

**Matrix Capital Advisors, LLC**

**Form ADV Part 2A: *Firm Brochure***

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This brochure provides information about the qualifications and business practices of Matrix Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 312-612-6100 or [klundgren@matrixcapital.com](mailto:klundgren@matrixcapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Matrix Capital Advisors, LLC, is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by entering a unique identifying number, known as a CRD number. Our firm's CRD number is 109523.

## Item 2    Material Changes

This Firm Brochure, dated March 23, 2020, provides you with a summary of Matrix Capital Advisors, LLC's, advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our current clients with a summary of new and/or updated information. Depending on the type of revision, we will inform clients of revision(s) as follows:

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with the full revised Brochure within 120 days of our FYE. The most recent copy of the brochure is always available on our file sharing website, Sharefile, in the *Matrix Client Compliance Documents* folder.
2. Material Changes: Should a material change in our operations occur, we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership, control, or location; disciplinary proceedings; or significant changes to our advisory services or advisory affiliates – in short, any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

Matrix Capital Advisors, LLC had no material changes as of December 31, 2019.

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## Item 4     **Advisory Business**

Matrix Capital Advisors, LLC ("Matrix"), is a Securities and Exchange Commission (SEC)-registered investment adviser founded in 2000 by its principals, Christopher J. Burke (Managing Director) and Michael D. Wik (Managing Director). Matrix is based in Chicago, Illinois.

Matrix offers two types of investment advisory services to its clients: **Discretionary Investment Advisory Services and Consulting Services (Non-Discretionary Investment Advisory Services)**. As of December 31, 2019, Matrix manages \$576,426,069 million of clients' assets on a discretionary basis and \$13,921,931 million of clients' assets on a non-discretionary basis.

### ***Discretionary Investment Advisory Services***

Matrix recognizes each client has a unique set of circumstances that need to be carefully considered at the outset of the advisory relationship. This process is initiated through a series of personal meetings in order to develop an intimate understanding of the client's investment objectives, including prior investment experience, time horizon, risk tolerance, and liquidity needs. These elements are reviewed in the context of the client's tax and estate planning, as well as family composition and background. Through these interactions we are able to create a written personal investment policy statement that guides portfolio construction and the ongoing investment process.

From the investment policy statement Matrix develops an asset allocation recommendation, which is the road map for the implementation of a client's objectives. Matrix typically allocates a client's assets over a broad spectrum of asset classes and categories, and may recommend outside managers as sub-advisors to implement allocations within each asset class. These sub-advisors may choose to use a variety of legal structures to execute a particular investment strategy or strategies, including open-end and closed-end mutual funds, public and private real estate investment trusts ("REITs"), separately managed accounts ("SMAs"), exchange traded funds ("ETFs"), and pooled investment partnerships.

Matrix is wholly owned by the principals of the firm and our investment recommendations are not limited to any specific product or service offered by a broker-dealer, insurance company, or financial institution. Depending on the client's investment objectives and investment policy statement, Matrix client portfolios may include the following:

- Interests in partnerships investing in public and private securities and funds (e.g., "hedge funds")
- Private equity investment funds
- Exchange-listed securities
- Exchange traded funds ("ETFs")
- Securities traded over-the-counter
- Foreign issuers
- Registered Non- Traded REITs

- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper, certificates of deposit, municipal securities
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

### ***Consulting Services (Non-Discretionary Investment Advisory Services)***

Consulting Services consist of Investment Advisory services delivered to clients whose assets we do not manage. Consulting services may include advice on one aspect of the investment process, such as asset allocation, manager selection, performance measurement, or a single asset class like real estate. Consulting Services may or may not include implementation of the recommendation or advice. Matrix provides consulting services to a few high net worth clients.

## **Item 5 Fees and Compensation**

### ***Discretionary Investment Advisory Services Fees***

Fees are determined based on factors such as the size of the client's account, complexity of the client's account, and scope of services performed. Matrix fees for Discretionary Investment Advisory Services are typically expressed as a percentage of assets under advisement. Annual fees range from 0.25% to 1.25% of assets. The specific annual fee schedule is identified in the Investment Advisory Agreement between the advisor and each client. Occasionally, Matrix may establish a fixed fee arrangement. Matrix does not accept any prepaid fees. Advisory fees are billed quarterly in arrears and can either be directly debited from client accounts or paid separately by the client. Most clients give Matrix authorization to directly debit their Schwab accounts when they sign Matrix Capital Advisors' Investment Advisory Agreement.

Although Matrix has established the aforementioned fee structure, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances, and needs are considered in determining the fee schedule. These may include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, and reporting needs. Senior management reviews client fees on an annual basis. As client needs and

circumstances change over time, Senior Management may determine that a fee schedule change may be necessary. If this is the case, a meeting/call will be scheduled with the client and, once a fee change is agreed upon, a form disclosing the updated fee will be signed by the client.

A minimum net worth of \$3,000,000 is required for a client to initiate an advisory relationship with Matrix. This minimum net worth amount may be negotiable under certain circumstances. Matrix may group certain related client accounts for the purposes of achieving the minimum account size and determining the annual fee.

Matrix may discount fees in special situations, including clients who are family members or friends of employees or principals of our firm.

### ***Consulting Services Fees (Non-Discretionary Investment Advisory Services)***

Matrix's consulting services fee is determined based on the nature and scope of the services provided. All consulting fees are agreed upon prior to entering into a contract with any client. Consulting clients are billed at the end of each quarter.

### ***General Fees-Related Information***

*Termination of the Advisory Relationship:* A client agreement may be canceled at any time, by either party, for any reason upon written or verbal notice. Upon termination of any account, Matrix shall be entitled to charge advisory fees earned for the current quarter based on the number of days for which it provided services to the client in that quarter.

*Mutual Fund Fees:* All fees paid to Matrix for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and possibly distribution fees. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client may invest in a mutual fund directly without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

*Additional Fees and Expenses:* In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians, hedge fund managers, Separately Managed Account managers, private equity managers, and broker-dealers, including, but not limited to, any transaction charges imposed by a broker-dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section of this document for additional information.

*ERISA Accounts:* Matrix is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in

prohibited transactions, Matrix may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees.

*Prepayment of Fees:* Under no circumstances do we require or solicit payment of fees in advance of services rendered.

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

### ***Performance-Based Fees***

Matrix Managing Directors may receive performance-based fees for Brauvn Net Investments, Inc. (BNI), Conrex Residential Property REIT I and II, Inc. (Conrex), Kendall Sustainable Infrastructure I, LP and Matrix B-Cash, LLC. Matrix investment advisory clients are invested in these funds.

**Alternative Energy Infrastructure Projects Fund I, LP (AEIP)** is a Delaware limited partnership organized to invest in tax-efficient, cash flowing, renewable and alternative energy generation and storage assets that produce, sell and/or store energy for commercial and industrial scale users. Matrix owns 10% of AEIP I GP LLC, the Fund's General Partner.

**Brauvn Net Investments, Inc. (BNI)**, is a private real estate investment trust ("REIT"), that specializes in the acquisition, ownership, and management of triple net leased real estate properties throughout the United States. Matrix owns a 9.87% interest in the Class B membership interests of Brauvn Net Investments, LLC, through which it receives 9.87% of performance fees calculated as 20% of net profits after return of capital and an 8% cumulative preferred return to the investors. On January 1, 2018, the Matrix Class B membership interest was transferred to Mr. Christopher Burke and Mr. Michael Wik respectively for estate planning purposes.

Matrix shares a profit participation with **Connorex-Lucinda LLC**, the "Manager" of Conrex Residential Property Group 2013 – 1, LLC (the "Operating Company" of Conrex Residential Property REIT I), and Conrex Residential Property Group 2015 Operating Company, LLC (the "Operating Company" of Conrex Residential Property REIT II). Conrex Residential Property REITs I and II were created to purchase foreclosed single-family residences in attractive growing geographies for renovation and placement in the rental market. The REITs contribute substantially to the Operating Company. The Manager will pay to Matrix an amount equal to 3.97% of the carried interest received by the Manager of Conrex Residential Property REIT I, and 2.97% of the carried interest received by the Manager of Conrex Residential Property REIT II. The Manager's carried interest is calculated as 20% of profits above 100% return of capital plus 8% preferred return. When investors have received, in aggregate, a 20% annualized return on their investment, including full return of capital, the Manager receives 30% of net profits thereafter. On June 21, 2018, the Matrix carried interest participation was transferred to Mr. Christopher Burke and Mr. Michael Wik for estate planning purposes.

Matrix shares a profit participation with **KSII GP LLC**, the "Manager" of Kendall Sustainable Infrastructure I, LP, which is a private fund created to build and own solar energy assets in the United States. The Manager will pay to Matrix an amount equal to 3.11% of the Carried Interest Distributions received by the Manager calculated as 15% of net profits after investors have received a 100% return of capital and an 8% annualized preferred return. Matrix also has the right to name a single representative to the partnership's

Advisory Committee. On January 1, 2018, the Matrix carried interest participation was transferred to Mr. Christopher Burke and Mr. Michael Wik respectively for estate planning purposes.

Matrix is a Class B Member of **Matrix B-Cash LLC**, an entity created to make an investment in Principal Plus Group LLC ("PPG"). PPG owns a 99.9% interest in Vivalia, SA de CV SOFMOM, a privately-held consumer finance company that provides personal loans to employed individuals in Mexico. As a Class B Member, Matrix is entitled to 15% of all distributable cash once the Class A Members have received a 100% return of capital and a 15% cumulative compounded rate of return of their capital. On April 12, 2018, the Matrix Class B membership interest was transferred to Mr. Christopher Burke and Mr. Michael Wik respectively for estate planning purposes.

Information regarding profit participation can be found in each private fund's Private Placement Memorandum (PPM). These can be found in each client's Sharefile folder under the Fund's name. Occasionally, the PPM may not disclose the profit participation. In these instances, we will correspond with the client directly.

Clients should be aware that performance-based fee arrangements may create an incentive for us to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement.

### ***Co-Investment Opportunities***

Matrix may recommend private funds to clients as part of a client's overall asset allocation. In some instances, the private funds may offer co-investment opportunities for clients as well as the principals of Matrix. Co-investments may or may not be made on more favorable terms than the terms of the client's investment in the private fund(s).

The Principals of Matrix, along with other investors, were afforded co-investment opportunities related to private funds recommended by Matrix, including Arbor Investments II LP and Arbor Investments III LP. Arbor does not charge management fees or a profit participation on these co-investments.

## **Item 7 Types of Clients**

Matrix provides advisory services to the following types of clients:

- High net worth individuals
- Trusts and estates
- Individuals (other than high net worth individuals)

As previously disclosed in this document, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided.



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

### ***Methods of Analysis***

Matrix employs fundamental, quantitative, and qualitative analysis in determining asset allocation and portfolio construction.

Fundamental analysis drives our top-down global markets perspective, which in turn drives how we formulate asset allocation. By using multiple sources for research and analysis, which may include financial journals, newspapers and magazines, outside research prepared by others, fund manager reports, annual reports, on- and off-site interviews, prospectuses, and SEC filings, we are able to gauge the relative value and attractiveness of global markets. Emphasis is placed on economic growth, interest rate environment, inflation, and the relative values of the asset classes and sectors we target. Our goal is to make near-term and long-term assessments of the markets and where we do or do not want exposure.

We use quantitative analysis in the portfolio construction and manager evaluation process. Quantitative analysis is a mathematical way of measuring investment characteristics like risk, volatility, and correlation. In the manager evaluation process, we use quantitative analysis to evaluate multiple managers against a benchmark, to compare their volatility relative to their return, or to evaluate how their respective performance might differ in up and down markets. Quantitative analysis of a manager can help us understand how a manager or strategy might perform relative to another asset class or manager. In the portfolio construction process, we use quantitative analysis to understand how a portfolio of managers might perform in different market scenarios, or how the expected volatility of a portfolio matches with client objectives. Quantitative analysis at the portfolio level also gives us a tool to test the diversification of a multi-asset class portfolio and understand the performance attribution of the individual managers to the overall portfolio.

Qualitative analysis is used primarily for manager evaluation and selection. When we perform due diligence on a manager, we collect the data needed to make qualitative assessments of the manager and their organization. Information gathered may include regulatory history, background checks, client endorsements, audited financials, transparency reporting, and technology assessments. These qualitative aspects of the manager evaluation process many times are the most illuminating.

### ***Investment Strategies***

Matrix is wholly owned by its Principals and has no affiliation with any other financial institution. As such, Matrix is not restricted in any way in the consideration of investment strategies on behalf of its clients. Matrix uses a variety of strategies in managing client accounts, each considered in the context of what is appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizon.

*Long-term purchases.* Generally, we invest in funds, securities, and strategies with the intent of holding them in the client's account for a year or longer. Typically, we employ this strategy when we consider the security or asset class to be undervalued or we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

*Short-term purchases.* We may purchase funds, securities, or strategies with the intention of selling them within a relatively short time, typically a year or less. We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in those securities.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and could result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

*Trading.* We may invest in funds that purchase securities with the intention of selling them very quickly, typically within 30 days or less. We would consider this strategy only with a manager that is an experienced short-term trader.

*Short sales.* We may borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price does go down, the client account realizes a profit.

*Margin transactions.* We may purchase funds, securities, or strategies with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings. At Matrix, we typically use margin to cover a client's short-term cash needs.

*Option writing.* We may use options as an investment strategy or as a hedging technique. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We could potentially use options to capitalize on the possibility of a sharp price swing. We may also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside or downside of a security we have purchased for your portfolio.

We may use "covered calls", in which we sell an option on a security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed upon price.

We may use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

### ***Risk of Loss***

Securities and fund investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9 Disciplinary Information**

Matrix and its employees have not been involved in any legal or disciplinary events since the inception of the firm that would be material to a client's or prospective client's evaluation of the firm or its personnel.

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

Management personnel of Matrix are not involved in any other industry activities or affiliations that may create a conflict of interest that could impair the objectivity of our firm and these individuals when making advisory recommendations to clients. We take the following steps to ensure that no conflicts occur:

- We collect, maintain, and document accurate, complete, and relevant client background information, including the client's financial goals, objectives, and risk tolerance;
- Our firm's management team conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- We require that our employees disclose of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm.

We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics that sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. A copy of our Code of Ethics is provided to our advisory clients via Sharefile on an annual basis, and provided to new clients

when they open an account at Matrix. You may request a copy via email to Kim Lundgren at [klundgren@matrixcapital.com](mailto:klundgren@matrixcapital.com) or by calling us at (312) 612-6100.

Matrix and our personnel owe a duty of loyalty, fairness, and good faith toward our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's covered persons.

Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement, and recordkeeping provisions.

Matrix's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with making decisions in the best interest of advisory clients and implementing such decisions, while at the same time allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.

- It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
- Our firm requires prior approval for any private placement investments by employees and related persons of the firm.
- We have established procedures for the maintenance of all required books and records.
- Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
- All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- We require annual review and acknowledgement of the Code of Ethics by each covered person of our firm.
- We have established policies requiring the reporting of Code of Ethics violations to our senior management.
- Any individual who violates any of the above restrictions may be subject to termination.

## **Item 12 Brokerage Practices**

Charles Schwab is Matrix's preferred brokerage of choice. A client may choose a different broker to execute trades with a notification to Matrix in writing.

Matrix may use block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute trades in a timelier, more equitable manner, at an average share price. Matrix will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Matrix's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Matrix, or our firm's order allocation policy.
- 2) The portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.

- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Matrix to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in hindsight. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) If the order 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 pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 5) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 6) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- 7) No client or account will be favored over another.

Matrix recommends that clients establish brokerage accounts with Schwab Advisor Services, a division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Schwab, it is the client's decision whether to custody assets with Schwab. Matrix is independently owned and operated and not affiliated with Schwab.

Schwab provides Matrix with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are contingent upon our firm committing to Schwab a specific amount of business (e.g., assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Schwab generally does not charge separately for custody of our client accounts, but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Advisor Services also makes available to our firm other products and services that benefit Matrix but may not directly benefit our clients' accounts. Many of these products and services may be used to

service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts may include software and other technology that:

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

Schwab Advisor Services also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- educational conferences and events
- consulting on technology, compliance, legal, and business needs;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Matrix. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may provide other benefits such as educational events or occasional business entertainment of our personnel. Schwab Compliance Technologies provides Matrix with employee compliance monitoring solutions.

In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

## **Item 13    Review of Accounts**

### ***Discretionary Investment Advisory Services***

*Reviews:* While the underlying securities and managers within Discretionary Investment Advisory Services clients' accounts are continually monitored, these accounts are reviewed by one, or both, Managing Directors monthly. Accounts are reviewed in the context of each client's stated investment objectives

and guidelines annually. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, the market, or the political or economic environment.

*Reports:* In addition to the monthly or quarterly statements and confirmations of transactions that clients receive from their broker-dealer, we provide monthly reports summarizing account performance, balances, and holdings.

### ***Consulting Services or Non-Discretionary Investment Advisory Services***

*Reviews:* While reviews may occur at different stages depending on the nature and terms of the specific engagement, reviews will be conducted with Consulting Services clients at least quarterly, and may include items such as asset allocation, liquidity and manager selection. Such reviews will be conducted by one or both of Matrix's Managing Directors.

*Reports:* The content and frequency of reports for consulting services clients is determined at the inception of the engagement.

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

### ***Client Referrals***

The Company may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we set up a new referral relationship, we require the Solicitor to provide the prospective client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes the following information:

- The Solicitor's name and relationship with our firm;
- The fact that the Solicitor is being paid a referral fee;
- The amount of the fee; and
- Whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

### ***Other Compensation***

It is Matrix's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.



## **Item 15 Custody**

Matrix Capital Advisors LLC is deemed to have custody of advisory client funds, securities or assets under Rule 206(4)-2 of the Investment Advisers act of 1940. The Custody Rule states that an adviser has custody of client funds and securities if it has possession of client funds or securities, even briefly, and when it has authority to withdraw funds or securities from a client's account. Matrix has Standing Letters of Authorization (SLOA) in place with clients, Trading and Disbursement authorization on most Matrix client accounts, and Investment Advisor authorization to direct the purchase of alternative assets on behalf of our clients with the client's written or electronic authorization. As such, the custody rule requires our firm to retain an independent accountant registered with the Public Company Accounting Oversight Board (PCAOB) to conduct surprise annual examinations of our clients' accounts.

We previously disclosed in the "Fees and Compensation" section of this Brochure that our firm directly debits advisory fees from most client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from each client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their Matrix or custodial statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements to our clients on a monthly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

## **Item 16 Investment Discretion**

Discretionary Investment Advisory Clients hire us to provide discretionary asset management services, which means we may place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell
- Determine the price at which to buy or sell a security
- Retain sub-advisors who have the same type of discretionary authority for the Funds that they manage in which our clients are invested

Clients give us discretionary authority when they sign our Investment Advisory Agreement, and may limit this authority by written instruction. Clients may also change/amend such limitations by written instruction.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, or other types of events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

Sub-advisors may retain proxy voting responsibility for those securities held within the investment funds that they manage and in which Matrix clients are invested.

We may offer consulting assistance regarding proxy issues to clients if asked to do so.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit pre-payment of fees. Therefore, we are not required to include a financial statement.

Matrix has not been the subject of a bankruptcy petition at any time and is not aware of any financial condition that is expected to affect its ability to manage its Advisory Business.

**Matrix Capital Advisors, LLC**  
**Form ADV Part 2B: Brochure Supplement**

Christopher J. Burke  
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Updated: March 2020

This brochure provides information about the individuals listed above and supplements the Matrix Capital Advisors, LLC ADV Part 2A Brochure. You should have received a copy of that brochure in either electronic or paper form. If you did not receive the firm's Part 2A Brochure, or if you have any questions about the contents of this supplement, please contact us at (312) 612-6100 or [klundgren@matrixcapital.com](mailto:klundgren@matrixcapital.com).

Additional information about the individuals listed above is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 109523.

## **Christopher J. Burke**

### **Educational, Background and Business Experience**

Christopher John Burke (born 1954) has over 36 years of investment experience working across multiple assets classes advising high net worth individuals and institutional investors. Mr. Burke's experience includes acquisitions, capital raising, financial reporting, portfolio management, and relationship management.

#### **Matrix Capital Advisors LLC (2000 - Current)**

##### **Principal, Managing Director**

- Member of Asset Allocation and Investment Committees
- Manages new business development and all client relationships for the firm
- Manages all real-estate investment activities of the firm

#### **Lunn Partners LLC (1996-1999)**

##### **Managing Director**

- Managed Investment Advisory Group and Private Investment practice at firm.
- Member of Investment Committee and Asset Allocation/Manager Selection Committees
- Directed all Real estate Investment activities for the firm.

#### **LaSalle Partners Limited (1984 - 1996)**

##### **Senior Vice President-Limited Partner**

- Managed Institutional Capital relationships for Real Estate Investment Group (LaSalle Advisors Ltd.)
- Co-developed and raised equity capital for firm's first international investment initiative.

#### **Aetna Life and Casualty (1978-1984)**

##### **Account Executive –Employee Benefits Division**

### **Credentials**

Bowdoin College; BA in Economics - 1977

### **Disciplinary Information**

Mr. Burke has no reportable disciplinary history.

### **Other Business Activities**

None

### **Additional Compensation**

Mr. Burke does not receive any economic benefit from any person or entity other than Matrix Capital Advisors LLC in connection with investment advice to clients.

### **Supervision**

Matrix Capital Advisors LLC's Principals are jointly responsible for monitoring each other's adherence to the Company's Policies and Procedures and Code of Ethics, as well as adherence to all legal and regulatory requirements.

## **Michael D. Wik, CFA**

### **Educational, Background and Business Experience**

Michael David Wik (born 1966) has over 31 years of experience in all facets of finance including trading, capital raising, financial analysis, financial reporting, portfolio management, planning and budgeting and compliance.

#### **Matrix Capital Advisors LLC (2000 - Current)**

##### **Principal, Managing Director and Portfolio Manager**

- Responsible for due diligence of investment managers and investment opportunities, portfolio management, asset allocation and trading
- Oversee all internal operations including financial reporting, client relations and operations

#### **Huizenga Capital Management LLC (1990 - 1999)**

##### **Vice President**

- Responsible for portfolio trading and dealing with the firm's prime brokers
- Responsible for financial analysis and due diligence of public and private investment opportunities
- Responsible for compliance reporting

##### **Controller**

- Responsible for maintaining the financial statements for all the firm's investment entities
- Responsible for generating annual budgets and financial forecasts
- Responsible for portfolio performance reporting

#### **Greyhound Lines, Inc. (1989-1990)**

##### **Financial Analyst**

- Responsible for performance analysis of the company's Midwest maintenance facilities
- Developed annual budgets and financial statement forecasts
- Developed employee scheduling models

#### **Ryder System Inc., Automotive Carrier Division (1986-1989)**

##### **Financial Analyst**

- Responsible for financial modeling of the company's rate structures and distribution facilities
- Responsible for publishing the company's rate books
- Developed financial models used to produce the company's monthly financial forecasts of distribution volume

#### **AJA Financial Planners, Inc. (1984-1986)**

##### **Associate**

- Responsible for new business generation across all product classes including insurance, annuities, mutual funds, and private placements.
- Managed client investment portfolios
- Managed the firm's telemarketing operations

#### **Credentials**

Marquette University; BS – 1988

University of Detroit; MBA – 1991

CFA® Charterholder (see attached detailed description from the CFA Institute)

Member of the CFA Society of Chicago

**Disciplinary Information**

Mr. Wik has no reportable disciplinary history.

**Other Business Activities**

None

**Additional Compensation**

Mr. Wik does not receive any economic benefit from any person or entity other than Matrix Capital Advisors LLC in connection with investment advice to clients.

**Supervision**

Matrix Capital Advisors LLC's Principals are jointly responsible for monitoring each other's adherence to the Company's Policies and Procedures and Code of Ethics, as well as adherence to all legal and regulatory requirements.

## **CFA Institute Financial Adviser Statement for SEC Form ADV**

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

There are currently more than 150,000 CFA charterholders working in more than 140 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### **High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

### **Global Recognition**

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

### **Comprehensive and Current Knowledge**

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).