

Krilogy Financial, LLC

Client Brochure

This brochure provides information about the qualifications and business practices of Krilogy Financial, LLC. If you have any questions about the contents of this brochure, please contact us at (314) 884-2800 or by email at: ashenberg@krilogy.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Krilogy Financial, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Krilogy Financial, LLC's CRD number is: 149046.

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

Krilogy Financial, LLC has the following material changes to report. This list summarizes changes to policies, practices or conflicts of interests only.

- Solicitor added
- Fee Schedule

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Item 4: Advisory Business

A. Description of the Advisory Firm

This firm has been in business since December 11, 2008, and the principal owner is Kent Scott Skornia.

B. Types of Advisory Services

Krilogy Financial, LLC (hereinafter “KF”) offers the following services to advisory clients:

Investment Supervisory Services

KF offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. KF creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client’s specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

KF evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. KF will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Financial Planning

Financial plans and financial planning may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services are based on hourly fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

Services Limited to Specific Types of Investments

KF limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, hedge funds, third party money managers, REITs, insurance products including annuities, private placements, government securities. KF may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

KF offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent KF from properly servicing the client account, or if the restrictions would require KF to deviate from its standard suite of services, KF reserves the right to end the relationship.

D. Wrap Fee Programs

KF does not participate in any wrap fee programs.

E. Amounts Under Management

KF has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$129,450,000.00	\$10,776,000.00	04/05/2013

In addition to the above-listed AUM, KF provides advisory services to \$37,775,000.00 of Assets Under Advisement (AUA).

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory/Management Services

Fees for these services will be based on a percentage of Assets Under Management / Assets Under Advisement, are negotiable, and are not to exceed 2.00%.

These fees are negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in advance, and clients may terminate their contracts with thirty days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

Financial Planning Fees

Hourly Fees

Depending upon the complexity of the situation and the needs of the client, the hourly fee for these services is between \$250 and \$400. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance.

Advisory fees may be invoiced and billed directly to the client with payments due before the fifteenth of the month following the end of the quarter. Clients may select the method in which they are billed.

Payment of Financial Planning Fees

Hourly Financial Planning fees are paid via check in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by KF. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

KF collects fees in advance and in arrears. Fees are never collected more than 6 months in advance and will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via check.

E. Outside Compensation For the Sale of Securities to Clients

Some representatives of KF are also registered representatives of Purshe Kaplan Sterling Investments and accept compensation for the sale of securities to KF clients.

1. This is a Conflict of Interest

KF and its supervised persons will accept compensation for the sale of securities or other investment products, including asset based sales charges or services fees from the sale of mutual funds to its clients. This presents a conflict of interest and gives the supervised person and KF an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which KF or its supervised persons receive compensation, KF will document the conflict of interest in the client file and inform the client of the conflict of interest.

2. Clients Have the Option to Purchase Recommended Products From Other Brokers

Clients always have the option to purchase KF recommended products through other brokers or agents that are not affiliated with KF.

Item 6: Performance-Based Fees and Side-By-Side Management

KF does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

KF generally provides investment advice and/or management supervisory services to the following Types of Clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Corporations or Business Entities

Minimum Account Size

There is an account minimum, \$250,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

KF's primary method of analysis is fundamental analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Investment Strategies

KF uses long term trading, short term trading and options writing (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading and options writing generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

KF primarily utilizes individual equities, bonds, mutual funds and ETFs for client accounts. The values of these securities will fluctuate due to various market conditions and other factors including but not limited to liquidity, currency, economic and political risks. Market movements and conditions, particular recommendations and other factors may result in significant differences between the account performance and any goals set forth in the Investment Policy Statement or otherwise made known to KF.

KF generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize options writing. Options writing generally hold greater risk of capital loss and clients should be aware that there is a chance of material risk of loss using any of those strategies.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Representatives of KF are registered representatives for Purshe Kaplan Sterling Investments. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary

duties of a registered investment adviser. KF always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of KF in their capacity as a registered representative.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither KF nor its representatives are registered as a FCM, CPO, or CTA.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

All Representatives of KF are also licensed insurance agents in the state of Missouri or other jurisdictions as appropriate. From time to time, they will offer clients advice or products from those activities and may be appointed with various companies for the offer and sale of the company's insurance products or services. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. KF always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of KF in their capacity as an insurance agent.

D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

KF does not utilize nor select other advisors or third party managers. All assets are managed by KF management.

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

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual

Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

B. Recommendations Involving Material Financial Interests

KF does not recommend that clients buy or sell any security in which a related person to KF has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of KF may buy or sell securities for themselves that they also recommend to clients. KF will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of KF may buy or sell securities for themselves at or around the same time as clients. KF will trade client's non-mutual funds and non-ETF securities before they trade their own. KF will always act in the best interest of the client.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The Custodian was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. KF will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

1. Research and Other Soft-Dollar Benefits

KF receives no research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

2. Brokerage for Client Referrals

KF receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

KF allows clients to direct brokerage. KF may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage KF may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices.

B. Aggregating (Block) Trading for Multiple Client Accounts

KF maintains the ability to block trade purchases across accounts but will rarely do so. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least quarterly by Kent Scott Skornia and/or other assigned firm principals. The individual client's investment adviser representatives are the chief advisors and are instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at KF are assigned to these reviewers.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Kent Scott Skornia and/or other assigned firm principals. There is only one level of review and that is the total review conducted to create the financial plan.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive from the custodian at least quarterly a written report detailing the client's account.

Clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

KF does not receive any economic benefit, directly or indirectly from any third party for advice rendered to KF clients.

B. Compensation to Non -Advisory Personnel for Client Referrals

KF may enter into written arrangements with third parties to act as solicitors for the Adviser's investment management services. All compensation with respect to the foregoing will be fully disclosed to each Client to the extent required by applicable law. [All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.]

Item 15: Custody

KF does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the Custodian. Clients will receive account statements from the custodian and should carefully review those statements. KF urges clients to compare the account statements they receive from the custodian with those they received from KF.

Item 16: Investment Discretion

For those client accounts where KF provides ongoing supervision, KF maintains limited power of authority over client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. All buying and selling of securities is explained to clients in detail before an advisory relationship has commenced.

Item 17: Voting Client Securities (Proxy Voting)

KF will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

KF does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither KF nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

KF has not been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements For State Registered Advisers

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

KF currently has four management persons/executive officers: Kent Scott Skornia, Andrew Shenberg, Jeffrey Albert Hercules and John Michael McArthur. Their education and business background can be found on the Supplemental ADV Part 2B form.

B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

Kent Scott Skornia's other business activities can be found on the Supplemental ADV Part 2B form.

C. How Performance Based Fees are Calculated and Degree of Risk to Clients

KF does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

D. Material Disciplinary Disclosures for Management Persons of this Firm

No management person at KF has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)

Neither KF, nor its management persons, has any relationship or arrangement with issuers of securities.