry affiliations or activities.

Potential Conflicts of Interest

Alliance Sponsors, through the Alliance Programs, provide Matrix and our clients with access to

its investment advisory, brokerage, trading, custody, third-party manager, reporting and related services – many of which are typically available direct to Alliance Sponsor retail customers. Alliance Sponsors also make available various support services, some of which help Matrix manage or administer our clients’ accounts while others may help the Firm manage and grow its business. These services include access to a broad range of investment managers, investment products, execution of securities transactions, and custody of client assets. Alliance Sponsors may also make available to Matrix other products and services that benefit the Firm but may not directly benefit our clients though they assist the Matrix in managing and administering our clients’ accounts. They include investment research, software and other technology that, provide access to client account data (such as duplicate trade confirmations and account statements); provides pricing and other market data; facilitate payment of our fees from our clients’ accounts; and assists with back-office functions, recordkeeping and client reporting; educational conferences and events; technology, compliance, legal, and business consulting; publications and conferences on practice management and business succession; and access to employee benefits providers, human capital consultants and insurance providers.

Alliance Sponsors may provide some of these services itself and in other cases, they may arrange for third-party vendors to provide the services. Alliance Sponsors may also discount or waive its fees for some of these services or pay all or a part of a third party’s fees, and may also provide Matrix with other benefits such as occasional business entertainment of our personnel.

The availability of these services from Alliance Sponsors presents a potential conflict of interest in that Matrix may select an Alliance Program for a client based on benefits provided by that Alliance Sponsor rather than its appropriateness for the client. Matrix believes, however, that our selection of Alliance Sponsors is in the best interests of our clients. It is primarily supported by the scope, quality and price of the Alliance Sponsors’ services and not their services that benefit only Matrix.

All Alliance Program arrangements that Matrix enters into and all activity conducted in such accounts are intended to comply with Matrix’s Code of Ethics, the Advisory Contracts and all requirements under the Adviser’s Act. Matrix seeks to mitigate the potential conflicts of interest which may arise from these conflicts by monitoring and diligently enforcing its policies and procedures, including those related to investment allocation, and complying with its Advisory Contracts and the Adviser’s Act as stated above.

ITEM 11 CODE OF ETHICS, PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

The Advisers Act imposes a fiduciary duty on all investment advisers to act in the best interest of their clients. To that end, Matrix has adopted a Code of Ethics (the “Code”) for the purpose of instructing its personnel in their ethical obligations and to provide rules for their personal securities transactions. The Firm’s Code confirms that Matrix and its personnel owe a duty of loyalty, fairness and good faith towards their clients, and the obligation to adhere not only to the specific provisions of the Code, but to the general principles that guide the Code. The Code covers a range

of topics that include: general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. Matrix will provide a copy of the Code to any client or prospective client upon request. Please contact us at (212) 292-5249 to obtain a copy of the Code.

Participation of Interest in Client Transactions

Matrix employees may, on occasion, buy or sell securities for themselves that Matrix recommends or buys or sells for their clients. However, such transactions may not be effected when they are adverse to clients' interests. In order to mitigate the conflicts of interest associated with these practices and to help ensure that the Matrix clients' interests are placed ahead of its own, it is Matrix policy to either place block trades or require that client trades be placed prior to allowing personal trades of its associated persons to be placed. Matrix has personal trading policies that require reporting by its associated persons and monitoring of their personal trades.

Personal Trading

Matrix employees must forward copies of confirmations for their brokerage accounts and accounts of immediate family members living in the same household, to the designated Compliance Officer.

This Code has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by Matrix associated persons to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

ITEM 12 BROKERAGE PRACTICES

Matrix generally recommends that clients utilize the brokerage and clearing services of MSSB, which is included in the Wrap Programs.

Factors which Matrix considers in recommending MSSB or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. The commissions and/or transaction fees charged by MSSB may be higher or lower than those charged by other Financial Institutions.

The commissions, if any, paid by Matrix's clients comply with our duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Matrix determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Matrix seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Matrix periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

Transactions for each client will be effected independently, unless Matrix decides to purchase or sell the same securities for several clients at approximately the same time. Matrix may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Matrix’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among Matrix’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Matrix determines to aggregate client orders for the purchase or sale of securities, including securities in which Matrix’s Supervised Persons may invest, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Matrix does not receive any additional compensation or remuneration as a result of the aggregation. In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, Matrix may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Software and Support Provided by Financial Institutions

Matrix may receive from MSSB, without cost to Matrix, computer software and related systems support, which allow Matrix to better monitor client accounts maintained at MSSB. Matrix may receive the software and related support without cost because Matrix introduces clients to the Wrap Programs sponsored by MSSB and utilizes MSSB as custodian for client assets. The software and support are not provided in connection with securities transactions of clients (i.e. not “soft dollars”). The software and related systems support may benefit Matrix, but not its clients directly. In fulfilling its duties to its clients, Matrix endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Matrix’s receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Matrix’s choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, Matrix may receive the following benefits from Alliance Sponsors through their

Alliance Programs, in addition to receipt of its portion of the advisory fees: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk and financial advisors; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

Trade Errors

When Matrix is responsible for trading errors, Matrix's policy is to make the client whole by correcting the error, i.e., to restore the client's account to the position it would have been in if the error had not occurred. The correction process may result in cash shortfalls or overages and such amounts are credited or debited to Matrix's trading error account.

ITEM 13 REVIEW OF ACCOUNTS

Regular Reports

Wrap Program: Matrix generally does not provide reports to Wrap Program clients. Wrap Program clients agree to receive reports from the program sponsor the client has selected.

The custodian of record will provide clients with investment account transaction confirmations and account statements, which will include all debits and credits as well as the advisory fee for that period, which includes the compensation that Matrix receives. Statements are provided on at least a quarterly basis and confirmations are provided as transactions occur within your account. Matrix will not create an account statement for a client nor serve as the sole recipient of a client account statement.

Matrix may provide clients with complimentary supplemental reports of activity. Should clients receive periodic reports from any source that includes investment performance information, you are urged to carefully review and compare your account statements that you have received directly from your custodian of record.

Tax Considerations

Unless specifically noted, tax efficiency is not a consideration in the management of Matrix accounts. Certain investments utilized may have unique and significant tax implications. Clients should consult with a tax professional prior to investing.

IRS Circular 230 Disclosure: Matrix, its affiliates, agents, and employees are not in the business of providing tax, regulatory, accounting or legal advice. This brochure and any tax-related statements provided by Matrix are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

Compensation for Client Referrals

Matrix participates in the various Professional Alliance Programs which allows certain unaffiliated third parties, such as Matrix, to introduce clients to Alliance Sponsors' investment advisory programs. Generally, Alliance Sponsors will contract with Matrix clients introduced through the Alliance Programs, and Alliance Sponsors or their affiliates will serve as broker-dealer and custodian for such accounts and will deduct the advisory fees from client accounts and pay a portion thereof to Matrix.

Matrix may enter referral arrangements whereby Matrix compensates unaffiliated third-parties (such as accountants, attorney and other professionals) for client referrals. Such arrangements will be formed in compliance with applicable rules and with disclosure thereof to impacted clients.

ITEM 15 CUSTODY

Matrix client assets will be maintained by an unaffiliated, qualified custodian, such as a bank, broker/dealer, mutual fund companies or transfer agent. Client assets are not held by Matrix or any associate or Matrix. In keeping with this policy involving client funds and securities, Matrix:

- Restricts the firm or an associate from serving as trustee or having general power of attorney over a client account;
- Prohibits any associate from having authority to directly withdraw securities or cash assets from a client account. Although we may be deemed to have "constructive custody" of your assets since we may request the withdrawal of advisory fees from an account, we will only do so through the engagement of a qualified custodian maintaining your account assets, via your prior written approval, and following our delivery of our written notice;
- Does not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm;
- Will not collect advance fees of \$500 or more for services that are to be performed six months or more into the future; and
- Will not authorize an associate to have knowledge of a client's account access information (i.e., online 401(k), brokerage or bank accounts) if such access would allow physical control over account assets.

The custodian of record will provide you with your investment account transaction confirmations and account statements, which will include all debits and credits as well as the advisory fee for that period, which includes the compensation that Matrix receives. Statements are provided on at least a quarterly basis and confirmations are provided as transactions occur within your account. Matrix will not create an account statement for a client nor serve as the sole recipient of a client account statement.

Should you receive periodic reports from any source that includes investment performance information, you are urged to carefully review and compare your account statements that you

have received directly from your custodian of record.

ITEM 16 INVESTMENT DISCRETION

Matrix does not exercise discretionary authority over any client accounts.

ITEM 17 VOTING CLIENT SECURITIES

Clients may periodically receive proxies or other similar solicitations sent directly from an issuer or the selected custodian or transfer agent. Should Matrix receive a duplicate copy, note that we do not forward these or any correspondence relating to the voting of client securities, class action litigation, or other corporate actions.

Matrix does not vote proxies on client's behalf; nor do we offer guidance on how to vote proxies. Matrix will not offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. However, Matrix will answer limited questions with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or their legal representative.

Clients maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by clients shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to your holdings. Clients should consider contacting the issuer or legal counsel involving specific questions clients may have with respect to a particular proxy solicitation or corporate action.

ITEM 18 FINANCIAL INFORMATION

Matrix has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

ITEM 19 REQUIREMENTS FOR STATE-REGISTERED ADVISERS

For further information involving Matrix's principal executive and management personnel, their business activities as well as material conflicts of interest, please refer to areas previously disclosed in Items 6 and 9 through 11, as well as the accompanying Form ADV Part 2B brochure supplement that immediately follows this page.

Matrix Advisory Inc.

BROCHURE SUPPLEMENT **Part 2B of FORM ADV**

March 16, 2018
Mauricio Abadi

Matrix Advisory Inc.
800 Third Avenue – 28th Floor
New York, New York 10022
(212) 292-5249

This brochure supplement provides information about Mauricio Abadi that supplements the Matrix Advisory Inc. brochure. You should have received a copy of that brochure. Please contact us at (212) 292-5249 if you did not receive the Matrix Advisory Inc. brochure or if you have any questions about the contents of this supplement. Thank you.

Additional information about Mauricio Abadi is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 1 COVER PAGE

Please see previous page.

ITEM 2 EDUCATIONAL AND BACKGROUND BUSINESS EXPERIENCE

Name and Title: Mauricio Abadi, Matrix's principal owner, Chief Executive Officer, Managing Director and Chief Compliance Officer.

Year of Birth: 1957

Formal Education After High School:

- Bachelor degree in Civil Engineering, Escola de Engenharia Maua, 1981
- Bachelor degree in Economics, Universidade de Sao Paulo, 1983
- Graduate program in Finance, Fundacao Getulio Vargas, SP, 1986
- Special student in the MBA program at NYU, 1991.
- General Securities Rep. Examination/FINRA series 7 (inactive)
- Uniform Securities State Agent Law Examination/NASAA series 63
- Uniform Investment Advisor Law Exam/NASAA series 65

Business Experience:

- MORGAN STANLEY (6/2017 – 11/2017)
Senior Vice President / Wealth Management
- SAFRA NATIONAL BANK OF NY (1999- 2017)
Executive Vice President / International Private Banking.
- COMMERCIAL BANK OF NY (1991-1999)
Senior Vice President / International Private Banking.
- BANCO CIDADE DE SAO PAULO (1983-1991)
Vice President / Cash Management Depart.
- BANCO ITAU S.A.(1982)
Analyst trainee.

ITEM 3 DISCIPLINARY INFORMATION

Matrix is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of each investment person providing advice to you. Mr. Abadi has no information relevant or required to be disclosed under this Item.

ITEM 4 OTHER BUSINESS ACTIVITIES

Mr. Abadi is not involved in any outside business activities that are investment-related, that provide a substantial amount of his income, or that require a substantial amount of his time.

Although Mr. Abadi is licensed as a registered representative and was previously associated as a registered representative with a broker/dealer, that registration is currently inactive and anticipated to remain inactive. He does not receive commissions, bonuses or other compensation based on the sale of securities as a registered representative of a broker/dealer including distribution or service (“trail”) fees from the sale of mutual funds.

Mr. Abadi and Matrix do not have a material relationship with the issuer of a security.

ITEM 5 ADDITIONAL COMPENSATION

Mr. Abadi is not provided an economic benefit for providing advisory services by anyone other than Matrix.

Matrix at times receives payment of its portion of client advisory fees under certain professional alliance programs (the “Alliance Programs”) with financial services firms (“Alliance Sponsors”) as described in more detail in Matrix’s Form ADV Part 2, Section 4 and elsewhere.

ITEM 6 SUPERVISION

In addition to serving as Matrix’s principal owner, Chief Executive Officer, Managing Director and Chief Compliance Officer, Mr. Abadi is also an investment advisor representative providing advice to clients. Because supervising one’s self poses a conflict of interest, the firm has adopted policies and procedures to mitigate this conflict, and may use the services of unaffiliated professionals to ensure the firm’s oversight obligations are met.

Questions relative to the firm, its services or this Form ADV Part 2B may be made to the attention of Mr. Abadi at (212) 292-5249.

ITEM 7 REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Investment adviser who are registered with a state regulatory agency rather than the SEC are required to provide information about a wider range of disciplinary information than that described in Item 3 above. Mr. Abadi has no such disciplinary information to report.