

Timber Point Alternative Income Fund

ANNUAL REPORT

Institutional Class (AIIFX)
September 30, 2024

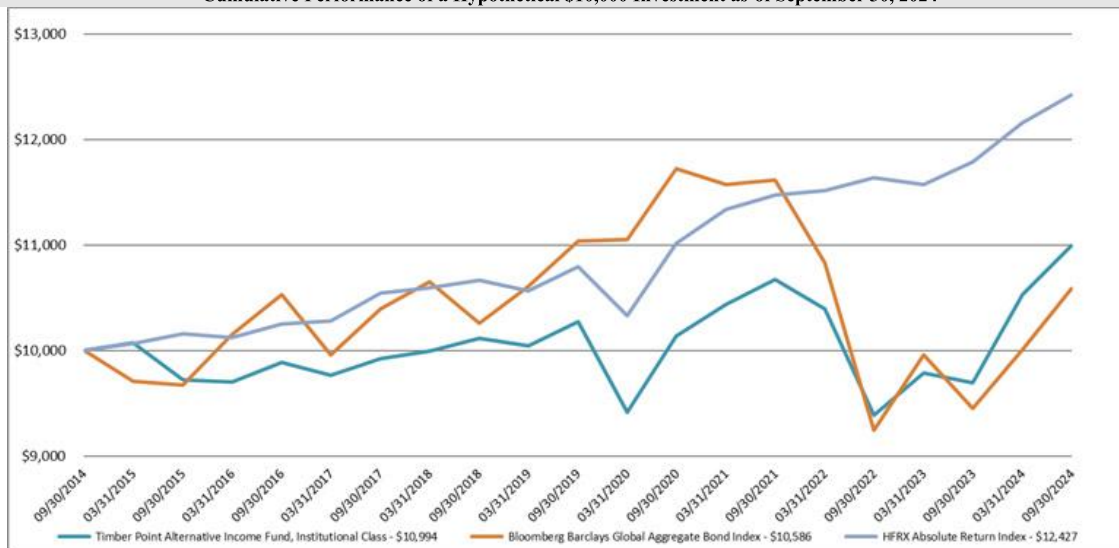
This annual report to shareholders contains important information of the Timber Point Alternative Income Fund (the "Income Fund") for the year ended September 30, 2024. You can find the Income Fund's prospectus, financial information on Form N-CSR, holdings, proxy voting information and other information at www.timberpointcapital.com. You can also request this information without charge by contacting the Income Fund at (877) 244-6235.

What were the Fund costs for the year? (based on a hypothetical \$10,000 investment)

	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Institutional Class shares	\$194	1.82%

How has the Fund performed during the past 10 years?

Cumulative Performance of a Hypothetical \$10,000 Investment as-of September 30, 2024



Average Annual Total Returns

	1 Year	5 Years	10 Years
Institutional Class shares	13.42%	1.37%	0.95%
Bloomberg Barclay's Global Aggregate Bond Index	11.99%	(0.83)%	0.57%
HFRX Absolute Return Index	5.43%	2.86%	2.20%

The above graphs depict the performance of the Income Fund versus the the Bloomberg Barclays Global Aggregate Bond Index and the and the HFRX Absolute Return Index. The performance information quoted in this annual report assumes the reinvestment of all dividend and capital gain distributions, if any, and represents past performance, which is not a guarantee of future results. Index returns do not include expenses, which are deducted from Fund returns. The returns shown do not reflect taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. The investment return and principal value of an investment will fluctuate and, therefore, an investor's shares, when redeemed, may be worth more or less than their original cost. Updated performance data current to the most recent month-end can be obtained by calling (877) 244-6235.

How did the Fund perform last year?

The Income Fund delivered strong absolute and relative returns over the fiscal year ended September 30, 2024, rising 13.42% compared to index returns of 11.99%. Sharply falling inflation and the shift in monetary policy expectations from restrictive to accommodative drove bond returns higher.

Timber Point Alternative Income Fund

ANNUAL REPORT

Institutional Class (AIIFX)

September 30, 2024 (continued)

What factors influenced performance during the past year?

- The Income Fund focused on corporate credit investments over the past year, particularly high-yield bonds across various maturities. Specifically, it held exchange-traded funds JNK and SJNK. Credit markets in general, and high-yield bonds specifically, posted strong excess returns, significantly contributing to the portfolio's performance. Additionally, the Income Fund invested in private credit through the business development company BXSL, which proved beneficial. The positive economic backdrop led us to favor credit over pure interest rate risk.
- Given our positive economic outlook, the Income Fund held a small allocation to broad U.S. equity investments, which contributed positively to performance. This included broad market exposure via exchange-traded funds ("ETFs") such as RSP and SPXL, as well as dividend and income-oriented equities like Real Estate Investment Trusts, utilities, and other higher-yielding equity types.
- In the third quarter, the Income Fund increased its exposure to more interest rate-sensitive investments as the market began pricing in a shift in monetary policy, causing a sharp decline in interest rates. The Income Fund held exchange-traded positions such as AGG, BND, TLT, and IEF.
- The Income Fund also initiated a position in cryptocurrency through the ETF HODL, which added to performance as Bitcoin rose steadily throughout the year.
- Despite holding a diverse range of investments, the Income Fund's overall realized volatility remained lower than that of its benchmarks.
- The twelve months ended September 30, 2024, proved very beneficial for investors, as the U.S. economy continued a path of strong growth while inflationary pressures eased significantly. Over this period, the Federal Reserve shifted its monetary policy stance from restrictive to neutral and ultimately reduced the target funds rate to 5% in September. This created an exceptionally favorable macroeconomic environment for investors, spurring a strong rally across most asset classes and investment types. Additionally, alongside this positive macro backdrop, the growing recognition and adoption of artificial intelligence (AI) across businesses and consumer segments ignited another technological breakthrough, leading to increased capital spending, productivity gains, and improved corporate earnings. Many technology stocks, especially those tied to AI, benefited significantly from this secular trend.

Positioning

The Income Fund is a fixed income diversification strategy which seeks higher yields and returns by allocating to non-traditional sectors of the bond market, particularly sectors where interest rate risk is not the primary source of return. The Income Fund targets an annualized 5-year net return of 150 basis points over the Bloomberg Barclays U.S. Aggregate Bond Index while maintaining low levels of portfolio volatility, consistent with that of bond investments.

What are some Fund statistics?

Fund Statistics			
Total Net Assets	\$18,829,919	Investment Advisory Fees Paid	\$42,170
Number of Portfolio Holdings	27	Portfolio Turnover Rate	122%

What did the Fund invest in?

Sector Allocation (as a % of Portfolio)			
Debt Funds	79.35%	Cash and Cash Equivalents	4.66%
Equity Funds	8.60%	Alternative Fund	1.26%
Financials	6.07%	Asset-backed and Mortgage-backed securities	0.06%

Top Ten Holdings (as a % of Net Assets)			
SPDR Portfolio Aggregate Bond ETF	14.51%	iShares 7-10 Year Treasury Bond ETF	4.69%
SPDR Doubleline Total Return Tactical ETF	12.99%	iShares 20+ Yr Treasury Bond ETF	4.69%
SPDR Bloomberg Short Term High Yield Bond ETF	10.11%	Federated Hermes Government Obligations Fund	4.65%
SPDR Portfolio Corporate Bond ETF	9.31%	iShares Core U.S. Aggregate Bond ETF	4.57%
SPDR Bloomberg High Yield Bond ETF	6.65%	Vanguard Total Bond Market ETF	4.55%

Timber Point Alternative Income Fund

ANNUAL REPORT

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September 30, 2024 (continued)

Material Fund Changes

The Fund did not have any material changes that occurred since the beginning of the reporting period.

Change in and Disagreements with Accountants

The Audit Committee of 360 Funds (the "Trust") has approved and recommended to the Board of Trustees (the "Board"), and the Board has approved Tait, Weller & Baker, LLP ("Tait") to replace Cohen & Company, Ltd. ("Cohen") as the Income Fund's independent registered public accounting firm for the Income Fund's fiscal year ended September 30, 2024. Through the past fiscal year and through the date of Cohen's replacement as auditor of the Income Fund, the Income Fund had no disagreements with Cohen on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures, which, if not resolved to the satisfaction of Cohen would have caused Cohen to make reference to the disagreement in a Cohen report, and there were no reportable events of the kind described in Item 304(a)(1)(v) of Regulation S-K under the Securities Exchange Act of 1934.

With respect to the Income Fund, Cohen's audit opinions, including for the fiscal year ended September 30, 2023, did not contain either an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles. During the last fiscal year of the Income Fund, neither the Income Fund nor anyone on its behalf has consulted Tait on items concerning the application of accounting principles to a specified transaction (either completed or proposed) or the type of audit opinion that might be rendered on the Income Fund's financial statements, or concerning the subject of a disagreement of the kind described in Item 304(a)(1)(iv) of Regulation S-K or reportable events of the kind described in Item 304(a)(1)(v) of Regulation S-K.

The Income Fund requested Cohen to furnish it with a letter addressed to the SEC stating whether or not it agrees with the above statements. A copy of such letter will be filed as an Exhibit to the Form N-CSR filing.

Availability of Additional Information

You can find additional information about the Income Fund such as the prospectus, financial information, fund holdings and proxy voting information at www.timberpointcapital.com. You can also request this information by contacting us at (877) 244-6235.

Householding

To reduce Income Fund expenses, only one copy of most shareholder documents may be mailed to shareholders with multiple accounts at the same address (Householding). If you would prefer that your Income Fund documents not be househanded, please contact the Income Fund at (877) 244-6235 or contact your financial intermediary. Your instructions will typically be effective within 30 days of receipt by the Income Fund.
