



M3SIXTY CAPITAL, LLC
FORM ADV PART 2A
BROCHURE

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This Form ADV Part 2A (Investment Advisor Brochure) gives information about the investment advisor and its business for the use of clients and prospective clients. If you have any questions about the contents of this brochure, please contact us using one of the methods listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

M3Sixty Capital, LLC is a registered investment adviser. Registration is mandatory for all persons meeting the definition of investment advisor and does not imply a certain level of skill or training.

Additional information about our firm is available on the SEC’s website at: www.adviserinfo.sec.gov.



Item 2 -- Material Changes

The purpose of this section is to discuss only material changes since the last annual update of M3Sixty Capital, LLC's Investment Advisor Brochure.

There are no material changes.



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Item 4 – Advisory Business

M3Sixty Capital, LLC (“M3Sixty” or the “Firm”) is an investment advisor registered with the State of Kansas and is a limited liability company formed under the law of the State of Delaware. M3Sixty was founded in 2010. M3Sixty is wholly-owned by Matrix 360 Holdings, LLC and has been providing investment advisory services since 2022. Randall Linscott serves as the Chief Executive Officer of the Firm.

General Description of Advisory Services

Mutual Funds

The Firm does not currently serve as an adviser to any mutual funds.

Model Managed Accounts (“MMA”)

The Firm advises model managed accounts (“MMA”) for institutional investors. These accounts are currently offered on a non-discretionary basis. Within reason, clients may impose restrictions on investing in certain securities or types of securities. At our sole discretion, we will manage legacy portfolios within a MMA.

Separately Managed Accounts (“SMA”)

The Firm may advise separately managed accounts (“SMA”) for institutional and individual investors. These accounts are currently offered on a discretionary basis. Within reason, clients may impose restrictions in writing on investing in certain securities or types of securities.

As of October 31, 2022, M3Sixty had \$0 in discretionary separately managed account Regulatory Assets Under Management (RAUM).

The firm does not offer a wrap fee program.

Item 5 – Fees and Compensation

M3Sixty receives compensation for providing advisory services depending on the manner in which they are provided.

Model Managed Accounts (MMAs)

M3Sixty International Equity Strategy

Fee Schedule for MMAs

AUM Range	Fee
\$5 million - \$25 million	0.80%
\$25,000,001 - \$50 million	0.70%



Over \$50 million	Negotiable
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Separately Managed Accounts (“SMA’s”)

M3Sixty International Equity Strategy

Fee Schedule for SMAs

AUM Range	Fee
\$5 million - \$25 million	0.80%
\$25,000,001 - \$50 million	0.70%
Over \$50 million	Negotiable

Fees and account minimums for MMAs and SMAs are negotiable for all account strategies. M3Sixty, in its sole discretion, may negotiate a lesser management fee or minimum account size due to a variety of factors such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing relationship with client, account retention, pro bono activities, etc. The advisory fees charged and the manner and frequency they will be calculated will be disclosed in the Investment Management Agreement signed by the Client and M3Sixty.

For MMAs and SMAs the advisory fee will generally be payable on a monthly basis in arrears or at such other time as agreed between M3Sixty and the client. The first payment is assessed and due at the end of the first calendar month and will be assessed pro rata in the event the investment advisory agreement is executed at any time other than the first day of the current calendar quarter. Subsequent payments are due and will be assessed on the first day after the end of each month based on the value of the account assets under management as of the close of business on the last business day of month. If termination occurs prior to the end of a month, the client will be invoiced for fees due on a pro-rata basis.

In some cases, an SMA annual account management fee is payable quarterly in advance and is computed as one-quarter of the annual fee based on the AUM on the last business day of the previous calendar quarter. In some cases, the annual account management fee may be payable monthly in advance computed as one-twelfth of the annual fee based on the AUM on the last business day of the previous month-end. The initial quarterly fee will be prorated based on the number of billing days in the initial quarter. The initial account balance and number of billing days in the initial quarter is calculated from the date on which the account reaches 90% of the approximate value for the account or 30 days after the contract acceptance date by M3Sixty, whichever occurs first. In the event a client terminates an advisory agreement with M3Sixty, any unearned fees resulting from advanced payments will be refunded to the client.

Payment of fees may be paid directly by the client, or client may authorize the custodian holding client funds and securities to deduct the investment advisory fees direct from the client account in accordance with statements prepared and submitted to the custodian by M3Sixty. The custodian will provide periodic account statements to the client. Such statements will reflect all fees paid to M3Sixty. It is the client’s responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.



MMA and SMA may incur certain charges imposed by custodians and other third parties which may include charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses) deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients may incur brokerage commissions and transaction costs. Such charges, fees and commissions are exclusive of and in addition to the M3Sixty advisory fee.

Mutual Funds

In the case of investment companies registered under the 1940 Act, the advisory contract with M3Sixty is subject to approval by the Board of Trustees, including trustees who are not interested persons (as defined in the 1940 Act) ("Independent Trustees"), of each mutual fund. M3Sixty's fees for providing these services are negotiated on an individual basis and may vary significantly among clients. Fees charged to mutual fund clients are subject to negotiation prior to the initiation of M3Sixty's services.

Compensation to M3Sixty is deducted from a registered investment company's assets and payable on a monthly basis in arrears or on such other terms as M3Sixty and the particular client may from time to time agree. Any investment advisory agreement concerning a registered investment company will terminate within two years of the effective date of the investment advisory agreement unless renewed by the investment company in a manner permitted by Section 15 of the 1940 Act. Any such agreement shall also terminate upon assignment or upon sixty (60) days' advance written notice by any party to the agreement or by the investment company concerned.

M3Sixty may, from time to time, voluntarily or contractually agree to reimburse certain of its mutual fund clients for management fees and other expenses above a specified limit. M3Sixty retains the ability to be repaid by such clients if expenses fall below the specified limit prior to the end of the client fiscal year. Reimbursement arrangements can decrease a fund's expenses and enhance its performance. Voluntary reimbursement arrangements may be discontinued by M3Sixty at any time.

M3Sixty may recommend or allocate the Mutual Funds to certain advisory clients or within certain investment models. In these instances, M3Sixty waives the client's account management fee for the portion of assets invested in the Mutual Funds. The client pays the fees, expenses and charges associated with the Mutual Funds, custodian or other third parties. Please refer to the prospectus and statement of additional information ("SAI") for information about the fees and expenses associated with the Mutual Funds. These documents are available at www.M3SixtyCapital.com.

See "Brokerage Practices" below for additional information.

The Advisory Agreement contains a pre-dispute arbitration clause. Client understands that the agreement to arbitrate does not constitute a waiver of the right to seek a judicial forum where such a waiver would be void under the federal securities laws. Arbitration is final and binding on the parties.



Item 6 – Performance-Based Fees & Side-By-Side Management

M3Sixty does not charge performance-based fees, which are based on capital gains in the client account. A performance-based compensation fee arrangement may create an incentive for an investment advisor to make investments that are riskier or more speculative than would be the case in the absence of a performance-based fee. Performance based compensation may create an incentive to favor accounts paying the highest fees in the allocation of investment opportunities.

Item 7 – Types of Clients and Account Minimums

M3Sixty services or seeks to provide services to the following types of clients: high-net worth individuals, institutions, trusts, private funds, charitable organizations, investment companies and clients of independent financial advisors.

Minimum Account Size

The minimum account size for SMA clients in the Firm’s strategies is \$5 million. The Firm, in its sole discretion, may negotiate a lower minimum account size.

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

The discussion in this section applies to all M3Sixty investment portfolios, including MMA’s and SMAs.

MMA and SMA clients should carefully review the account’s investment management agreement for additional information about the account’s investment strategies and risks.

General Overview

In managing client accounts, whether MMA or SMA, and providing recommendations to non-discretionary clients, M3Sixty utilizes various investment strategies and methods of analysis implemented by the portfolio managers. This Item 8 describes various methods of analysis and investment strategies, as well as the primary risks associated with these investment strategies. However, it is not possible to identify all of the risks associated with investing and the particular risks applicable to a client account will depend on the nature of the account, its investment strategy or strategies and the types of securities held.

While M3Sixty seeks to manage accounts so that risks are appropriate to the strategy, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. Clients and other investors should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses. Clients and other investors should read carefully all applicable informational materials and offering/governing documents, including prospectuses for further information on the various risks prior to retaining M3Sixty to manage an account or investing in any M3Sixty investment product.



Clients and other investors should be aware that while M3Sixty does not limit its advice to particular types of investments, mandates can be limited to certain types of securities or to the recommendation of investment advisers or managed funds, and are not always diversified. The accounts managed by M3Sixty are generally not intended to provide a complete investment program for a client or investor. Clients and other investors are responsible for appropriately diversifying their assets to guard against the risk of loss.

Fixed Income Mandates

M3Sixty utilizes fixed income strategies that are actively managed. Actively managed fixed income mandates generally employ an active investment style that emphasizes rotation among different types of debt on a tactical value basis, specific security selection, quantitative analysis of each security and the portfolio as a whole and intensive credit analysis and regular review. Alpha sources include security selection, duration and yield curve positioning, industry rotation, asset allocation, and currency positioning.

In seeking to achieve long-term investment performance consistent with clients' and other investors' objectives and policies, M3Sixty seeks to establish a continuous and comprehensive understanding of the investment risks in each portfolio, as well as those risks inherent in the increasingly complex global capital markets.

Equity Mandates

An Adviser's equity platform can offer a broad range of products that vary according to investment style, market capitalization (small-, mid-, small/mid-, large- and all-cap), and geography (global, international and regional). M3Sixty may use a variety of methods of security analysis to select investments in managing client assets, including fundamental analysis (i.e., evaluating each issuer's financial condition, industry position, and the market and economic conditions impacting their profitability); quantitative analysis (i.e., mathematical and statistical modeling); technical analysis (i.e., statistical analysis of market activity); and cyclical analysis (i.e., evaluating issuers based in part on their sensitivity to business cycles). M3Sixty may also use general macro-economic analysis as a component of its security analysis methods. In addition to relying on public financial statement information, M3Sixty may use corporate visits, conference presentations and interviews with issuer management teams in conducting research.

M3Sixty may use a wide variety of investment strategies in managing client assets according to client investment objectives, including, but not limited to, investing in: stocks and other public and private equity securities; bonds and other debt securities of all types and repurchase agreements for those securities; real estate related investments of all types; derivatives, such as index futures, covered and uncovered options, interest rate, total return and credit default swaps, and equity-linked notes; currency spot and forward trading and other currency related derivatives; other investment funds, including exchange traded funds. M3Sixty invests in securities of companies engaged in a variety of economic sectors and industries that are domiciled in the U.S. and outside the U.S. (in developed, emerging and frontier markets); in stocks with growth or value characteristics; and in companies with market capitalizations of all sizes.

Cash Management Mandates



In cash management portfolios, the investment process emphasizes safety and liquidity over yield. Risk is sought to be controlled through ongoing credit review, stress testing and risk management analysis and diversification.

Alternative Mandates

M3Sixty alternatives focus on sourcing and managing high-alpha investments with lower correlation to public markets and developing a holistic approach to address client needs in alternatives investing. Alternative products invest in a wide array of instruments depending on their respective investment guidelines and objectives, including but not limited to equity securities, warrants, commercial paper, government securities, municipal securities, options contracts, future contracts and private funds. Further information can be found in the relevant investment management agreement for the separate account or the prospectus for the Mutual Funds.

Risks

The strategies presented above pose risks, and many factors affect each fund's or account's performance. Strategies that pursue investments in equities will be subject to stock market volatility, and strategies that pursue fixed-income investments (such as bond or money market funds) will see values fluctuate in response to changes in interest rates. All strategies are ultimately affected by impacts to the individual issuers, such as changes in an issuer's profitability and credit quality, or changes in tax, regulatory, market or economic developments. Non-diversified funds and accounts that invest in a smaller number of individual issuers can be more sensitive to these changes. Nearly all accounts are subject to volatility in non-U.S. markets, either through direct exposure or indirect effects on U.S. markets from events abroad, including fluctuations in foreign currency exchange rates and, in the case of less-developed markets, currency illiquidity. Those accounts with investments in emerging markets are potentially subject to heightened volatility from greater social, economic, regulatory, and political uncertainties, as the extent of economic development, political stability, market depth, infrastructure, capitalization, and regulatory oversight can be less than in more developed markets. Trading, settlement, and custodial practices (including those involving securities settlement where fund or account assets may be released prior to receipt of payment) in non-U.S. markets may be less developed than those in U.S. markets and may result in increased investment or valuation risks, increased counterparty exposure, or substantial delays (including those arising from failed trades or the insolvency of, or breach of duty by, a broker-dealer, securities depository, sub-custodian, clearinghouse or other party). Additionally, accounts that pursue debt investments are subject to risks of prepayment or default, and funds or accounts that pursue strategies that concentrate in particular industries or are otherwise subject to particular segments of the market (e.g., money market funds' exposure to the financial services industry, municipal funds' exposure to the municipal bond market, or international or emerging markets funds' exposure to a particular country or region) may be significantly impacted by events affecting those industries or markets. Strategies that lead accounts to invest in other funds bear all the risks inherent in the underlying funds in which those funds invest, and strategies that pursue leverage risk, including investment in derivatives—such as swaps (interest rate, total return, and credit default) and futures contracts—and forward-settling securities, magnify market exposure and losses. Additionally, funds and accounts may be subject to operational risks, which can include risks of loss arising from failures in internal processes, people or systems, such as routine processing errors or major systems failures, or from external events, such as securities exchange outages.



Ultimately, an account's value changes daily based on changes in market conditions, foreign currency exchange rates, interest rates, and in response to other economic, political, or financial developments. An account's reaction to these events will be affected by the types of securities in which the fund or account invests; the financial condition, industry and economic sector, and geographic location of an issuer; and the account's level of investment in the securities of that issuer. An account's investment in such securities involves risk of loss that clients of the account would, and should, be prepared to bear. An account owner could lose money due to a decline in the account's net asset value.

Due to regulatory and issuer-specific limits that apply to the ownership of securities of certain issuers, M3Sixty may limit investments in the securities of such issuers. Similar limitations may apply to futures and other derivatives, such as options. In addition, M3Sixty may from time-to-time determine that, because of regulatory requirements that may apply to M3Sixty in relation to investments in a particular country or in an issuer operating in a particular regulated industry, investments in the securities of issuers domiciled or listed on trading markets in that country or operating in that regulated industry above certain thresholds may be impractical or undesirable. The foregoing limits and thresholds may apply at the account level or in the aggregate across all accounts (or certain subsets of accounts) managed, sponsored, or owned by, or otherwise attributable to, M3Sixty. For investment risk management and other purposes, M3Sixty may also apply internal aggregate limits on the amount of a particular issuer's securities that may be owned by all such accounts. In connection with the foregoing limits and thresholds, M3Sixty may limit or exclude clients' investment in a particular issuer, future, derivative and/or other instrument (or limit the exercise of voting or other rights) and investment flexibility may be restricted. In addition, to the extent that client accounts already own securities that directly or indirectly contribute to such an ownership threshold being exceeded, M3Sixty may sell securities held in such accounts in order to bring account-level and/or aggregate ownership below the relevant threshold. In the event that any such sales result in realized losses for client accounts, those client accounts may bear such losses depending on the particular circumstances.

Trade Errors and Operational Mistakes

Trade errors and other operational mistakes ("Operating Events") occasionally may occur in connection with M3Sixty's management of client accounts ("Portfolios"). M3Sixty has policies and procedures that address identification and correction of Operating Events, consistent with applicable standards of care and client documentation. An Operating Event generally is compensable by M3Sixty to a client or fund when it is a mistake (whether an action or inaction) in which M3Sixty has, in M3Sixty's reasonable view, deviated from the applicable investment guidelines or the applicable standard of care in managing a Portfolio, subject to the considerations set forth below.

Operating Events may include, but are not limited to: (i) the placement of orders (either purchases or sales) in excess of the amount of securities intended to trade for a Portfolio; (ii) the purchase (or sale) of a security when it should have been sold (or purchased); (iii) the purchase or sale of a security not intended for the Portfolio; (iv) the purchase or sale of a security contrary to applicable investment guidelines or restrictions; (v) incorrect allocations of trades; and (vi) transactions with a non-authorized counterparty. Operating Events can also occur in connection with other activities that are undertaken by M3Sixty and its affiliates, such as trade recording and settlement and other matters that are non-advisory in nature.



M3Sixty makes its determinations regarding Operating Events pursuant to its policies on a case-by-case basis, in its discretion, based on factors it considers reasonable, including regulatory requirements, contractual obligations, and business practices. Not all Operating Events will be considered compensable mistakes. Relevant factors M3Sixty considers when evaluating whether an Operating Event is compensable include, among others, the nature of the service being provided at the time of the event, specific applicable contractual and legal requirements and standards of care, whether an applicable investment objective or guideline was contravened, the nature of the client’s investment program, and the nature of the relevant circumstances.

Operating Events may result in gains or losses or could have no financial impact. When M3Sixty determines that reimbursement by M3Sixty is appropriate, the client will be compensated as determined in good faith by M3Sixty. M3Sixty will determine the amount to be reimbursed, if any, based on what it considers reasonable guidelines regarding these matters in light of all of the facts and circumstances related to the Operating Event. In general, compensation is expected to be limited to direct and actual losses, which may be calculated relative to comparable conforming investments, market factors and benchmarks and with reference to related transactions and/or other factors M3Sixty considers relevant. Compensation generally will not include any amounts or measures that M3Sixty determines are speculative or uncertain. M3Sixty will also generally not reimburse clients for potential tax-related impacts of an Operating Event.

Item 9 – Disciplinary Information

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client’s evaluation of the advisory business or of the integrity of its management personnel. The Firm has no disciplinary history to report.

Item 10 – Other Financial Industry Activities and Affiliations

M3Sixty is an affiliate of Matrix 360 Distributors (the “Distributor”), a registered broker-dealer that provides distribution services to mutual funds, including the Mutual Funds. Management personnel and certain individuals associated with M3Sixty also devote time and resources to the Distributor and M3Sixty Administration (“M3Sixty Admin”), which provides transfer agency, fund accounting and fund administration services to registered investment companies, including the Mutual Funds. M3Sixty, the Distributor and M3Sixty Admin are commonly owned by M3Sixty Holdings and share office space, back-office support and accounting and legal services.

M3Sixty personnel may be licensed as registered representatives of the Distributor.

Item 11 -- Code of Ethics, Participation or Interest In Client Transactions, and Personal Trading

Code of Ethics

M3Sixty’s Code of Ethics (the “Code”) sets out general ethical standards applicable to the Firm’s associated persons. M3Sixty’s associated persons are expected to maintain the highest ethical standards, embody a business culture that supports actions based on what is right rather than expediency, deal fairly with



customers and one another, protect confidential information and seek guidance about ethical questions. More specifically with respect to advisory activities, the Code requires that whenever M3Sixty acts in a fiduciary capacity, M3Sixty will endeavor to consistently put the client's interest ahead of the Firm's. M3Sixty will not engage in fraudulent, deceptive or manipulative conduct with respect to clients, and will act with appropriate care, skill and diligence.

Advisory personnel are required to know when we are acting as a fiduciary with respect to the work they are doing. If they are, associated persons are expected to comply with all fiduciary standards applicable to M3Sixty in performing their duties. In addition, associated persons must put the client's interest ahead of their own personal interest. An associated person's fiduciary duty is a personal obligation.

In addition to these ethical principles, the Code requires that M3Sixty's staff acknowledge receipt of the Code, report violations of the Code and comply with applicable federal and state securities laws. The Code also incorporates a personal securities trading policy, which is intended to deter and prevent insider trading among other things. The policy contains detailed requirements for respecting information barriers relating to material nonpublic information, as well as restricting, reporting and monitoring associated persons' personal securities trading. M3Sixty will provide a copy of the Code, free of charge, to any client or prospective client upon request.

Participation or Interest in Client Transactions

It is possible, although not a general practice of M3sixty, that M3Sixty may recommend that clients (or the funds which M3Sixty manages) buy or sell securities or investment products in which a related person of M3Sixty or an associated person of M3Sixty has some financial interest. M3Sixty requires that all of its supervised persons act in accordance with all applicable federal and state regulations governing their activities in their capacities as such. Furthermore, M3Sixty has adopted the Code expressing the Firm's commitment to ethical conduct and prohibiting certain types of transactions. See "Code of Ethics" above. Individuals associated with us may buy or sell securities for their personal accounts which are identical or different than those recommended to clients. It is M3Sixty's policy that no associated person may prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decision of advisory clients.

M3Sixty's Chief Compliance Officer pre-approves certain associated person transactions according to the Code. The Chief Compliance Officer periodically reviews associated person transactions to ensure that personal transactions do not conflict with the interests of the Mutual Funds or any other client.

Item 12 – Brokerage Practices

As a general rule, M3Sixty receives discretionary (or non-discretionary) investment authority from its clients at the outset of an advisory relationship. Subject to the terms of the applicable investment management agreement, M3Sixty's authority often includes the ability to select brokers and dealers through which to execute transactions on behalf of its clients, and to negotiate the commission rates, if any, at which transactions are effected. In making decisions as to which securities or instruments are to be bought or sold and the amounts thereof, M3Sixty is guided by the mandate selected by the client and any client-imposed guidelines or restrictions. In some cases, pursuant to the advisory relationship, M3Sixty has the authority



to enter into an over-the counter derivative relationship and transaction related documentation, repurchase agreements, futures and cleared derivatives agreements, listed options agreements, prime brokerage and securities lending agreements, securities forward agreements and other brokerage and/or trading agreements in connection with the trading of certain securities or instruments.

Selection of Broker-Dealers

The overriding consideration in allocating client orders for execution is the maximization of client profits (or minimization of losses) through a combination of controlling transaction costs (including market impact) and seeking the most effective uses of a broker's capabilities. When M3Sixty has the authority to select brokers or dealers to execute transactions for its clients, it seeks to obtain the best execution reasonably available under the circumstances (which may or may not result in paying the lowest available brokerage commissions or spread). In so doing, M3Sixty considers all factors it deems relevant. Such factors are typically either venue specific or transaction specific and may include, but not be limited to: (A) for venues: (i) execution capability including speed of execution, quality of communication links to M3Sixty, clearance and trade settlement history and capability and ratio of complete versus incomplete trades; (ii) ability to handle large trades in securities having limited liquidity without undue market impact and ability to provide liquidity (as principal, agent or otherwise); (iii) access to market liquidity and quotation sources; (iv) financial condition of the counterparty, including reputation and creditworthiness; (v) responsiveness and reliability in executing trades, keeping records and accounting for and correcting administrative errors; (vi) ability to maximize price improvement opportunities, including the ability to provide ad hoc information or services; and (vii) ability to comply with all regulatory requirements; and (B) for transactions: (i) price and overall cost of the transaction, including any related credit support; (ii) the size, type and timing of the transaction; (iii) existing and expected activity in the market for the security, including any trading patterns of the security and the particular marketplace; (iv) nature and character of the security or instrument and the markets on which it is purchased or sold; (v) value of research provided, if permitted under applicable law or regulation; (vi) fund or portfolio objectives or client requirements (if permissible), as applicable; (vii) if applicable, client-directed brokerage arrangements; and (viii) applicable execution venue factors.

M3Sixty does not consider a broker's or dealer's sales of M3Sixty's or clients' products, including shares of the Mutual Funds, when determining whether to select such broker or dealer to execute fund portfolio transactions. In addition, when deemed appropriate by M3Sixty and subject to the applicable investment management agreement and investment guidelines, M3Sixty will enter into derivatives transactions (including but not limited to futures, swaps, options and currency forward contracts) on behalf of a Client. Counterparties to these derivatives transactions are selected based on a number of factors, including credit rating, execution prices, execution capability with respect to complex derivative structures and other criteria relevant to a particular transaction.

M3Sixty endeavors to be aware of current charges assessed by relevant broker-dealers and to minimize the expense incurred for effecting portfolio transactions, to the extent consistent with the interests and policies of client accounts. However, M3Sixty will not select broker-dealers solely on the basis of "posted" commission rates nor always seek in advance competitive bidding for the most favorable commission rate applicable to any particular transaction. Although M3Sixty generally seeks competitive commission rates, the Firm will not necessarily pay the lowest commission or commission equivalent as transactions that involve specialized services on the part of a broker-dealer generally result in higher commission rates or



equivalents than would be the case with more routine transactions. M3Sixty may pay higher commission rates to those brokers whose execution abilities, brokerage or research services or other legitimate and appropriate services are particularly helpful in seeking good investment results

The reasonableness of commissions is based on M3Sixty's view of the broker's ability to provide professional services, competitive commission rates, research and other services which will help M3Sixty in providing investment advisory services to its clients, viewed in terms of either the particular transaction or M3Sixty's overall responsibility to its clients, as the extent to which the commission rate or net price associated with a particular transaction reflects the value of services provided often cannot be readily determined. In making these determinations, M3Sixty recognizes that some firms are better at executing some types of orders than others and it can be in the clients' best interests to use a broker whose commission rates are not the lowest but whose executions and other services M3Sixty believes are likely to result in lower overall transaction costs or more favorable or more certain results.

With respect to separately managed accounts, from time-to-time the clients may direct brokerage transactions through their custodians or other brokerage firms. Accordingly, M3Sixty will be unable to seek the best available price and most favorable execution of such clients' portfolio transactions. Consequently, such clients may not necessarily obtain execution of transactions or brokerage rates as favorable as those which might be obtained through an investment adviser that does undertake to select brokerage firms or to negotiate rates with those selected firms. Furthermore, the fees and charges payable under this arrangement may be higher than the aggregate amount of fees and charges such clients would pay if the client (or M3Sixty) were to negotiate the fees and charges of each service provider and securities transaction separately.

Soft Dollar Practices

From time to time and consistent with applicable law and regulatory guidance, M3Sixty may select brokers that furnish M3Sixty with research or brokerage services that provide, in M3Sixty's view, lawful and appropriate assistance in the investment decision-making processes. M3Sixty might endeavor, subject to the duty to seek best execution, to execute trades with such brokers in order to obtain research or brokerage services or in order to help ensure the continued receipt of such research or brokerage services. Research or brokerage services that can be acquired by M3Sixty with soft dollars include, without limitation and to the extent permitted by applicable law: (i) research reports on companies, industries and securities; (ii) economic and financial data; (iii) financial publications; (iv) quantitative analytical software; and (v) market data related software and services. Such services will be either proprietary (i.e., created and provided by the broker-dealer) or third-party (created by a third-party but provided by the broker-dealer).

M3Sixty could pay, or be deemed to have paid; commission rates higher than it could have otherwise paid in order to obtain such research or brokerage services. Such higher commissions would be paid in accordance with Section 28(e) of the Exchange Act as interpreted by the SEC and its staff, which requires M3Sixty to determine in good faith that the commissions paid, are reasonable in relation to the value of the research or brokerage services received. M3Sixty believes that using commission dollars to obtain the type of research or brokerage services mentioned above enhances its investment research and trading processes. Research products or brokerage services received by M3Sixty might also be used for functions that are not research or brokerage related. Where a research product or brokerage service has a mixed use, M3Sixty will make a reasonable allocation according to its use and will pay for the non-research and brokerage function



in cash using its own funds. The receipt of such products and services and the determination of the appropriate allocation create a potential conflict.

While research or brokerage services obtained in this manner can be used in servicing any or all of M3Sixty's client accounts, such products and services tend to disproportionately benefit one or more clients relative to others based on the amount of brokerage commissions paid, the nature of the research or brokerage products and services acquired and their relative use or value for particular accounts. For example, in some cases, the research or brokerage services that are paid through a client's commissions might not be used in managing that client's account. In addition, other M3Sixty clients can receive the benefit, including disproportionate benefits, of economies of scale or price discounts in connection with products and services provided as a result of transactions executed on behalf of a client account for which such products and services are also used. To the extent that M3Sixty uses client commission dollars to obtain research or brokerage services, it will not have to pay for those products and services itself.

M3Sixty can also receive research or brokerage services that are bundled with trade execution, clearing, settlement, and/or other services provided by a particular broker-dealer. To the extent M3Sixty receives research or brokerage services on this basis, many of the same potential conflicts related to receipt of these services through third-party arrangements exist. For example, the research effectively will be paid by client commissions that also will be used to pay for the execution, clearing, and settlement services provided by the broker-dealer and will not be paid by M3Sixty from its own assets.

M3Sixty may choose, from time to time, to alter or not to engage in the above described arrangements to varying degrees, without notice to M3Sixty clients, to the extent permitted by applicable law and the applicable client agreement.

Trade Aggregation

M3Sixty may aggregate orders of securities for multiple client accounts. M3Sixty may aggregate sale and purchase orders of securities held by our clients with similar orders being made simultaneously for other clients if such aggregation is reasonably likely to result in overall economic benefit to clients based on an evaluation that the clients are benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In some instances, the purchase or sale of securities for clients will be effected simultaneously with the purchase or sale of like securities for other clients. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. In such event, the average price of all securities purchased or sold in such transactions is determined and the client may be charged or credited, as the case may be, the average transaction price.

M3Sixty may use pro rata allocation when an aggregated order cannot be fully executed in a single day. In such cases, the portion of the order filled on a particular day is generally allocated among participating accounts based on the size of each account's order. Such allocations are subject to rounding to achieve "round lots" and the Firm's ability to cancel or modify an order for one or more accounts if, the Firm believes that as a result of the incomplete fill, the order is no longer appropriate for such accounts. M3Sixty may apply a minimum order allocation amount, which may vary based on a market convention associated with the particular security. Where remaining positions are too small to satisfy the minimum allocation amount, we may decide to allocate the remaining shares to those accounts seeking large positions which



remain unfilled or to allocate remaining shares to those accounts whose order would be completed as a result of the allocation.

M3Sixty may allocate on a basis other than pro rata if, under the circumstances, such other method is reasonable, equitable, does not result in improper or undisclosed advantage or disadvantage to a particular account or group of accounts and results in fair access, over time, to trading opportunities for all eligible accounts. For example, we may identify investment opportunities that are more appropriate for certain accounts than others and may determine to allocate a partial fill to such accounts. Factors which the firm may consider in making allocation decisions include, among others: investment objectives and restrictions, cash availability and changes in cash flows, including current or anticipated redemptions, exchanges and capital contributions/withdrawals. Other allocation methods which may be used by the firm include random and rotational allocation. Such allocation methods may be particularly appropriate when the transaction size is too limited to be effectively allocated pro rata among all eligible accounts.

Item 13 – Review of Accounts and Reports on Accounts

The Firm's Chief Compliance Officer and portfolio managers review each of our accounts on a regular basis. The frequency of review of account holdings can vary depending on the type of account, the investment strategy employed, the types of securities held, and market conditions. Generally, account holdings are evaluated on an ongoing basis by the Firm to help ensure consistency relative to the investment strategy employed and the client's individual needs and objectives. SMAs are reviewed with clients periodically on a schedule negotiated with the clients.

Firm clients will receive statements at least quarterly from the account custodian and may receive performance related reports from M3Sixty at the Firm's discretion.

Item 14 – Client Referrals & Other Compensation

Referral Fees Paid

M3Sixty may compensate for client referrals. All solicitors agreements are in compliance with the Investment Advisers Act of 1940. In addition, all applicable federal and state laws will also be observed. All clients procured by solicitors will be given full written disclosures describing the terms and fee arrangements between the advisor and the solicitor prior to the time of entering into the advisory agreement.

Mutual Funds

If you purchase the Mutual Funds through a broker-dealer or other financial intermediary (such as the fund's distributor, financial institutions, plan sponsors and administrators, and other financial intermediaries through which investors may purchase shares of the fund), M3Sixty and or its affiliates may pay the intermediary for the sale of fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend our funds over another investment. Please contact your financial intermediary or plan administrator or sponsor for details about revenue sharing payments it may receive.



Item 15 – Custody

For separately managed account clients, M3Sixty is deemed to have custody of client funds or securities because we may debit management fees from client account with specific client permission, but we require that these accounts be held by a third party custodian. All SMA clients will receive account statements directly from their custodian at least quarterly, which will be sent to the email or postal mailing address provided. We urge clients to carefully review these custodial statements when received.

Item 16 – Investment Discretion

With respect to separately managed accounts that are under discretionary management, M3Sixty is granted full authority to manage the assets of the accounts subject to the investment management agreement signed by the client and M3Sixty. All clients who grant discretionary authority to M3Sixty must do so in writing via an investment management agreement or an amendment thereto. With respect to non-discretionary separately managed accounts, M3Sixty provides investment advice to the client and the client decides whether or not to follow some or all of the recommendations. Clients in separately managed accounts may place restrictions on their accounts.

Item 17 – Voting Client Securities

We will generally vote proxies solicited by, or with respect to, the issuers of any client securities. It is the Firm's policy to vote proxies for standard SMAs and Mutual Funds.

If the client agreement is entered into by a trustee or other fiduciary on behalf of an employee retirement income plan subject to the Employee Retirement Income Security Act ("ERISA"), including a person meeting the definition of "fiduciary" under ERISA, the trustee or other fiduciary generally retains the right and obligation to vote proxies. In such cases, M3Sixty is generally precluded from voting proxies for the plan.

The Firm's voting procedures provide that the Firm votes proxies in our clients' interests, and that if we identify a material conflict of interest between us and the client, we will vote based upon the recommendation of an independent third party. In certain circumstances, in accordance with an investment advisory contract, or other written directive, or if we have determined that it is in the client's best interest, we may refrain from voting proxies.

Upon written request, a client will be provided with our proxy voting policies and procedures. Clients may also request, in writing, copies of records regarding how we voted their securities. Written requests must be addressed to: M3Sixty Capital, 4300 Shawnee Parkway, Suite 100 Fairway, KS 66205.

Item 18 – Financial Information

M3Sixty has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.