

PROSPECTUS

March 30, 2026

M3Sixty Income and Opportunity Fund

Class A Shares (Ticker Symbol: HROAX)

Institutional Class Shares (Ticker Symbol: HIOIX)

a series of the 360 Funds

*This Prospectus relates to M3Sixty Income and Opportunity Fund classes of shares (Class A and Institutional Class Shares).
For questions or Shareholder Services, please call (877) 244-6235.*

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission, nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

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FUND SUMMARY

M3Sixty Income and Opportunity Fund

Investment Objective. The investment objective of the M3Sixty Income and Opportunity Fund (the "Fund") is total return comprised of income and capital appreciation.

Fees and Expenses of the Fund. This table describes the fees and expenses that you may pay if you buy, hold, and sell shares of the Fund. You may pay other fees, such as brokerage commissions and other fees, to financial intermediaries, which are not reflected in the tables and examples below. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$50,000 in the Fund. More information about these and other discounts is available from your financial professional and in the section captioned "Purchasing Shares" on page 17 of this prospectus and the section captioned "Purchases, Redemptions, and Special Shareholder Services" beginning on page 33 of the Fund's statement of additional information ("SAI").

Shareholder Fees (fees paid directly from your investment)

	Class A shares	Institutional Class shares
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	5.50%	None
Maximum Contingent Deferred Sales Charge (Load) (as a percentage of original purchase price or the amount redeemed, whichever is less) ¹	1.00%	None

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

	Class A shares	Institutional Class shares
Management Fees	1.25%	1.25%
Distribution and Service (12b-1) Fees	0.25%	None
Other Expenses		
Interest and Dividend Expense on Securities Sold Short	0.00%	0.00%
Other Operating Expenses	1.21%	1.21%
Acquired Fund Fees and Expenses	0.08%	0.08%
Total Annual Fund Operating Expenses	2.79%	2.54%
Fee Waivers and Expense Reimbursement ²	(0.51)%	(0.51)%
Total Annual Fund Operating Expenses After Waivers and/or Expense Reimbursements	2.28%	2.03%

- 1 *Contingent Deferred Sales Charge applies only when a shareholder purchase in the Fund totals \$1 million or more, and shares are redeemed within one year from the date of purchase.*
- 2 *M3Sixty Capital, LLC (the "Adviser") has entered into an Expense Limitation Agreement with the Fund under which it has agreed to waive or reduce its fees and to assume other expenses of the Fund, if necessary, in an amount that limits the Fund's annual operating expenses (excluding interest, borrowing expenses, distribution fees pursuant to Rule 12b-1 Plans, taxes, acquired fund fees and expenses, brokerage fees and commissions, dividend expenses on short sales, litigation expenses, expenditures which are capitalized following generally accepted accounting principles, and other extraordinary expenses not incurred in the ordinary course of such Fund's business) to not more than 1.95% through at least March 31, 2027. Each waiver or reimbursement of an expense by the Adviser is subject to repayment by the Fund within three years from the date of the waiver or reimbursement, provided that the Fund can make the repayment without exceeding the expense limitation in place at the time of the waiver or reimbursement and at the time of recoupment. The current contractual agreement cannot be terminated for at least one year after the effective date without the Board of Trustees' (the "Board") approval.*

Example. The following Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

This expense example assumes that you invest \$10,000 in the Fund for the periods indicated and then redeem all of your shares at the end of those periods. The expense example also assumes that your investment has a 5% return each year, the Fund's operating expenses remain the same, and the contractual agreement to limit expenses remains in effect only through March 31, 2027. Although your actual costs may be higher or lower, based on these assumptions, your cost would be:

Period Invested	1 Year	3 Years	5 Years	10 Years
Class A Shares	\$768	\$1,322	\$1,901	\$3,462
Institutional Class Shares	\$206	\$742	\$1,305	\$2,837

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or the example, affect the Fund's performance. For the fiscal year ended November 30, 2025, the Fund's portfolio turnover rate was 141.08% of the average value of the portfolio.

Principal Investment Strategy of the Fund.

The Fund's investment objective is total return comprised of income and capital appreciation. To meet its investment objective, the Fund will invest primarily in domestic equity securities that, in the opinion of the manager, have above-average intellectual property portfolios and other characteristics, like strong earnings and dividend growth relative to their sector competitors, and that are members of the S&P 1500 Composite. The S&P 1500 Composite combines the S&P 500, an index of large-capitalization issuers, the S&P Midcap 400, and the S&P Small Cap 600 to cover approximately 90% of the U.S. market capitalization. As of November 30, 2025, the

capitalization of companies in the S&P 1500 Composite ranged from \$350 million to \$3.2 trillion. The Fund also engages in short selling to the extent permitted under the Investment Company Act of 1940 (the "1940 Act"). The Fund may invest in the securities of other investment companies, including exchange-traded funds ("ETFs"), to the extent that such investments are consistent with the Fund's investment objective and the policies are permissible under the 1940 Act. The Fund will seek to produce income through dividends paid on securities and options (e.g., premium income on the sale of an option) and total return through an options strategy.

The Fund will typically invest in issuers that have established markets and operations and generate excess cash flow. The Fund looks for stocks with attributes that suggest they will thrive in good markets and survive potential economic setbacks. The Fund employs detailed quantitative assessments to construct its equity portfolio. Portfolio parameters include but are not limited to, a quantitative valuation of the strength of the company's intellectual property portfolio, steady growing earnings, dividend yield with a tendency to raise such yield, and availability at reasonable price-earnings ratios. The Fund seeks to invest in stocks that are undervalued by the market but with strong business models, which may provide for lower levels of market volatility or non-correlated volatility. The Fund also prefers to invest in stocks that have options traded on them. The Fund will rebalance and adjust its equity portfolio as the Adviser deems necessary and appropriate.

The Fund may also invest in companies that are experiencing a "special situation" that makes them undervalued relative to their long-term potential. Developments creating special situations may include new intellectual property developments, intellectual property licensing deals, mergers, spin-offs, litigation resolutions, new products, or management changes. The Fund may also invest in convertible securities.

The Fund also seeks to generate income for shareholders by selling options against the risk taken by owning common stocks. For example, the Fund intends to sell covered call options on a portion of its stock holdings. This income is designed to, over time, add to portfolio stability and improve returns. The Fund also uses option strategies to limit market exposure and volatility. The extent of option selling will depend upon market conditions and the Adviser's judgment as to the advantages of selling call options on the Fund's equity investments.

The Fund is actively managed, and its portfolio is therefore expected to be traded frequently and will likely experience high portfolio turnover. Frequent and active trading may result in greater expenses to the Fund, which may lower its performance.

Principal Risks of Investing in the Fund

All investments carry risks, and investment in the Fund is no exception. No investment strategy works all the time, and past performance is not necessarily indicative of future performance. You may lose money on your investment in the Fund. To help you understand the risks of investing in the Fund, the principal risks of an investment in the Fund are generally set forth below:

Market risk – Stock prices are volatile. Market risk refers to the risk that the value of securities in the Fund's portfolio may decline due to daily fluctuations in the securities markets. The Fund's performance per share will change daily based on many factors that may generally affect the stock market, including fluctuation in interest rates, national and international economic conditions, and general equity market conditions. In a declining stock market, stock prices for all companies (including those in the Fund's portfolio) may decline, regardless of their long-term prospects.

Active management risk – The investment adviser's judgments about the attractiveness, value, or potential appreciation of the Fund's investments may prove to be incorrect. The Fund could underperform in comparison to other funds with a similar benchmark or similar objectives and investment strategies if the Fund's overall investment selections or strategies fail to produce the intended results.

Interest rate risk – Increases in interest rates typically lower the present value of a company's future earnings stream. Since the market price of a stock changes continuously based on investors' collective perceptions of future earnings, stock prices will generally decline when investors anticipate or experience rising interest rates. The level of premiums from call options selling and the amounts available for distribution from the Fund's options activity may decrease in declining interest rate environments. Any preferred stocks paying fixed dividend rates in which the Fund invests will likely change in value as market interest rates move. When interest rates rise, the market value of such securities generally falls. If the Fund invests in preferred stocks, the net asset value and price of the common stock may decline if market interest rates rise. During periods of declining interest rates, an issuer of preferred stock may exercise its option to redeem securities prior to maturity, forcing the Fund to reinvest in lower-yielding securities.

Issuer risk – The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole. When the Fund sells shares, they may be worth more or less than what the Fund paid for them, which means that the Fund could lose money and the value of your investment in the Fund could decrease.

Equity risk – Equity risk is the risk that securities held by the Fund will fall due to general market or economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, and the particular circumstances and performance of particular companies whose securities the Fund holds. Although common stocks have historically generated higher average returns than fixed-income securities over the long term, common stocks also have experienced significantly more volatility in returns. An adverse event, such as an unfavorable earnings report, may depress the value of equity securities of an issuer held by the Fund; the price of common stock of an issuer may be particularly sensitive to general movements in the stock market; or a drop in the stock market may depress the price of most or all of the common stocks and other equity securities held by the Fund. Also, the common stock of an issuer in the Fund's portfolio may decline in price if the issuer fails to make anticipated dividend payments because, among other reasons, the issuer of the security experiences a decline in its financial

condition. Common equity securities in which the Fund will invest are structurally subordinated to preferred stocks, bonds, and other debt instruments in a company's capital structure, in terms of priority to corporate income and liquidation preference, and therefore will be subject to greater dividend risk than preferred stocks or debt instruments of such issuers. Additionally, common stock prices may be sensitive to rising interest rates as the costs of capital rise and borrowing costs increase.

Large company risk – The Fund may invest in larger, more established companies, which may be unable to respond quickly to new competitive challenges, such as changes in consumer tastes or innovative smaller competitors. Also, large companies are sometimes unable to attain the high growth rates of successful, smaller companies, especially during extended periods of economic expansion.

Small-cap and Mid-cap stock risks – Investing in issuers within these categories carries the risk that the category may be out of favor due to current market conditions or investor sentiment. Because the Fund invests in securities issued by small-cap and mid-cap companies, it is likely to be more volatile than a fund that focuses on securities issued by larger companies. Small- and mid-cap-sized companies have less experienced management, narrower product lines, more limited financial resources, and less publicly available information than larger companies. In addition, small- and mid-cap-sized companies are typically more sensitive to changes in overall economic conditions, and their securities may be difficult to trade.

Portfolio Turnover Risk – The Fund may incur high portfolio turnover in connection with managing its investment exposure. High levels of portfolio transactions increase transaction costs and may result in increased taxable gains. Additionally, such trading may result in the realization of capital gains, including net short-term capital gains, which must generally be distributed to shareholders. Therefore, high portfolio turnover may reduce the Fund's returns and increase taxable distributions to shareholders.

Special Situations Risk – Investments in special situations (undervalued equities, merger arbitrage situations, distressed companies, etc.) may involve greater risks when compared to other investments the Fund may make due to a variety of factors. For example, mergers, acquisitions, reorganizations, liquidations, or recapitalizations may fail or not be completed on the terms originally contemplated, and expected developments may not occur in a timely manner, if at all.

Short Sale Risk – The Fund may incur a loss (without limit) because of a short sale if the market value of the borrowed security (i.e., the Fund's short position) increases between the date of the short sale and the date the Fund replaces the security. The Fund may be unable to repurchase the borrowed security at a particular time or at an acceptable price.

Other Investment Companies (Including ETFs) Risk – Investments in the securities of other investment companies, including ETFs, may involve duplication of advisory fees and certain other expenses. Additionally, if the investment company or ETF fails to achieve its investment objective, the value of the Fund's investment will decline,

adversely affecting the Fund's performance. In addition, closed-end investment companies and ETF shares may potentially trade at a discount or a premium and are subject to brokerage and other trading costs, which could result in greater expenses to the Fund. In addition, the Fund may engage in short sales of the securities of other investment companies. When the Fund shorts securities of another investment company, it borrows shares of that investment company, which it then sells. The Fund closes out a short sale by purchasing the security that it has sold short and returning that security to the entity that lent the security.

Options risk – Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks. The successful use of options depends in part on the ability of the Adviser to manage future price fluctuations and the degree of correlation between the options and securities markets. By writing put options on equity securities, the Fund strikes prices of the written put options but continues to bear the risk of declines in the value of its common stock portfolio. The Fund will receive a premium from writing a call option that it retains whether or not the option is exercised. The premium received from the written options may not be sufficient to offset any losses sustained from the volatility of the underlying equity securities over time.

Limits on Option Selling risk – The number of call options the Fund can sell is limited by the number of shares of common stock the Fund holds or cash collateral posted and further limited by the fact that the listed call options on individual common stocks generally trade in units representing 100 shares of the underlying stock. Furthermore, the Fund's options transactions will be subject to limitations established by each of the exchanges, boards of trade, or other trading facilities on which such options are traded. Such limitations govern the maximum number of options in each class that may be sold or purchased by a single investor or group of investors acting in concert, regardless of whether the options are sold or purchased on the same or different exchanges, boards of trade, or other trading facilities or are held or sold in one or more accounts or through one or more brokers. So, the number of options that the Fund may sell or purchase may be affected by options sold or purchased by other investment advisory clients of the Adviser. An exchange, board of trade, or another trading facility may order the liquidation of positions found to be in excess of these limits and may impose certain other sanctions.

Options Strategy risk – The Fund's option strategies consist of selling and purchasing put and call options on equity indexes and ETFs and equity securities. The sale of put options generates income for the Fund but exposes it to the risk of declines in the value of the underlying assets. The risk in purchasing options is limited to the premium paid by the Fund for the options. The sale of call options generates income for the Fund but may limit the Fund's participation in equity market gains. The Fund's investment adviser seeks to reduce the overall volatility of returns for the Fund by managing a portfolio of options.

Derivatives risk – The use of derivatives can lead to losses because of adverse movements in the price or value of the asset, index, rate, or instrument underlying a derivative or due to the failure of a counterparty or due to tax or regulatory constraints.

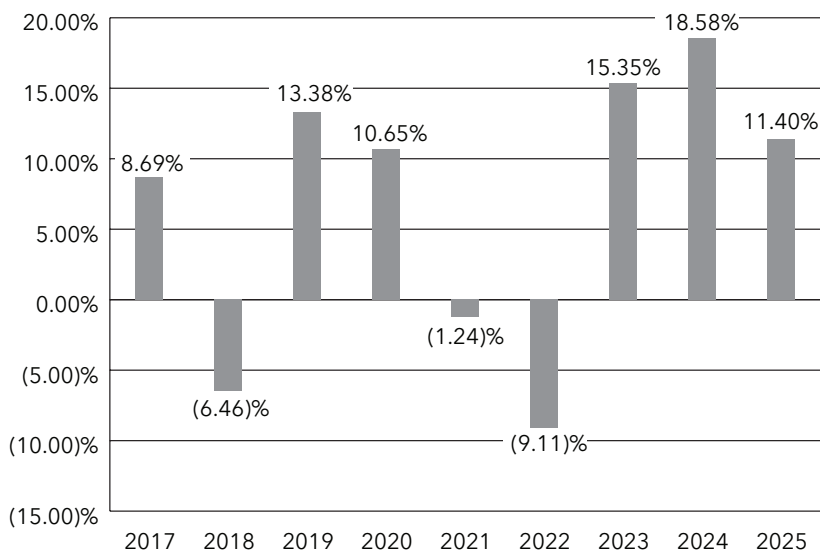
Derivatives may create economic leverage in the Fund, which magnifies the Fund's exposure to the underlying investment. Derivatives risk may be more significant when derivatives are used to enhance return or as a substitute for a cash investment position rather than solely to hedge the risk of a position held by the Fund. When derivatives are used to gain or limit exposure to a particular market or market segment, their performance may not correlate as expected to the performance of such market, thereby causing the Fund to fail to achieve its original purpose for using such derivatives. The use of derivatives involves the exercise of specialized skill and judgment, and a transaction may be unsuccessful in whole or in part because of market behavior or unexpected events. Derivative instruments may be difficult to value, may be illiquid, and may be subject to wide swings in valuation caused by changes in the value of the underlying instrument. If a derivative's counterparty is unable to honor its commitments, the value of the Fund shares may decline, and the Fund could experience delays in the return of collateral or other assets held by the counterparty. The loss on derivative transactions may significantly exceed the initial investment.

Convertible Securities Risk - The values of convertible securities in which the Fund may invest may be affected by market interest rates. The values of convertible securities may also be affected by the risk of actual issuer default on interest or principal payments and the value of the underlying stock. Additionally, an issuer may retain the right to buy back its convertible securities at a time and price unfavorable to the Fund.

General Fund Investing risk - The Fund is not a complete investment program, and you may lose money by investing in the Fund. All investments carry a certain amount of risk, and there is no guarantee that the Fund will be able to achieve its investment objective. Annual Fund operating expenses expressed as a percentage of the Fund's average daily net assets may change as Fund assets increase and decrease, and Annual Fund operating expenses may differ in the future. Purchase and redemption activities by Fund shareholders may impact the management of the Fund and its ability to achieve its investment objective. Also, the redemption by one or more large shareholders or groups of shareholders of their holdings in the Fund could have an adverse impact on the remaining shareholders in the Fund. Investors in the Fund should have a long-term investment perspective and should be able to tolerate potentially sharp declines in value. An investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity, or individual. Mutual funds, investment advisers, other market participants, and many securities markets are subject to rules and regulations and the jurisdiction of one or more regulators. Changes to applicable rules and regulations could have an adverse impact on securities markets and market participants, as well as on the Fund's ability to execute its investment strategy.

Performance. The bar chart below shows how the Fund's investment results vary from year to year. The table below shows how the Fund's average annual total returns compare over time to those of a broad-based securities market index. This information provides some indication of the risks of investing in the Fund. Past performance (before and after taxes) of the Fund is not necessarily an indication of how it will perform in the future. Updated performance information will be available at no cost by calling (877) 244-6235 or at the Fund's website at www.m3sixtycapital.com.

Institutional Class:
Year-by-Year Total Return
(for periods ended December 31)



During the period shown in the bar chart, the highest return for a quarter was 18.99% during the quarter ended June 30, 2020, and the lowest return for a quarter was (19.92)% during the quarter ended March 31, 2020.

Average Annual Total Returns
(for the periods ended December 31, 2025)

	One Year	Five Years	Since Inception (January 21, 2016)
M3Sixty Income and Opportunity Fund			
<i>Institutional Class</i>			
Return Before Taxes	11.40%	6.46%	6.98%
Return After Taxes on Distributions	8.53%	5.22%	5.44%
Return After Taxes on Distributions and Sale of Fund Shares	7.76%	4.77%	5.06%
<i>Class A</i>			
Return Before Taxes	5.01%	5.01%	6.11%
S&P 500® Total Return Index ¹ (reflects no deduction for fees, expenses, or taxes)	17.88%	14.42%	15.93%

- 1 The S&P 500® Total Return Index is a broad unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. Please note that indices do not take into account any fees and expenses for investing in the individual securities that they track, and individuals cannot invest directly in any index.*

The average annual total returns for the Fund's Class A shares are reduced to reflect the maximum applicable sales charge. After-tax returns are calculated using the historical highest individual federal income tax rates in effect as of December 31, 2025, and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold their fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts ("IRAs"). After-tax returns are shown for only the Institutional Class shares, and after-tax returns for the Class A shares will vary.

Management. M3Sixty Capital, LLC is the Fund's investment adviser (the "Adviser").

Portfolio Manager.

- Vincent du Vigneaud, Senior Portfolio Manager since September 2024.

Purchase and Sale of Fund Shares. The minimum initial investment in Class A shares of the Fund is generally \$1,000.00, and the minimum subsequent investment for such shares is \$100.00 (\$25.00 under an automatic investment plan). The minimum initial investment in Institutional Class shares of the Fund is generally \$2,000.00, and the minimum subsequent investment for such shares is \$100.00 (\$25.00 under an automatic investment plan). The Adviser can waive the minimum initial investment requirement for Institutional Class shares of the Fund. You can purchase or redeem shares directly from the Fund on any business day the New York Stock Exchange ("NYSE") is open, directly by calling the Fund at (877) 244-6235, where you may also obtain more information about purchasing or redeeming shares by mail, facsimile, or bank wire. The Fund has also authorized certain broker-dealers to accept purchase and redemption orders on its behalf. Investors who wish to purchase or redeem Fund shares through a broker-dealer should contact their broker-dealer directly.

Tax Information. The Fund's distributions will generally be taxed to you as ordinary income or capital gains unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an IRA. Distributions from investments made through tax-deferred arrangements, such as 401(k) plans or IRAs, may be taxed upon withdrawal of assets from those accounts.

Payments to Broker-Dealers and Other Financial Intermediaries. If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund 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 the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

The Fund's Investment Objective and Principal Investment Strategy

The Fund's investment objective is total return comprised of income and capital appreciation. To meet its investment objective, the Fund will invest primarily in domestic equity securities that, in the opinion of the manager, have above-average intellectual property portfolios and other characteristics, like strong earnings and dividend growth relative to their sector competitors, and that are members of the S&P 1500 Composite. The S&P 1500 Composite combines the S&P 500, an index of large-capitalization issuers, the S&P Midcap 400, and the S&P Small Cap 600 to cover approximately 90% of the U.S. market capitalization. As of November 30, 2025, the capitalization of companies in the S&P 1500 Composite ranged from \$350 million to \$3.2 trillion. The Fund also engages in short selling to the extent permitted under the 1940 Act. The Fund may invest in the securities of other investment companies, including ETFs, to the extent that such investments are consistent with the Fund's investment objective and the policies are permissible under the 1940 Act. The Fund will seek to produce income through dividends paid on securities and options (e.g., premium income on the sale of an option) and total return through an options strategy. The Fund's investment objective may be changed without shareholder approval; however, the Fund will provide 60 days' advance notice to shareholders before implementing a change in the Fund's investment objective.

The Fund will typically invest in issuers that have established markets and operations and generate excess cash flow. The Fund looks for stocks with attributes that suggest they will thrive in good markets and survive potential economic setbacks. The Fund employs detailed quantitative assessments to construct its equity portfolio. Portfolio parameters include but are not limited to, a quantitative valuation of the strength of the company's intellectual property portfolio, steady growing earnings, dividend yield with a tendency to raise such yield, and availability at reasonable price-earnings ratios. The Fund seeks to invest in stocks that are undervalued by the market but with strong business models, which may provide for lower levels of market volatility or non-correlated volatility; the Fund also prefers to invest in equity stocks that have options traded on them. The Fund will rebalance and adjust its equity portfolio as the Adviser deems necessary and appropriate.

The Fund may also invest in companies that are experiencing a "special situation" that makes them undervalued relative to their long-term potential. Developments creating special situations may include new intellectual property developments, intellectual property licensing deals, mergers, spin-offs, litigation resolutions, new products, or management changes. The Fund may also invest in convertible securities.

The Fund also seeks to generate income for shareholders by selling options against the risk taken by owning common stocks. For example, the Fund intends to sell covered call options on a portion of its stock holdings. This income is designed to, over time, add to portfolio stability and improve returns. The Fund uses option strategies to limit market exposure and volatility. The extent of option selling will depend upon market conditions and the Adviser's judgment as to the advantages of selling call options on the Fund's equity investments.

Additionally, the Fund will enter into call spreads. A spread is an options position established by purchasing one option and selling another option of the same class but of a different series. So, the exercise price of the call options sold will be above the current level of the index when sold, and the exercise price of the call options bought will be above the exercise price of the call options sold.

The Fund is actively managed, and its portfolio is therefore expected to be traded frequently and will likely experience high portfolio turnover. Frequent and active trading may result in greater expenses to the Fund, which may lower its performance.

Temporary Defensive Positions. The Fund may, from time to time, take temporary defensive positions that are inconsistent with the Fund's principal investment strategies in an attempt to respond to adverse market, economic, political, or other conditions. During such an unusual set of circumstances, the Fund may hold up to 100% of its portfolio in cash or cash equivalent positions. When the Fund takes a temporary defensive position, the Fund may not be able to achieve its investment objective.

Portfolio Turnover. The Fund may, from time to time, have a high portfolio turnover when the Adviser's implementation of the Fund's investment strategy or a temporary defensive position results in frequent trading. Additionally, the Fund may experience high portfolio turnover due to the Fund's options strategy. Since the Fund's trades cost the Fund a brokerage commission, high portfolio turnover may have a significant adverse impact on the Fund's performance. In addition, because sales of securities in the Fund's portfolio may result in taxable gain or loss, high portfolio turnover may result in significant tax consequences for shareholders.

"**Portfolio Turnover**" is a ratio that indicates how often the securities in a mutual fund's portfolio change during a year's time. In general, higher numbers indicate a greater number of changes, and lower numbers indicate a smaller number of changes.

General Information Regarding Investing in the Fund. An investment in the Fund should not be considered a complete investment program. Your investment needs will depend largely on your financial resources and individual investment goals and objectives, and you should consult with your financial professional before making an investment in the Fund.

Principal Risks of Investing in the Fund

All investments carry risks, and investment in the Fund is no exception. No investment strategy works all the time, and past performance is not necessarily indicative of future performance. You may lose money on your investment in the Fund. To help you understand the risks of investing in the Fund, the principal risks of an investment in the Fund are generally set forth below:

Market risk – Stock prices are volatile. Market risk refers to the risk that the value of securities in the Fund's portfolio may decline due to daily fluctuations in the securities markets. The Fund's performance per share will change daily based on many factors that may generally affect the stock market, including fluctuation in interest rates, national and international economic conditions, and general equity market conditions. In a declining stock market, stock prices for all companies (including those in the Fund's portfolio) may decline, regardless of their long-term prospects.

Active management risk – The investment adviser's judgments about the attractiveness, value, or potential appreciation of the Fund's investments may prove to be incorrect. The Fund could underperform in comparison to other funds with a similar benchmark or similar objectives and investment strategies if the Fund's overall investment selections or strategies fail to produce the intended results.

Interest rate risk – Increases in interest rates typically lower the present value of a company's future earnings stream. Since the market price of a stock changes continuously based on investors' collective perceptions of future earnings, stock prices will generally decline when investors anticipate or experience rising interest rates. The level of premiums from call options selling and the amounts available for distribution from the Fund's options activity may decrease in declining interest rate environments. Any preferred stocks paying fixed dividend rates in which the Fund invests will likely change in value as market interest rates move. When interest rates rise, the market value of such securities generally falls. If the Fund invests in preferred stocks, the net asset value and price of the common stock may decline if market interest rates rise. During periods of declining interest rates, an issuer of preferred stock may exercise its option to redeem securities before maturity, forcing the Fund to reinvest in lower-yielding securities.

Issuer risk – The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole. When the Fund sells shares, they may be worth more or less than what the Fund paid for them, which means that the Fund could lose money and the value of your investment in the Fund could decrease.

Equity risk – Equity risk is the risk that securities held by the Fund will fall due to general market or economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, and the particular circumstances and performance of particular companies whose securities the Fund holds. Although common stocks have historically generated higher average returns than fixed-income securities over the long term, common stocks also have

experienced significantly more volatility in returns. An adverse event, such as an unfavorable earnings report, may depress the value of equity securities of an issuer held by the Fund; the price of common stock of an issuer may be particularly sensitive to general movements in the stock market; or a drop in the stock market may depress the price of most or all of the common stocks and other equity securities held by the Fund. Also, the common stock of an issuer in the Fund's portfolio may decline in price if the issuer fails to make anticipated dividend payments because, among other reasons, the issuer of the security experiences a decline in its financial condition. Common equity securities in which the Fund will invest are structurally subordinated to preferred stocks, bonds, and other debt instruments in a company's capital structure, in terms of priority to corporate income and liquidation preference, and therefore will be subject to greater dividend risk than preferred stocks or debt instruments of such issuers. Additionally, common stock prices may be sensitive to rising interest rates as the costs of capital rise and borrowing costs increase.

Large company risk - The Fund may invest in larger, more established companies, which may be unable to respond quickly to new competitive challenges, such as changes in consumer tastes or innovative smaller competitors. Also, large companies are sometimes unable to attain the high growth rates of successful, smaller companies, especially during extended periods of economic expansion.

Small-cap and Mid-cap stock risks - Investing in issuers within these categories carries the risk that the category may be out of favor due to current market conditions or investor sentiment. Because the Fund invests in securities issued by small-cap and mid-cap companies, it is likely to be more volatile than a fund that focuses on securities issued by larger companies. Small- and mid-cap-sized companies have less experienced management, narrower product lines, more limited financial resources, and less publicly available information than larger companies. In addition, small- and mid-cap-sized companies are typically more sensitive to changes in overall economic conditions, and their securities may be difficult to trade.

Portfolio Turnover Risk - The Fund may incur high portfolio turnover in connection with managing its investment exposure. High levels of portfolio transactions increase transaction costs and may result in increased taxable gains. Additionally, such trading may result in the realization of capital gains, including net short-term capital gains, which must generally be distributed to shareholders. Therefore, high portfolio turnover may reduce the Fund's returns and increase taxable distributions to shareholders.

Special situations risk - Investments in special situations (undervalued equities, merger arbitrage situations, distressed companies, etc.) may involve greater risks when compared to other investments the Fund may make due to a variety of factors. For example, mergers, acquisitions, reorganizations, liquidations, or recapitalizations may fail or not be completed on the terms originally contemplated, and expected developments may not occur in a timely manner, if at all.

Short Sale Risk - The Fund may incur a loss (without limit) because of a short sale if the market value of the borrowed security (i.e., the Fund's short position) increases between the date of the short sale and the date the Fund replaces the security. The Fund may be unable to repurchase the borrowed security at a particular time or at an acceptable price.

Other Investment Companies (Including ETFs) Risk - The Fund may invest in the securities of other investment companies to the extent that such investments are consistent with the Fund's investment objective and the policies are permissible under the 1940 Act. Under the 1940 Act, the Fund may not acquire the securities of other domestic or non-U.S. investment companies if, as a result, (1) more than 10% of the Fund's total assets would be invested in securities of other investment companies, (2) such purchase would result in more than 3% of the total outstanding voting securities of any one Investment company being held by the Fund or (3) more than 5% of the Fund's total assets would be invested in any one investment company. These limitations do not apply to the purchase of shares of money market funds or of any investment company in connection with a merger, consolidation, reorganization, or acquisition of substantially all the assets of another investment company or to purchases of investment companies done in accordance with SEC exemptive relief or rules. Investments in the securities of other investment companies, including ETFs, may involve duplication of advisory fees and certain other expenses. Additionally, if the investment company or ETF fails to achieve its investment objective, the value of the Fund's investment will decline, adversely affecting the Fund's performance. In addition, closed-end investment companies and ETF shares may potentially trade at a discount or a premium and are subject to brokerage and other trading costs, which could result in greater expenses to the Fund. In addition, the Fund may engage in short sales of the securities of other investment companies. When the Fund shorts securities of another investment company, it borrows shares of that investment company, which it then sells. The Fund closes out a short sale by purchasing the security that it has sold short and returning that security to the entity that lent the security.

Options risk - Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks. The successful use of options depends in part on the ability of the Adviser to manage future price fluctuations and the degree of correlation between the options and securities markets. By writing put options on equity securities, the Fund strikes prices of the written put options but continues to bear the risk of declines in the value of its common stock portfolio. The Fund will receive a premium from writing a covered call option that it retains whether the option is exercised. The premium received from the written options may not be sufficient to offset any losses sustained from the volatility of the underlying equity securities over time.

Limits on Option Selling risk - The number of call options the Fund can sell is limited by the number of shares of common stock the Fund holds or collateral posted and further limited by the fact that the listed call options on individual common stocks generally trade in units representing 100 shares of the underlying stock. Furthermore,

the Fund's options transactions will be subject to limitations established by each of the exchanges, boards of trade, or other trading facilities on which such options are traded. Such limitations govern the maximum number of options in each class that may be sold or purchased by a single investor or group of investors acting in concert, regardless of whether the options are sold or purchased on the same or different exchanges, boards of trade, or other trading facilities or are held or sold in one or more accounts or through one or more brokers. So, the number of options that the Fund may sell or purchase may be affected by options sold or purchased by other investment advisory clients of the Adviser. An exchange, board of trade, or another trading facility may order the liquidation of positions found to be in excess of these limits and may impose certain other sanctions.

Options Strategy risk - The Fund's options strategies consist of selling and purchasing put and call options on equity indexes and ETFs. The sale of put options generates income for the Fund but exposes it to the risk of declines in the value of the underlying assets. The risk in purchasing options is limited to the premium paid by the Fund for the options. The sale of call options generates income for the Fund but may limit the Fund's participation in equity market gains. The Fund's investment adviser seeks to reduce the overall volatility of returns for the Fund by managing a portfolio of options.

Derivatives risk - The use of derivatives can lead to losses because of adverse movements in the price or value of the asset, index, rate, or instrument underlying a derivative or due to the failure of a counterparty or due to tax or regulatory constraints. Derivatives may create economic leverage in the Fund, which magnifies the Fund's exposure to the underlying investment. Derivatives risk may be more significant when derivatives are used to enhance return or as a substitute for a cash investment position rather than solely to hedge the risk of a position held by the Fund. When derivatives are used to gain or limit exposure to a particular market or market segment, their performance may not correlate as expected to the performance of such market, thereby causing the Fund to fail to achieve its original purpose for using such derivatives. The use of derivatives involves the exercise of specialized skill and judgment, and a transaction may be unsuccessful in whole or in part because of market behavior or unexpected events. Derivative instruments may be difficult to value, may be illiquid, and may be subject to wide swings in valuation caused by changes in the value of the underlying instrument. If a derivative's counterparty is unable to honor its commitments, the value of the Fund shares may decline, and the Fund could experience delays in the return of collateral or other assets held by the counterparty. The loss on derivative transactions may significantly exceed the initial investment.

Convertible Securities Risk - The values of convertible securities in which the Fund may invest may be affected by market interest rates. The values of convertible securities may also be affected by the risk of actual issuer default on interest or principal payments and the value of the underlying stock. Additionally, an issuer may retain the right to buy back its convertible securities at a time and price unfavorable to the Fund.

General Fund Investing risk - The Fund is not a complete investment program, and you may lose money by investing in the Fund. All investments carry a certain amount of risk, and there is no guarantee that the Fund will be able to achieve its investment

objective. Annual Fund operating expenses expressed as a percentage of the Fund's average daily net assets may change as Fund assets increase and decrease, and Annual Fund operating expenses may differ in the future. Purchase and redemption activities by Fund shareholders may impact the management of the Fund and its ability to achieve its investment objective. Also, the redemption by one or more large shareholders or groups of shareholders of their holdings in the Fund could have an adverse impact on the remaining shareholders in the Fund. Investors in the Fund should have a long-term investment perspective and should be able to tolerate potentially sharp declines in value. An investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity, or individual. Mutual funds, investment advisers, other market participants, and many securities markets are subject to rules and regulations and the jurisdiction of one or more regulators. Changes to applicable rules and regulations could have an adverse impact on securities markets and market participants, as well as on the Fund's ability to execute its investment strategy.

Natural Disaster/Epidemic Risk - Natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis, and other severe weather-related phenomena generally, and widespread disease, including pandemics and epidemics (for example, the novel coronavirus COVID-19), have been and can be highly disruptive to economies and markets and have recently led, and may continue to lead, to increased market volatility and significant market losses. Such natural disaster and health crises could exacerbate political, social, and economic risks and result in significant breakdowns, delays, shutdowns, social isolation, and other disruptions to important global, local, and regional supply chains affected, with potential corresponding results on the operating performance of a Fund and its investments. A climate of uncertainty and panic, including the contagion of infectious viruses or diseases, may adversely affect global, regional, and local economies, reduce the availability of potential investment opportunities, and increase the difficulty of performing due diligence and modeling market conditions, potentially reducing the accuracy of financial projections. Under these circumstances, a Fund may have difficulty achieving its investment objective, which may adversely impact Fund performance. Further, such events can be highly disruptive to economies and markets and significantly disrupt the operations of individual companies (including, but not limited to, the Funds' investment adviser, third-party service providers, and counterparties), sectors, industries, markets, securities and commodity exchanges, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a Fund's investments. These factors can cause substantial market volatility, exchange trading suspensions and closures, changes in the availability of and the margin requirements for certain instruments, and can impact the ability of a Fund to complete redemptions and otherwise affect Fund performance and Fund trading in the secondary market. A widespread crisis would also affect the global economy in ways that cannot necessarily be foreseen. How long such events will last and whether they will continue or recur cannot be predicted. These could have a significant impact on a fund's performance, resulting in losses to your investment.

Additional Information. To the extent the Fund makes investments regulated by the Commodities Futures Trading Commission, it intends to do so in accordance with Rule 4.5 under the Commodity Exchange Act ("CEA"). The Trust, on behalf of the Fund, has filed a notice of eligibility for exclusion from the definition of the term "commodity pool operator" in accordance with Rule 4.5, and therefore, the Fund is not subject to registration or regulation as a commodity pool operator under the CEA.

Investment Adviser. M3Sixty Capital, LLC, located at 4300 Shawnee Mission Parkway, Suite 100, Fairway, KS 66205, manages the investments of the Fund pursuant to an investment advisory agreement (the "Advisory Agreement"). The Adviser commenced business operations in June of 2023 and is registered with the Securities and Exchange Commission ("SEC") as an investment adviser. As of December 31, 2025, the Adviser had approximately \$640 million in assets under management.

The Adviser has entered into an Investment Advisory Agreement (the "Advisory Agreement") with the Fund, under which the Adviser selects the securities and manages the investments for the Fund, subject to the oversight of the Fund's Board. Under the Advisory Agreement, the Fund pays the Adviser a monthly fee based on an annualized rate of the average daily net asset value of that Fund as indicated in the fees and expenses table included in the summary section of this Prospectus. The Adviser has entered into an Expense Limitation Agreement with the Fund under which it has agreed to waive or reduce its fees and to assume other expenses of the Fund, if necessary, in an amount that limits "Total Annual Fund Operating Expenses" as indicated in the fee table above. While the Adviser has no obligation to continue the waiver past the current term, the contractual agreement is expected to continue annually, provided such continuance is agreed to by the Adviser and approved by the Board.

For the fiscal year ended November 30, 2025, the Adviser received compensation of 0.74% of the Fund's average daily net assets after fee waivers and/or expense reimbursement. A discussion regarding the basis for the most recent approval by the Board of the Advisory Agreement is available in the Fund's annual report for the period ended November 30, 2024.

In addition to the advisory fees described above, the Adviser may also receive certain benefits from its management of the Fund in the form of brokerage or research services received from brokers under arrangements under Section 28(e) of the 1934 Act and the terms of the Advisory Agreement. For a description of these potential benefits, see the description under "Portfolio Transactions And Brokerage Allocation -- Brokerage Selection" in the SAI.

Portfolio Managers. Vincent du Vigneaud, has more than 20 years of investment management experience. Mr. du Vigneaud holds a B.S. in Finance and Entrepreneurial Management from the University of South Carolina.

The SAI provides additional information about the compensation of the portfolio managers, other accounts they manage, and their ownership of securities in the Fund.

Board of Trustees. The Fund is a series of 360 Funds, an open-end management investment company organized as a Delaware statutory trust on February 24, 2005. The Board supervises the operations of the Fund according to applicable state and federal law and is responsible for the overall management of the Fund's business affairs.

ADMINISTRATION

M3Sixty Income and Opportunity Fund

Custodian. Fifth Third Bank (the “Custodian”) serves as the custodian of the Fund’s securities.

Fund Administration and Distribution. M3Sixty Administration, LLC (“M3Sixty”) serves as the Fund’s administrator, providing the Fund with administrative, accounting, and compliance services. In addition, M3Sixty serves as the transfer agent and dividend-disbursing agent of the Fund. As indicated below under the caption “Investing in the Fund,” M3Sixty will handle your orders to purchase and redeem Shares of the Fund and will disburse dividends paid by the Fund. M3Sixty is owned by the same holding company that owns the Distributor (defined below).

Distribution of Shares. Matrix 360 Distributors, LLC (the “Distributor”) serves as the Fund’s principal underwriter. The Distributor may sell the Fund’s Shares to or through qualified securities dealers or other approved entities. The Fund has adopted a Distribution Plan in accordance with Rule 12b-1 (“Distribution Plan”) under the 1940 Act. The Distribution Plan provides that the Fund may compensate or reimburse the Distributor for services rendered and expenses borne in connection with activities primarily intended to result in the sale of the Fund’s Shares (this compensation is commonly referred to as “12b-1 fees”). Sales charges (including, without limitation, sales loads, Contingent Deferred Sales Charges (“CDSCs”), and 12b-1 fees) may be paid to broker-dealers, banks, and any other financial intermediary eligible to receive such fees for sales of Fund shares and for services provided to shareholders. The Distributor may also retain a portion of these fees as the Fund’s distributor. Pursuant to the Distribution Plan, the Fund may annually pay the Distributor up to 0.25% of the average daily net assets attributable to the Class A shares. The 0.25% fee for the Class A shares is a service fee. Because 12b-1 fees are paid out of the Fund’s assets on an ongoing basis, over time, these fees will increase the cost of your investment and may cost you more than paying other types of sales charges.

The Fund offers two classes of shares (Class A shares and Institutional Class shares). Class A shares are available for purchase by all investors. Institutional Class shares are available for purchase by investing institutions. Each class represents interests in the same portfolio of investments and has the same rights, but the classes differ with respect to sales loads and expenses to which they are subject. The decision as to which class of shares is more beneficial to you generally depends on the amount and intended length of time of your investment.

Certain Expenses. In addition to the 12b-1 fees and the investment advisory fees, the Fund pays all expenses not assumed by the Adviser, including, without limitation, the fees and expenses of its independent accountants and of its legal counsel; the costs of printing and mailing to shareholders annual and semi-annual reports, proxy statements, prospectuses, statements of additional information and supplements thereto; the costs of printing registration statements; bank transaction charges and custodian’s fees; any proxy solicitors’ fees and expenses; filing fees; any federal, state, or local income or other taxes; any interest; any membership fees of the Investment Company Institute and similar organizations; fidelity bond and Board’s liability insurance premiums; and any extraordinary expenses, such as indemnification payments or damages awarded in litigation or settlements made.

Minimum Initial Investment. The Fund's shares are sold and redeemed at net asset value. Shares may be purchased by any account managed by the Adviser and any other institutional investor or any broker-dealer authorized to sell shares in the Fund. The minimum initial investment for the Class A shares of the Fund is generally \$1,000.00. The minimum investment for Institutional Class shares is \$2,000.00. The Fund may, at the Adviser's sole discretion, accept accounts with less than the minimum investment.

Determining the Fund's Net Asset Value. The price at which you purchase or redeem shares is based on the next calculation of net asset value after an order is accepted in good form. An order is in good form if it includes a complete application and payment in full of the purchase amount. The Fund's net asset value per share is calculated by dividing the value of the Fund's total assets, less liabilities (including Fund expenses, which are accrued daily), by the total number of outstanding shares of the Fund. The net asset value per Share of the Fund is normally determined at the time regular trading closes on the NYSE, currently 4:00 p.m. Eastern Time, Monday through Friday, except when the NYSE closes earlier. The Fund does not calculate net asset value on business holidays when the NYSE is closed.

The valuation of portfolio securities is determined in accordance with procedures established by, and under the direction of, the Board. In determining the value of the Fund's total assets, portfolio securities are generally calculated at market value by quotations from the primary market in which they are traded. Instruments with maturities of 60 days or less are valued at amortized cost, which approximates market value. The Fund normally uses pricing services to obtain market quotations. Securities and assets for which representative market quotations are not readily available or that cannot be accurately valued using the Fund's normal pricing procedures are valued at fair value as determined in good faith under policies approved by the Board. Fair value pricing may be used, for example, in situations where (i) a portfolio security, such as a small-cap stock, is so thinly traded that there have been no transactions for that stock over an extended period of time or the validity of a market quotation received is questionable; (ii) the exchange on which the portfolio security is principally traded closes early; (iii) trading of the particular portfolio security is halted; (iv) the security is a restricted security not registered under federal securities laws purchased through a private placement not eligible for resale; or (v) the security is purchased on a foreign exchange.

The SEC has adopted Rule 2a-5 under the 1940 Act, which establishes an updated regulatory framework for registered investment company fair valuation practices. The rule became effective on September 8, 2022. Under the rule, a greater number of the Funds' securities may be subject to fair value pricing. The Funds' fair value policies and procedures and valuation practices were updated to comply with Rule 2a-5. Specifically, the Board designated the Adviser as the Funds' "Valuation Designee" to make fair value determinations. The Adviser acts through its Rule 2a-5 Committee (the "Valuation Committee") in accordance with the Trust's and the Adviser's policies and procedures (collectively, the "Valuation Procedures"). While fair value determinations will be based upon all available factors that the Valuation Committee

deems relevant at the time of the determination, fair value represents only a good faith approximation of the value of an asset or liability. The fair value of one or more assets or liabilities may not, in retrospect, be the price at which those assets or liabilities could have been sold during the period in which the particular fair values were used in determining the Fund's net asset value. As a result, the Fund's sale or redemption of its shares at net asset value, at a time when a holding or holdings are valued by the Valuation Committee at fair value, may have the effect of diluting or increasing the economic interest of existing shareholders and may affect the amount of revenue received by the Advisor with respect to services for which it receives an asset-based fee. For more information on the Trust's fair value procedures, please see the section titled *Net Asset Value* in the SAL.

Other Matters. Purchases and redemptions of shares by the same shareholder on the same day will be netted for the Fund. All redemption requests will be processed, and payment with respect thereto will normally be made within seven days after tender. The Fund may suspend redemption, if permitted by the 1940 Act, for any period during which the NYSE is closed or during which trading is restricted by the SEC or if the SEC declares that an emergency exists. Redemptions may also be suspended during other periods permitted by the SEC for the protection of the Fund's shareholders. Additionally, during drastic economic and market changes, telephone redemption privileges may be difficult to execute. Also, if the Board determines that it would be detrimental to the best interest of the Fund's remaining shareholders to make payment in cash, the Fund may pay redemption proceeds in whole or in part by a distribution-in-kind of readily marketable securities.

Opening a New Account. To open an account with the Fund, take the following steps:

1. Complete an Account Application. Be sure to indicate the type of account you wish to open, the amount of money you wish to invest, and which class of shares you wish to purchase. If you do not indicate which class you wish to purchase, your purchase will be invested in Class A shares. The application must contain your name, date of birth, address, and Social Security Number ("SSN") or Taxpayer Identification Number ("TIN"). If you have applied for a SSN or TIN prior to completing your account application but you have not received your number, please indicate this on the application and include a copy of the form applying for the SSN or TIN. Taxes are not withheld from distributions to U.S. investors if certain Internal Revenue Service ("IRS") requirements regarding the SSN or TIN are met.
2. Write a check or prepare a money order from a U.S. financial institution and, payable in U.S. dollars. For regular mail orders, mail your completed application along with your check or money order made payable to the "M3Sixty Income and Opportunity Fund" to:

M3Sixty Income and Opportunity Fund
c/o M3Sixty Administration, LLC
4300 Shawnee Mission Parkway
Suite 100
Fairway, KS 66205

If checks are returned due to insufficient funds or other reasons, the purchase order will not be accepted. The Fund will charge the prospective investor a \$20 fee for canceled checks and may redeem shares of the Fund already owned by the prospective investor or another identically registered account for such fee. The prospective investor will also be responsible for any losses or expenses incurred by the Fund or the Administrator in connection with any canceled check.

Bank Wire Purchases. Purchases may also be made through bank wire orders. To establish a new account or add to an existing account by wire, please call (877) 244-6235 for instructions.

Additional Investments. You may add to your account by mail or wire at any time by purchasing shares at the then-current public offering price. The minimum additional investment for any account of Class A or Institutional Class shares in the Fund is \$100.00, except under the automatic investment plan discussed below. Before adding funds by bank wire, please call the Fund at (877) 244-6235 and follow the above directions for bank wire purchases. Please note that in most circumstances, there will be a bank charge for wire purchases. Mail orders should include, if possible, the "Invest by Mail" stub that is attached to your confirmation statement. Otherwise, please identify your account in a letter accompanying your purchase payment. The Fund may, at the Adviser's sole discretion, accept additional investments for less than the minimum additional investment.

Automatic Investment Plan. Shareholders who have met the Fund's minimum investment criteria may participate in the Fund's automatic investment plan. The automatic investment plan enables shareholders to make regular monthly or quarterly investments in Class A shares or Institutional Class shares through automatic charges to shareholders' checking accounts. With shareholder authorization and bank approval, the Fund will automatically charge the shareholder's checking account for the amount specified (\$25.00 minimum for each of Class A shares or Institutional Class shares of the Fund), which will automatically be invested in the type of shares that the shareholder holds in his or her account (Class A shares or Institutional Class shares), at the public offering price on or about the 21st day of the month. The shareholder may change the amount of the investment or discontinue the plan at any time by notifying the Fund in writing.

Important Information about Procedures for Opening a New Account. Under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA Patriot Act of 2001), the Fund is required to obtain, verify, and record information to enable the Fund to form a reasonable belief as to the identity of each customer who opens an account. Consequently, when an investor opens an account, the Fund will ask for, among other things, the investor's name, street address, date of birth (for an individual), SSN or other TIN (or proof that the investor has filed for such a number), and other information that will allow the Fund to identify the investor. The Fund may also ask to see the investor's driver's license or other identifying documents. An investor's account application will not be considered "complete," and, therefore, an account will not be opened. The investor's money will not be invested until the Fund receives this required information. In addition, if after opening the investor's account, the Fund is unable to verify the investor's identity after reasonable efforts, as determined by the Fund in its sole discretion, the Fund may (i) restrict redemptions and further investments until the investor's identity is verified; and (ii) close the investor's account without notice and return the investor's redemption proceeds to the investor. If the Fund closes an investor's account because the Fund was unable to verify the investor's identity, the Fund will value the account in accordance with the Fund's next net asset value calculated after the investor's account is closed. In that case, the investor's redemption proceeds may be worth more or less than the investor's original investment. The Fund will not be responsible for any losses incurred due to the Fund's inability to verify the identity of any investor opening an account.

Other Information. In connection with all purchases of Fund shares, we observe the following policies and procedures:

- We price direct purchases based on the next public offering price (net asset value) computed after your order is received. Direct purchase orders received by M3Sixty as the Fund's transfer agent by the close of the regular session of the NYSE (generally 4:00 p.m., Eastern Time) are confirmed at that day's public offering price. Purchase orders received by dealers prior to the close of the regular session of the NYSE on any business day and transmitted to M3Sixty on that day are confirmed at the public offering price determined as of the close of the regular session of trading on the NYSE on that day.

- We do not accept third-party checks for any investments.
- We may open accounts for less than the minimum investment or change minimum investment requirements at any time.
- We may refuse to accept any purchase request for any reason or no reason.
- We mail you confirmations of all your purchases or redemptions of Fund shares.
- Certificates representing shares are not issued.

Choosing a Share Class. The Fund offers two classes of shares (Class A shares and Institutional Class shares). Class A shares are available for purchase by all investors. Institutional Class shares are available only to institutional investors and certain broker-dealers and financial institutions that have entered into appropriate arrangements with the Fund. Each class represents interests in the same portfolio of investments and has the same rights, but the classes differ with respect to sales loads and ongoing expenses. The decision as to which class of shares is more beneficial to you generally depends on your purchase amount, the length of time you expect to hold your investment, and the sales charges and total operating expenses associated with each class.

Class A shares generally have an initial sales load. In addition, you should consider the effect of the CDSC applicable to certain redemptions of Class A shares, depending on the length of time you expect to hold your investment in the Fund.

Each investor's considerations are different. You should speak with your financial representative or broker-dealer to help you decide which class of shares is best for you. Set forth below is a brief description of each class of shares offered by the Fund.

Class A Shares. Class A shares are sold at net asset value plus an initial sales load. The sales load is deducted from the amount you invest. The sales load for Class A shares is reduced for purchases of \$50,000 or more, as shown in the chart below.

Amount of Investment in Class A Shares	Sales load as a % of:		Dealer Reallowance as % of Public Offering Price*
	Public Offering Price*	Net Amount Invested	
Less than \$50,000	5.50%	4.71%	4.50%
\$50,000 but less than \$100,000	4.50%	3.63%	3.50%
\$100,000 but less than \$250,000	3.50%	3.09%	3.00%
\$250,000 but less than \$500,000	2.50%	2.04%	2.00%
\$500,000 but less than \$1 million	2.00%	1.01%	1.00%
\$1 million or more	0.00%**	0.00%**	0.00%

* “Public Offering Price” is the net asset value at the time of purchase plus the front-end sales load. In general, the broker-dealer reallowance on sales of Class A shares will equal the amount of the Sales Load as a % of Public Offering Price described in this table.

** No sales load is paid at the time of purchase for investments of \$1 million or more. A CDSC of 1.00% may be imposed on such investments in the event of redemption within 12 months of purchase.

Class A shares are also subject to an annual 12b-1 fee of up to 0.25% of the Fund’s average daily net assets allocable to Class A shares.

Broker-Dealer Reallowances and Commissions. The broker-dealer reallowance for purchases of Class A shares under \$1 million is described in the chart above. For initial purchases of Class A shares of the Fund of \$1 million or more, a broker-dealer’s commission (equal to 1.00% of such purchases over \$1 million) may be paid by the Adviser to participating unaffiliated broker-dealers through whom such purchases are effected. No commission will be paid if the purchase represents the reinvestment of a redemption from the Fund made during the previous twelve months. Redemptions of Class A shares may result in the imposition of a CDSC if the broker-dealer’s commission described in this paragraph was paid in connection with the purchase of such shares. See “CDSC for Certain Purchases of Class A shares” below.

Under certain circumstances, the Distributor may increase or decrease the reallowance to broker-dealers. The Distributor receives that portion of the initial sales load which is not reallowed to the brokers who sell shares of the Fund. The Distributor retains the entire sales load on all direct initial investments in the Fund and on all investments in accounts with no designated dealer of record.

Reduced Sales Loads. Front-end sales loads on purchases of Class A shares may be reduced under the “Right of Accumulation” or under a “Letter of Intent.” To receive a reduced sales load, you must inform your broker-dealer or the Fund at the time you purchase shares that you qualify for such a reduction. If you do not let your broker-dealer or the Fund know you are eligible for a reduced sales charge, you may not receive the discount to which you are otherwise entitled.

You may use the “Right of Accumulation” to reduce your sales load. Under the “Right of Accumulation,” you may combine the current net asset value of your existing Class A shares of the Fund with the amount of any current purchases in order to take advantage of the reduced sales loads in the table above.

Purchases made pursuant to a “Letter of Intent” may also be eligible for the reduced sales loads. In a Letter of Intent, the investor expresses his or her intention, in writing, to invest a certain amount over a specified period. The Fund will then apply to each of the investor’s periodic investments the reduced sales load that would apply to the total amount stated in the Letter of Intent. The minimum initial investment under a Letter of Intent is \$50,000. If not stated otherwise in the Letter of Intent, the amount of shares you purchase in the Fund during the thirteen (13) months following the signing of the Letter of Intent qualify for the reduced sales load. The reduced sales load will not apply to purchases in the Fund made more than 90 days prior to the signing of

the Letter of Intent. During the term of your Letter of Intent, the Transfer Agent will hold in escrow shares representing the highest applicable sales load for the Fund each time you make a purchase. Any shares you redeem during that period will count against the total amount stated in your Letter of Intent. If, by the end of the term of the Letter of Intent, you have purchased all the shares you committed to purchase in the Letter of Intent, the escrowed shares will be released to you. If you have not purchased all the shares you committed to purchase in the Letter of Intent, your escrowed shares will be redeemed in an amount equal to the sales load that would apply if you had purchased the actual amount in your account all at once. Any escrowed shares not needed to satisfy that sales load would be released to you.

Shareholders may include the value of certain related accounts, including accounts held by their spouse and children under the age of 21, family trust accounts of the investor, and other accounts held by the investor to determine the applicable sales load and for purposes of the Right of Accumulation and Letter of Intent privileges. These privileges apply even if your related accounts are opened at different brokerage firms, so it is important to let your broker-dealer(s) or the Transfer Agent know about all your accounts that may be combined. To verify eligibility for a reduced sales load, your broker-dealer or the Fund may require that you submit copies of account statements to substantiate requests for Right of Accumulation and Letter of Intent privileges.

In addition to the Right of Accumulation and Letters of Intent, Class A shares are offered at net asset value without a sales load to the following types of investors: trustees and officers of the Fund, clients of the Adviser, employees of the Adviser (and members of their immediate families) and the Adviser and certain service providers of the Fund. As explained above, there also is no sales load at the time of purchase on investments of \$1 million or more in the Fund, but such purchases may be subject to a CDSC of 1.00% in the event of redemption within 12 months of purchase. See "CDSC for Certain Purchases of Class A Shares" below.

CDSC for Certain Purchases of Class A Shares. A CDSC is imposed upon certain redemptions of Class A shares purchased at net asset value in amounts totaling \$1 million or more if the dealer's commission described above was paid by the underwriter and the shares are redeemed within one year from the date of purchase. The CDSC will be paid to the Distributor and will be equal to 1.00% of the lesser of (1) the net asset value at the time of purchase of the Class A shares being redeemed or (2) the net asset value of such shares at the time of redemption. If your purchase of Class A shares is subject to the CDSC, you will be notified of the confirmation you receive for such purchase. A CDSC will not be imposed upon redemptions of Class A shares held for more than one year.

Institutional Class shares. Institutional Class shares of the Fund are sold at net asset value without an initial sales charge so that the full amount of your purchase payment may be immediately invested in the Fund. Institutional Class shares are available for investment only to institutional investors and certain broker-dealers and financial institutions that have entered into appropriate arrangements with the Fund. These

arrangements are generally limited to discretionary management, asset allocation, eligible retirement plans, or wrap products offered by broker-dealers and financial institutions. Shareholders participating in these programs may be charged fees by their broker-dealer or financial institution.

Additional Information about Sales Charges. Information regarding the Fund's sales charges, as well as information regarding reduced sales charges and waived sales charges, and the terms and conditions for the purchase, pricing, and redemption of Fund shares are not available on the Fund's website since the Fund's website contains limited information. Further information is available by calling the Fund at (877) 244-6235.

Regular Mail Redemptions. Regular mail redemption requests should be addressed to:

M3Sixty Income and Opportunity Fund
c/o M3Sixty Administration, LLC
4300 Shawnee Mission Parkway
Suite 100
Fairway, KS 66205

Regular mail redemption requests should include the following:

- (1) Your letter of instruction specifying the Fund, account number, and number of shares (or the dollar amount) to be redeemed. This request must be signed by all registered shareholders in the exact names in which they are registered;
- (2) Any required signature guarantees (see "Signature Guarantees" below); and
- (3) Other supporting legal documents, if required in the case of estates, trusts, guardianships, custodianships, corporations, pension or profit-sharing plans, and other entities.

Except as provided below, your redemption proceeds normally will be sent to you within seven days after receipt of your redemption request. However, the Fund may delay forwarding a redemption check for recently purchased shares while it determines whether the purchase payment will be honored. Such delays (which may take up to 15 calendar days from the date of purchase) may be reduced or avoided if the purchase is made by certified check or wire transfer. In all cases, the net asset value, which is determined after receipt of the request for redemption, will be used to process the redemption request.

Except as provided below, your redemption proceeds normally will be sent to you within seven days after receipt of your redemption request. However, a fund may delay forwarding a redemption check for recently purchased shares while determining whether the purchase payment will be honored. Such delays (which may take up to 15 calendar days from the date of purchase) may be reduced or avoided if the purchase is made by certified check or wire transfer. In all cases, the net asset value, which is determined after receipt of the request for redemption, will be used to process the redemption request. Each Fund typically expects to meet redemption requests through cash holdings or cash equivalents and anticipates using these types of holdings on a regular basis. A Fund typically expects to pay redemption proceeds for shares redeemed within the following days after receipt by the transfer agent of a redemption request in proper form: (i) for payment by check, the Fund typically expects to mail the check within two business days; and (ii) for payment by wire or automated clearing house ("ACH"), the Fund typically expects to process the payment within two business days. Payment of redemption proceeds may take up to seven days as permitted under the 1940 Act. Under unusual circumstances, as permitted by the SEC, a Fund may suspend the right of redemption or delay payment of redemption proceeds for more than seven days. When shares are purchased by check, the proceeds from the redemption of those shares will not be paid until the purchase check has been converted to federal funds, which could take up to 15 calendar days.

To the extent cash holdings or cash equivalents are not available to meet redemption requests, the Fund will meet redemption requests by either (i) rebalancing its overweight securities or (ii) selling portfolio assets. In addition, if the Fund determines that it would be detrimental to the best interest of the Fund's remaining shareholders to make payment in cash, the Fund may pay redemption proceeds in whole or in part by a distribution-in-kind of readily marketable securities.

Telephone and Bank Wire Redemptions. Unless you specifically decline the telephone transaction privileges on your account application, you may redeem shares of the Fund by calling (877) 244-6235. The Fund may rely upon confirmation of redemption requests transmitted via facsimile (Fax# (816) 817-3267). The confirmation instructions must include the following:

- (1) Name of Fund;
- (2) Shareholder name(s) and account number;
- (3) Number of shares or dollar amount to be redeemed;
- (4) Instructions for transmittal of redemption funds to the shareholder; and
- (5) Shareholder(s) signature(s) as it/they appear(s) on the application then on file with the Fund.

You can choose to have redemption proceeds mailed to you at your address of record, your financial institution, or to any other authorized person, or you can have the proceeds sent by wire transfer to your financial institution (\$5,000.00 minimum). The Fund, at its discretion, may choose to pass through to redeeming shareholders any charges imposed by the Fund's custodian for wire redemptions. If this cost is passed through to redeeming shareholders by the Fund, the charge will be deducted automatically from your account by redemption of shares in your account. Your bank or brokerage firm may also impose a charge for processing the wire. If the wire transfer of funds is impossible or impractical, the redemption proceeds will be sent by mail to the designated account.

Redemption proceeds will only be sent to the financial institution account or person named in your Fund Shares Application currently on file with the Fund. Telephone redemption privileges authorize the Fund to act on telephone instructions from any person representing himself or herself to be the investor and reasonably believed by the Fund to be genuine. The Fund will not be liable for any losses due to fraudulent or unauthorized instructions, nor for following telephone instructions, provided that the Fund follows reasonable procedures to ensure instructions are genuine.

Minimum Account Size. Due to the relatively high cost of maintaining small accounts, the Fund reserves the right to liquidate a shareholder's account if, as a result of redemptions or transfers (but not required IRA distributions), the account's balance falls below the minimum initial investment required for your type of account (see "Minimum Initial Investment" above). The Fund will notify you if your account falls

below the required minimum. If your account is not increased to the required level after a thirty (30) day cure period, then the Fund may, at its discretion, liquidate the account.

Redemptions In Kind. The Fund does not intend, under normal circumstances, to redeem shares by payment in kind. It is possible, however, that conditions may arise in the future that would, in the opinion of the Trustees, make it undesirable for the Fund to pay for all redemptions in cash. In such cases, the Trustees may authorize payment to be made in readily marketable portfolio securities of the Fund. Securities delivered in payment of redemptions would be valued at the same value assigned to them in computing the net asset value per share. Shareholders receiving them may incur brokerage costs when these securities are sold and will be subject to market risk until such securities are sold. An irrevocable election has been filed under Rule 18f-1 of the 1940 Act, wherein the Fund must pay redemptions in cash, rather than in kind, to any shareholder of record of the Fund who redeems during any 90-day period, the lesser of (a) \$250,000 or (b) 1% of the Fund's net asset value at the beginning of such period. Redemption requests in excess of this limit may be satisfied in cash or in kind at the Fund's election.

Signature Guarantees. To protect your account and the Fund from fraud, signature guarantees may be required to be sure that you are the person who has authorized a change in registration or standing instructions for your account. Signature guarantees are generally required for (i) change of registration requests; (ii) requests to establish or to change exchange privileges or telephone and bank wire redemption service other than through your initial account application; (iii) transactions where proceeds from redemptions, dividends, or distributions are sent to an address or financial institution differing from the address or financial institution of record; and (iv) redemption requests in excess of \$50,000. Signature guarantees are acceptable from a member bank of the Federal Reserve System, a savings and loan institution, a credit union (if authorized under state law), a registered broker-dealer, securities exchange, or association clearing agency and must appear on the written request for change of registration, establishment or change in exchange privileges, or redemption request.

Other Information about Contingent Deferred Sales Charges. If, within the first year of purchase, you redeem Class A share purchases of more than \$1 million, you may be subject to a CDSC as described above under "Fees and Expenses of the Fund" and "Purchasing Shares - Choosing a Share Class." Shares acquired through the reinvestment of dividends or distributions of capital gains will not be subject to a CDSC. To determine if the CDSC applies to redemption, the Fund redeems shares in the following order: (i) shares acquired by reinvestment of dividends and capital gains distributions and then (ii) shares held for the longest period.

The Fund will waive the CDSC if requested in the following circumstances:

- Redemption upon the death or permanent disability of the shareholder if made within one year of the death or the initial determination of permanent disability. The waiver is available only for shares held at the time of death or initial determination of permanent disability.

- Mandatory distributions from a tax-deferred retirement plan or IRA.

If you wish to request that the CDSC be waived for one of the reasons stated above, contact your financial representative, broker-dealer, or the Fund. Such waiver requests must be made at the time of redemption.

Purchases and Redemptions through Securities Firms. The Fund has authorized one or more brokers to accept purchase and redemption orders on its behalf, and such brokers are authorized to designate intermediaries to accept orders on behalf of the Fund. In addition, orders will be deemed to have been received by the Fund when an authorized broker or broker-authorized designee accepts the purchase order or receives the redemption order. Orders will be priced at the next calculation of the Fund's net asset value after the authorized broker or broker-authorized designee receives the orders. Investors may also be charged a fee by a broker or agent if shares are purchased through a broker or agent. The Fund is not responsible for ensuring that a broker carries out its obligations. You should look to the broker through whom you wish to invest for specific instructions on how to purchase or redeem shares of the Fund.

Telephone Purchases by Securities Firms. Brokerage firms that are Financial Industry Regulatory Authority, Inc. ("FINRA") members may telephone M3Sixty at (877) 244-6235 and buy shares for investors who have investments in the Fund through the brokerage firm's account with the Fund. By electing telephone purchase privileges, FINRA member firms, on behalf of themselves and their clients, agree that neither the Fund nor M3Sixty shall be liable for following telephone instructions reasonably believed to be genuine. To be sure telephone instructions are genuine, the Fund and its agents send written confirmations of transactions to the broker that initiated the telephone purchase. As a result of these and other policies, the FINRA member firms may bear the risk of any loss in the event of such a transaction. However, if M3Sixty fails to follow these established procedures, it may be liable. The Fund may modify or terminate these telephone privileges at any time.

Disruptive Trading and Market Timing. The Fund is not intended for or suitable for market timers, and market timers are discouraged from becoming investors. The ability of new shareholders to establish an account or for existing shareholders to add to their accounts is subject to modification or limitation if the Fund determines, in its sole opinion, that the shareholder or potential shareholder has engaged in frequent purchases or redemptions that may be indicative of market timing or otherwise disruptive trading ("Disruptive Trading") which can have harmful effects for other shareholders. These risks and harmful effects include:

- an adverse effect on portfolio management, as determined by the Adviser in its sole discretion, such as causing the Fund to maintain a higher level of cash than would otherwise be the case or causing the Fund to liquidate investments prematurely; and
- reducing returns to long-term shareholders through increased brokerage and administrative expenses.

In an effort to protect shareholders from Disruptive Trading, the Board has approved certain market timing policies and procedures. Under these market timing policies and procedures, the Fund may monitor trading activity by shareholders and take specific steps to prevent Disruptive Trading. In general, the Fund considers frequent

roundtrip transactions in a shareholder account to constitute Disruptive Trading. A “roundtrip transaction” is one where a shareholder buys and then sells, or sells and then buys, shares within 30 days. While there is no specific limit on roundtrip transactions, the Fund reserves the right to (i) refuse any purchase order and/or (ii) restrict or terminate purchase privileges for shareholders or former shareholders, particularly in cases where the Fund determines that the shareholder or potential shareholder has engaged in more than one roundtrip transaction in the Fund within any rolling 30-day period.

In determining the frequency of roundtrip transactions, the Fund does not include purchases pursuant to dollar cost averaging or other similar programs, and the Fund will not count systematic withdrawals and/or automatic purchases, mandatory retirement distributions, and transactions initiated by a plan sponsor. The Fund will calculate roundtrip transactions at the shareholder level and may contact a shareholder to request an explanation of any activity that the Fund suspects is Disruptive Trading.

Notwithstanding the foregoing, the Fund may also act if a shareholder’s trading activity (evaluated based on roundtrip trading or otherwise) is deemed Disruptive Trading by the Fund, even if applicable shares are held longer than 30 days. In addition, the Fund may, without prior notice, take whatever action it deems appropriate to comply with or take advantage of any state or federal regulatory requirement. The Fund also imposes an initial sales load and a CDSC on certain shares, each of which has the effect of discouraging Disruptive Trading in Fund shares.

The Fund cannot guarantee that its policies and procedures regarding market timing will be effective in detecting and deterring all Disruptive Trading.

Disclosure of Portfolio Holdings. A description of the Fund’s policies and procedures with respect to the disclosure of the Fund’s portfolio securities is available in the Fund’s SAL.

Distributions, Dividends, and Taxes The following information is meant as a general summary for U.S. taxpayers. Additional tax information appears in the SAI. Shareholders should rely on their own tax advisors for advice about the federal, state, and local tax consequences of investing in the Fund.

The Fund will distribute all or substantially all its income and gains to its shareholders every year. Dividends paid by the Fund derived from net investment income, if any, will generally be paid quarterly, and capital gain distributions, if any, will be made at least annually. Absent instructions to pay distributions in cash, distributions will be reinvested automatically in additional shares (or fractions thereof) of the Fund. Although the Fund will not be taxed on amounts it distributes, shareholders will generally be taxed on distributions, regardless of whether distributions are paid by the Fund in cash or are reinvested in additional Fund shares.

A particular dividend distribution generally will be taxable as qualified dividend income, long-term capital gain, or ordinary income. Qualified dividend income generally includes dividends paid by U.S. corporations and certain qualifying foreign corporations, provided the foreign corporation is not a passive foreign investment company. Any distribution resulting from such qualified dividend income received by the Fund will be designated as qualified dividend income. If the Fund designates a dividend distribution as qualified dividend income, it generally will be taxable to individual shareholders at the long-term capital gains tax rate provided certain holding period requirements are met. If the Fund designates a dividend distribution as a capital gains distribution, it generally will be taxable to shareholders as long-term capital gain, regardless of how long the shareholders have held their Fund shares. Short-term capital gains may be realized, and any distribution resulting from such gains will be considered ordinary income for federal tax purposes. All taxable dividends paid by the Fund other than those designated as qualified dividend income or capital gain distributions will be taxable as ordinary income to shareholders.

Taxable distributions paid by the Fund to corporate shareholders will be taxed at corporate tax rates. Corporate shareholders may be entitled to a dividends-received deduction ("DRD") for a portion of the dividends paid and designated by the Fund as qualifying for the DRD.

If the Fund declares a dividend in October, November, or December but pays it in January, it will be taxable to shareholders as if the dividend had been received in the year it was declared. Every year, each shareholder will receive a statement detailing the tax status of any Fund distributions for that year. Distributions may be subject to state and local taxes, as well as federal taxes.

In general, a shareholder who sells or redeems shares will realize a capital gain or loss, which will be long-term or short-term, depending upon the shareholder's holding period for the Fund shares. An exchange of shares may be treated as a sale and may be subject to tax.

As with all mutual funds, the Fund may be required to withhold U.S. federal income tax at the fourth lowest rate for taxpayers filing as unmarried individuals (presently 24%) for all taxable distributions payable to shareholders who fail to provide the Fund with their correct taxpayer identification numbers or to make required certifications, or who have been notified by the IRS that they are subject to backup withholding. Backup withholding is not an additional tax; rather, it is a way in which the IRS ensures it will collect taxes otherwise due. Any amounts withheld may be credited against a shareholder's U.S. federal income tax liability.

Shareholders should consult with their own tax advisors to ensure that distributions and sale of Fund shares are treated appropriately on their income tax returns.

Cost Basis Reporting. Federal law requires that mutual fund companies report their shareholders' cost basis, gain/loss, and holding period to the IRS on the Fund's shareholders' Consolidated Form 1099s when "covered" securities are sold. Covered securities are any regulated investment company and/or dividend reinvestment plan shares acquired on or after January 1, 2012. The Fund has chosen Average Cost as its default tax lot identification method for all shareholders. A tax lot identification method is the way the Fund will determine which specific shares are deemed to be sold when there are multiple purchases on different dates at differing net asset values, and the entire position is not sold at one time. The Fund's standing tax lot identification method is the method covered shares will be reported on your Consolidated Form 1099 if you do not select a specific tax lot identification method. You may choose a method different than the Fund's standing method and will be able to do so at the time of your purchase or upon the sale of covered shares. Please refer to the appropriate IRS regulations or consult your tax adviser about your personal circumstances.

For those securities defined as "covered" under current IRS cost basis tax reporting regulations, the Fund is responsible for maintaining accurate cost basis and tax lot information for tax reporting purposes. The Fund is not responsible for the reliability or accuracy of the information for those securities that are not "covered." The Fund and its service providers do not provide tax advice. You should consult independent sources, which may include a tax professional, with respect to any decisions you may make with respect to choosing a tax lot identification method.

The financial highlights table is intended to help you understand the Fund's financial performance for the past 5 years. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate an investor would have earned (or lost) on an investment in the Fund, assuming the reinvestment of all dividends and distributions. The financial highlights for the fiscal years ended prior to November 30, 2023, were audited by the Fund's prior independent registered public accounting firm. The financial highlights for the fiscal year ended November 30, 2023, 2024, and 2025, were audited by Tait, Weller & Baker, LLP, the Fund's independent registered public accounting firm, whose report, along with the Fund's Annual Financial Statements and Other Information, which is available on the Adviser's website <https://m3sixtycapital.com> and may be obtained at no charge by calling the Fund.

M3Sixty Income and Opportunity Fund - Class A
For a Fund share outstanding throughout each year

The following tables set forth the per share operating performance data for a share of beneficial interest outstanding, total return, ratios to average net assets and other supplemental data for the years indicated.

Net Asset Value, Beginning of Year

Investment Operations:

- Net investment income (loss)^(a)
- Net realized and unrealized gains (losses) on investments, options written and securities sold short
- Total from investment operations

Distributions:

- From net realized capital gains
- Total distributions

Net Asset Value, End of Year

Total Return^(b)

Ratios/Supplemental Data

- Net assets, end of year (in 000's)

Ratios of expenses to average net assets:

- Before fees waived and expenses absorbed^(c)
- After fees waived and expenses absorbed^(c)

Ratios of net investment income (loss):

- Before fees waived and expenses absorbed^(c)
- After fees waived and expenses absorbed^(c)

Portfolio turnover rate

- (a) Net investment income (loss) per share is based on average shares outstanding.
- (b) Total Return represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends and does not reflect the impact of sales charges.
- (c) The ratios include 0.00% of interest expense and 0.00% of dividend expense for the year ended November 30, 2025, 0.21% of interest expense and 0.00% of dividend expense for the year ended November 30, 2024, 0.02% of interest expense and 0.00% of dividend expense for the year ended November 30, 2023, 0.16% of interest expense and 0.08% of dividend expense during the year ended November 30, 2022, and 0.13% of interest expense and 0.02% of dividend expense during the year ended November 30, 2021

M3SIXTY INCOME AND OPPORTUNITY FUND
FINANCIAL HIGHLIGHTS

Class A				
For the Year Ended November 30, 2025	For the Year Ended November 30, 2024	For the Year Ended November 30, 2023	For the Year Ended November 30, 2022	For the Year Ended November 30, 2021
\$ 12.54	\$ 10.18	\$ 9.91	\$ 10.96	\$ 11.19
(0.11)	(0.08)	0.01	(0.10)	(0.18)
1.40	2.44	0.26	(0.32)	0.58
1.29	2.36	0.27	(0.42)	0.40
(0.59)	—	—	(0.63)	(0.63)
(0.59)	—	—	(0.63)	(0.63)
\$ 13.24	\$ 12.54	\$ 10.18	\$ 9.91	\$ 10.96 ^(d)
10.81%	23.18%	2.72%	(3.94)%	3.57%
\$ 64	\$ 64	\$ 52	\$ 158	\$ 82
2.71%	2.96%	2.97%	3.01%	2.62%
2.20%	2.41%	2.22%	2.44%	2.35%
(1.39)%	(1.25)%	(0.75)%	(1.68)%	(1.77)%
(0.88)%	(0.70)%	0.00%	(1.11)%	(1.50)%
141.08%	487.35%	739.85%	1194.80% ^(e)	395.29%

(d) The Net Asset Value ("NAV") differs from the traded NAV on November 30, 2021 due to financial statement adjustments.

(e) The increase in portfolio turnover for the year ended November 30, 2022 was the result of certain market conditions occurring throughout the year which led to more active trading by the portfolio manager.

M3Sixty Income and Opportunity Fund - Institutional Class

For a Fund share outstanding throughout each year

The following tables set forth the per share operating performance data for a share of beneficial interest outstanding, total return, ratios to average net assets and other supplemental data for the years indicated.

Net Asset Value, Beginning of Year

Investment Operations:

Net investment income (loss)^(a)

Net realized and unrealized gains (losses) on investments, options written and securities sold short

Total from investment operations

Distributions:

From net realized capital gains

Total distributions

Net Asset Value, End of Year

Total Return^(b)

Ratios/Supplemental Data

Net assets, end of year (in 000's)

Ratios of expenses to average net assets:

Before fees waived and expenses absorbed^(c)

After fees waived and expenses absorbed^(c)

Ratios of net investment income (loss):

Before fees waived and expenses absorbed^(c)

After fees waived and expenses absorbed^(c)

Portfolio turnover rate

(a) Net investment income (loss) per share is based on average shares outstanding.

(b) Total Return represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends and does not reflect the impact of sales charges.

(c) The ratios include 0.00% of interest expense and 0.00% of dividend expense for the year ended November 30, 2025, 0.21% of interest expense and 0.00% of dividend expense for the year ended November 30, 2024, 0.02% of interest expense and 0.00% of dividend expense for the year ended November 30, 2023, 0.16% of interest expense and 0.08% of dividend expense during the year ended November 30, 2022, and 0.13% of interest expense and 0.02% of dividend expense during the year ended November 30, 2021

M3SIXTY INCOME AND OPPORTUNITY FUND
FINANCIAL HIGHLIGHTS

Institutional Class				
For the Year Ended November 30, 2025	For the Year Ended November 30, 2024	For the Year Ended November 30, 2023	For the Year Ended November 30, 2022	For the Year Ended November 30, 2021
\$ 12.86	\$ 10.42	\$ 10.11	\$ 11.14	\$ 11.34
(0.08)	(0.05)	0.02	(0.08)	(0.15)
1.43	2.49	0.29	(0.32)	0.58
1.35	2.44	0.31	(0.40)	0.43
(0.59)	—	—	(0.63)	(0.63)
(0.59)	—	—	(0.63)	(0.63)
\$ 13.62	\$ 12.86	\$ 10.42 ^(d)	\$ 10.11	\$ 11.14 ^(d)
11.01%	23.42%	3.07%	(3.68)%	3.79%
\$ 19,937	\$ 19,771	\$ 17,687	\$ 16,875	\$ 23,418
2.46%	2.71%	2.72%	2.76%	2.37%
1.95%	2.16%	1.97%	2.19%	2.10%
(1.14)%	(1.00)%	(0.50)%	(1.43)%	(1.52)%
(0.63)%	(0.45)%	0.25%	(0.86)%	(1.25)%
141.08%	487.35%	739.85%	1194.80%(e)	395.29%

(d) The NAV differs from the traded NAV on November 30, 2023 and November 30, 2021 due to financial statement adjustments.

(e) The increase in portfolio turnover for the year ended November 30, 2022 was the result of certain market conditions occurring throughout the year which led to more active trading by the portfolio manager.

PRIVACY NOTICE

M3Sixty Income and Opportunity Fund

FACTS

WHAT DOES 360 FUNDS DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security Number
- Assets
- Retirement Assets
- Transaction History
- Checking Account Information
- Purchase History
- Account Balances
- Account Transactions
- Wire Transfer Instructions

When you are *no longer* our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share your personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons 360 Funds chooses to share, and whether you can limit this sharing.

Reasons we can share your personal information	Does 360 Funds share?	Can you limit this sharing?
For our everyday business purposes - Such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes - to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes - information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes - information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?

Call (877) 244-6235

Who we are

Who is providing this notice?	360 Funds M3Sixty Administration, LLC (Administrator) Matrix 360 Distributors, LLC (Distributor)
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What we do

How does 360 Funds protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

Our service providers are held accountable for adhering to strict policies and procedures to prevent any misuse of your nonpublic personal information.

How does 360 Funds collect my personal information?

We collect your personal information, for example, when you

- Open an account
- Provide account information
- Give us your contact information
- Make deposits or withdrawals from your account
- Make a wire transfer
- Tell us where to send the money
- Tell us who receives the money
- Show your government-issued ID
- Show your driver's license

We also collect your personal information from other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only

- Sharing for affiliates' everyday business purposes - information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *M3Sixty Administration, LLC and Matrix 360 Distributors, LLC could each be deemed to be an affiliate.*

Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *360 Funds does not share with nonaffiliates, so they can market to you.*

Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *360 Funds does not jointly market.*

M3Sixty Income and Opportunity Fund

A SAI about the Fund has been filed with the SEC. The SAI (which is incorporated in its entirety by reference in this Prospectus) contains additional information about the Fund.

Additional information about the Fund's investments is available in the Fund's annual and semi-annual reports to shareholders and in Form N-CSR. In the Fund's annual report, you will find a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during its last fiscal year. In Form N-CSR, you will find the Fund's annual and semi-annual financial statements. The Fund's SAI, annual and semi-annual reports, and other information, including the Fund's financial statements, are available on the Fund's website at <https://m3sixtycapital.com>.

To request a free copy of the SAI, a Fund's annual and semi-annual reports, the Fund's financial statements, and other information about the Fund, or to make inquiries about the Fund, write the Fund c/o M3Sixty Administration, LLC, 4300 Shawnee Mission Parkway, Suite 100, Fairway, KS 66205 or call the Fund at (877) 244-6235.

Reports and other information about the Fund are available on the EDGAR Database on the SEC's website at <http://www.sec.gov>, and copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov.

360 Funds Investment Company Act File Number: 811-21726

PROSPECTUS

MARCH 30, 2026