

**Item 1 – Cover Page
Part 2A of Form ADV**



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This Brochure provides information about the qualifications and business practices of Kestrel Wealth Management, LLC. If you have any questions about the contents of this Brochure, please contact us using the information listed above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Kestrel Wealth Management, LLC (CRD# 153503) is a registered investment advisor with the SEC. Registration of an investment advisor does not imply any certain level of skill or training.

Additional information about Kestrel Wealth Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Since the last filing of this brochure, the following have changed:

- Updates pursuant to the required annual amendment filing

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Item 4 – Advisory Business

A. Description of the Advisory Firm

Kestrel Wealth Management, LLC (“Kestrel”) is based in South Bend, IN and has been providing investment advisory services since 2010. Kestrel’s principal owner is Eric Koselak.

B. Types of Advisory Services

ASSET MANAGEMENT

Kestrel offers asset management services to advisory Clients. Kestrel will offer Clients ongoing asset management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors.

Discretionary

When the Client elects to use Kestrel on a discretionary basis, the Client will sign a limited trading authorization or equivalent allowing Kestrel to determine the securities to be bought or sold and the amount of the securities to be bought or sold. Kestrel will have the authority to execute transactions in the account without seeking Client approval on each transaction.

C. Client-Tailored Services and Client-Imposed Restrictions

The goals and objectives for each Client are documented in our Client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities. These restrictions may, however, prohibit engagement with Kestrel.

D. Wrap Fee Programs

Kestrel does not participate in a Wrap Program.

E. Amounts Under Management

As of December 31, 2023, Kestrel provides management services for:

Discretionary Assets:	Non-Discretionary Assets:
\$127,826,000	\$0

Item 5 – Fees and Compensation

A. Fee Schedule

ASSET MANAGEMENT

Kestrel offers asset management services to advisory Clients. Kestrel charges an annual investment advisory fee based on the total assets under management as follows:

Assets Under Management	Annual Fee
First \$2,000,000	1.00%
Next \$3,000,000	0.80%
Over \$5,000,000	0.65%

This is a blended fee schedule, meaning different asset levels are assessed different fees, as shown above. The annual fee is negotiable based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.). Fees are billed monthly in arrears based on the amount of assets managed as of the close of business on the last business day of the previous billing period. Lastly, please note that Kestrel may group certain related Client accounts, often known as “householding”, for the purposes of achieving the minimum account size and determining the annualized fee.

B. Payment of Fees

Asset Management Fees are deducted directly from the Client’s Account.

Kestrel, in its sole discretion, may charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.).

Clients may terminate their engagement with Kestrel within five (5) business days of signing an Agreement with no obligation and without penalty. After the initial (5) business days, the Agreement may be terminated by Kestrel with thirty (30) days written notice to Client and by the Client at any time with written notice to Kestrel. For accounts opened or closed mid-billing period, fees will be prorated based on the days services are provided during the given period. In the case of hourly engagements, fees will be prorated based on the work completed at the stated hourly rate. All unpaid earned fees will be due to Kestrel and all unearned fees will be refunded to the Client. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

C. Additional Fees

Custodians may charge brokerage commissions, transaction fees, and other related costs on the purchases or sales of mutual funds, equities, bonds, options, margin interest, and exchange-traded funds. Mutual funds, money market funds, and exchange-traded funds may also charge internal management fees, which are disclosed in the fund’s prospectus. Kestrel does not receive any compensation from these fees. All of these fees are in addition to the management fee you pay to Kestrel. For more details on the brokerage practices, see Item 12 of this brochure.

D. Prepayment of Fees

Kestrel does not expect Clients to prepay fees.

E. External Compensation for the Sale of Securities

Kestrel does not receive any external compensation from the sale of securities.

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

Fees are not based on a share of the capital gains or capital appreciation of managed securities. Kestrel does not use a performance-based fee structure nor “side-by-side” management because of the conflict of interest. Performance based compensation may create an incentive for Kestrel to recommend an investment that may carry a higher degree of risk to the Client.

Item 7 – Types of Clients & Account Minimums

Kestrel's Clients are generally individuals, small businesses, trusts, estates, high net-worth individuals, and charities. Client relationships vary in scope and length of service.

There is no minimum account size and Clients are not required to have a certain amount of investment experience or sophistication.

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

A. Methods of Analysis and Investment Strategies

Investing in securities involves risk of loss that Clients should be prepared to bear. Past performance is not a guarantee of future returns. Security analysis methods may include:

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.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are twofold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

B. Investment Strategy

The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time by providing written notice to Kestrel. Each Client executes a Client profile form or similar form that documents their objectives and their desired investment strategy.

C. Risks of Investments and Strategies Utilized

Investing in securities involves risk of loss that Clients should be prepared to bear. Kestrel's investment approach constantly keeps the risk of loss in mind. Investors may face the following investment risks:

General Investment and Trading Risks. Clients may invest in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. The investment program utilizes such investment techniques as option transactions, margin transactions, short sales, leverage, and derivatives trading, the use of which can, in certain circumstances, maximize the adverse impact to which a Client may be subject.

Interest-rate Risk. Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Inflation Risk. When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.

Currency Risk. Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk. This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Liquidity Risk. Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Management Risk. The advisor's investment approach may fail to produce the intended results. If the advisor's assumptions regarding the performance of a specific asset class or fund are not realized in the expected time frame, the overall performance of the Client's portfolio may suffer.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment with Kestrel.

Item 9 – Disciplinary Information

Kestrel and its management have not been involved in any criminal or civil actions, administrative or self-regulatory enforcement proceedings, nor any legal or disciplinary events that are material to a Client's or prospective Client's evaluation of Kestrel or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

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

Neither Kestrel nor its management persons are registered as a broker-dealer or broker-dealer representative.

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

Neither Kestrel nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading advisor.

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

Neither Kestrel nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

D. Selection of Other Advisors or Managers

Kestrel does not utilize nor select other advisors.

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

A. Code of Ethics

The affiliated persons (affiliated persons include employees and/or independent contractors) of Kestrel have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of Kestrel affiliated persons and addresses conflicts that may arise. The Code defines acceptable behavior for affiliated persons of Kestrel. The Code reflects Kestrel and its supervised persons' responsibility to act in the best interest of their Client.

One area which the Code addresses is when affiliated persons buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our Clients. We do not allow any affiliated persons to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients.

Kestrel's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other affiliated person, officer or director of Kestrel may recommend any transaction in a security or its derivative to advisory Clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

Kestrel's Code is based on the guiding principle that the interests of the Client are our top priority. Kestrel's officers, directors, advisors, and other affiliated persons have a fiduciary duty to our Clients and must diligently perform that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client's interests over the interests of either affiliated persons or the company.

The Code applies to "access" persons. "Access" persons are affiliated persons who have access to non-public information regarding any Clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public.

Kestrel will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

B. Recommendations Involving Material Financial Interests

Neither Kestrel nor its related persons recommend to Clients, or buys or sells for Client accounts, securities in which Kestrel or a related person has a material financial interest.

C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Kestrel and its affiliated persons may buy or sell securities that are also held by Clients. In order to mitigate conflicts of interest such as trading ahead of Client transactions, affiliated persons are required to disclose all reportable securities transactions as well as provide Kestrel with copies of their brokerage statements.

The Chief Compliance Officer of Kestrel is Eric Koselak. They review all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of Kestrel receive preferential treatment over associated persons' transactions.

D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

Kestrel does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, affiliated persons may buy or sell securities at the same time they buy or sell securities for Clients. In order to mitigate conflicts of interest such as front running, affiliated persons are required to disclose all reportable securities transactions as well as provide Kestrel with copies of their brokerage statements.

The Chief Compliance Officer of Kestrel is Eric Koselak. He reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does

not affect the markets and that Clients of Kestrel receive preferential treatment over associated persons' transactions.

Item 12 – Brokerage Practices

A. Factors Used to Select or Recommending Broker-Dealers

Kestrel may recommend the use of a specific broker-dealer or may utilize a broker-dealer of the Client's choosing. Kestrel will select appropriate brokers based on a number of factors including but not limited to their transaction fees, quality of customer service, and reporting ability. Kestrel relies on the broker-dealer to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by Kestrel.

1. **Research and Other Soft Dollar Benefits**

Kestrel does not receive soft dollar benefits.

2. **Brokerage for Client Referrals**

Kestrel does not receive Client referrals from any custodian or third party in exchange for using that broker-dealer or third party.

3. **Directed Brokerage**

Kestrel does not generally accept directed brokerage arrangements (when a Client requires that account transactions be effected through a specific broker-dealer). However, Kestrel does allow for Client directed brokerage in certain situations. Such situations may affect Kestrel's ability to negotiate commissions with the resulting inability to obtain volume discounts or best execution for Client directed accounts in some transactions. Therefore, a Client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case should the Client elect to trade through the broker-dealer Kestrel recommends.

Investment advisors who manage or supervise Client portfolios have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is affected, the ability to affect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.

B. Aggregating Trading for Multiple Client Accounts

When a Client authorizes discretionary management, Kestrel is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of Kestrel. All Clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a prorated basis. If aggregation is not allowed or infeasible and individual transactions occur (e.g., withdrawal or liquidation requests, odd-late trades, etc.) an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

Item 13 – Review of Accounts

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

Account reviews are performed at least annually by the Chief Compliance Officer of Kestrel. Account reviews are performed more frequently when market conditions dictate. Reviews of Client accounts include, but are not limited to, a review of Client documented risk tolerance, adherence to account objectives, investment time horizon, and suitability criteria, reviewing target allocations of each asset class to identify if there is an opportunity for rebalancing, and reviewing accounts for tax loss harvesting opportunities.

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

Other conditions that may trigger a review of Clients' accounts are changes in the tax laws, new investment information, and changes in a Client's own situation

C. Content and Frequency of Regular Reports

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by the Client's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs. Kestrel may also send periodic or other event-inspired reports based on market or portfolio activity. Reports will generally be provided in electronic format.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties

Kestrel does not receive any economic benefits from external sources.

B. Compensation to Non-Advisory Personnel for Client Referrals

Kestrel does not compensate for Client referrals.

Item 15 – Custody

All assets are held at qualified custodians, which means the custodians provide account statements directly to Clients at least quarterly. Clients are urged to compare the account statements received directly from their custodians to any documentation or reports prepared by Kestrel.

Kestrel is deemed to have limited custody solely because advisory fees are directly deducted from Client's accounts by the custodian on behalf of Kestrel. Kestrel will obtain written authorization from Client to allow for such deductions.

Kestrel is not affiliated with the custodian. The custodian does not supervise Kestrel, its employees or activities.

Item 16 – Investment Discretion

If applicable, Client will authorize Kestrel discretionary authority, via the Advisory Agreement, to determine, without obtaining specific Client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. If applicable, Client will authorize Kestrel discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement. If however, consent for discretion is not given, Kestrel will obtain prior Client approval before executing each transaction.

Kestrel allows Clients to place certain restrictions, as outlined in the Client's Investment Policy Statement or similar document. Such restrictions could include only allowing purchases of socially conscious investments. These restrictions must be provided to Kestrel in writing.

The Client approves the custodian to be used and the commission rates paid to the custodian. Kestrel does not receive any portion of the transaction fees or commissions paid by the Client to the custodian.

Item 17 – Voting Client Securities

When assistance on voting proxies is requested, Kestrel will provide recommendations to the Client. However, Kestrel will not have authority to vote proxies on behalf of the Client. If in the future Kestrel obtains authority to vote proxies, this Brochure will be appropriately amended.

Item 18 – Financial Information

Kestrel has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy petition.

A. Balance Sheet

Kestrel does not require nor solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.

B. Financial Condition

At this time, neither Kestrel nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to Clients.

C. Bankruptcy Petitions in Previous Years

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

**SUPERVISED PERSON BROCHURE
Part 2B of Form ADV**



Eric Koselak

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January 2024

This brochure supplement provides information about Eric Koselak and supplements the Kestrel Wealth Management, LLC brochure. You should have received a copy of that brochure. Please contact Eric Koselak if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about Eric Koselak (CRD# 2439448) is also available on the SEC's website at www.adviserinfo.sec.gov.

Supervised Person Brochure - Eric Koselak

Year of birth: 1969

Item 2 - Educational Background and Business Experience

Educational Background:

- Indiana University, BA in Economics; 1992

Business Experience:

- Kestrel Wealth Management, LLC; Managing Member/Investment Advisor Representative; 05/2010 - Present

Item 3 - Disciplinary Information

Criminal or Civil Action: None to report

Administrative Proceeding: None to report

Self-Regulatory Proceeding: None to report

Item 4 - Other Business Activities Engaged In

Eric Koselak has no outside business activities to disclose.

Item 5 - Additional Compensation

Eric Koselak does not receive additional compensation, performance-based fees, nor receives any additional compensation for performing advisory services other than what is disclosed in Item 5 of Part 2A.

Item 6 - Supervision

Eric Koselak is the Chief Compliance Officer of Kestrel, and therefore is solely responsible for all supervision and formulation and monitoring of investment advice offered to Clients.