



a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Invst, LLC DBA Kilter Group (hereinafter “Kilter Group” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number 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. Additional information about the Firm is available on the SEC’s website at www.adviserinfo.sec.gov. The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

In this Item, Kilter Group is required to discuss any material changes that have been made to the brochure.

Since the last annual amendment dated March 22, 2023, this Brochure has been updated as follows:

- Items 5, 10, and 12 were amended to reflect that certain of Kilter Group's associated persons are affiliated with a broker-dealer—Private Client Services, LLC.
- Item 12 was amended to reflect that Altruist may be recommended as a broker-dealer/custodian for client accounts.

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Item 4. Advisory Business

Kilter Group offers a variety of advisory services—which include financial planning, consulting, and investment management services—with a focus on educating, guiding and counseling clients toward reaching their full financial potential. Prior to Kilter Group rendering any of the advisory services described herein, clients are required to enter into one or more written agreements with Kilter Group setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

Kilter Group or its personnel will provide asset management and investment advisory services to a new fund managed by Triade Holdings LLC. Triade Holdings LLC is the Managing Member to KennMar INVST Diversified Income Fund, LLC—a private investment fund formed to invest in and manage real estate. The detailed terms, strategies, and risks applicable to investors in the fund are described in the fund’s organizational and offering documents.

Kilter Group has been registered as an investment adviser since February 2016 and is wholly owned by Scott A. Jarred. has been registered as an investment adviser since February 2016 and is wholly owned by Scott A. Jarred. As of December 31, 2023, Invst had \$1,347,246,943 of assets under management, of which \$1,083,943,530 was managed on a discretionary basis and \$263,303,413 was managed on a non-discretionary basis. Kilter Group provides advisory services through its investment advisor representatives (“IARs”) and Supervised Persons. Certain IARs and Supervised Persons have their own business entities whose trade names and logos which they use in marketing the services they provide through the Firm. Such business entities are generally owned by one or more IARs and/or Supervised Persons, not the Firm. Kilter Group may also maintain “fictitious names” and/or “doing business as” names which IARs and/or Supervised Persons use in marketing the services they provide through the Firm. IARs and Supervised Persons are under the supervision of Kilter Group, and the advisory services of the IAR are provided through Kilter Group.

While this brochure generally describes the business of Kilter Group, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Kilter Group’s behalf and is subject to the Firm’s supervision or control.

Financial Planning and Consulting Services

Kilter Group offers clients a broad range of financial planning and consulting services, which include any or all of the following functions:

- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Business Consulting
- Tax Planning
- Insurance Planning
- Retirement Planning

- Charitable Giving
- Distribution Planning

While each of these services is available on a stand-alone basis, certain of them can also be rendered in conjunction or in addition to investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below). Kilter Group may offer services inside these areas including Tax Planning and Business Consulting where third party vendors are used and paid directly by Kilter Group for their services as part of an overall Tax Planning or Business Consulting engagement. These vendors may perform tasks such as business valuation, tax preparation, and bookkeeping services. A comprehensive wealth management engagement may include an upfront or recurring financial planning fee, and an advisory fee, and an investment management fee. Any of the fees charged can be presented as a fixed fee and/or a fee based on assets under management as agreed to in the Advisory Agreement.

In performing these services, Kilter Group is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Kilter Group recommends certain clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. In addition, the Firm entered into an agreement with two third-party providers—Pendella Technologies Inc.—to implement, deliver and maintain a platform that facilitates marketing and sales functions and enables existing and prospective customers and clients to purchase individual insurance products; and GJ Insurance Group, an independent auto, home, life, commercial and benefits insurance agency in Carmel, Indiana. The Firm receives a portion of the commissions as further described in Item 10 and 14.

Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Kilter Group or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Kilter Group under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Kilter Group's recommendations and/or services.

Investment Management Services

Kilter Group manages client investment portfolios on a discretionary basis. In addition, Kilter Group provides clients with wealth management services which includes a broad range of comprehensive financial planning and consulting services as well as discretionary management of investment portfolios. Clients can engage the Firm directly or through an unaffiliated registered investment adviser or other financial advisor ("Delegating Advisor"). Clients engaged through a Delegating Advisors are referred to herein as "Sub-Advisory Clients."

Kilter Group primarily allocates client assets among various exchange-listed securities, mutual fund shares, corporate debt, exchange-traded funds ("ETFs"), US government securities, real estate investment trusts ("REITs"), independent investment managers ("Independent Managers") and certificates of deposit in

accordance with their stated investment objectives. Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios, however, clients should not assume that these assets are being continuously monitored or otherwise advised on by the Firm unless specifically agreed upon. Clients can engage Kilter Group to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Kilter Group directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company, or the custodian designated by the product's provider.

Kilter Group tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Kilter Group consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Kilter Group if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if Kilter Group determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts. Notwithstanding the foregoing, where the Firm is engaged by a Delegating Advisor on behalf of a Sub-Advisory Client, Kilter Group provides such management through the Program consistent with each Sub-Advisory Client's individual stated goals, objectives, and risk tolerances, as provided to Kilter Group by the Delegating Advisor.

Kilter Group also provides clients an online portal ("Client Portal") through which clients can login and aggregate and monitor accounts managed by the Firm and their other personal accounts, prepare projections, among other services.

Retirement Plan Consulting Services

Kilter Group provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing, and optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, and includes any or all the following services:

- Plan Design and Strategy
- Plan Review and Evaluation
- Executive Planning & Benefits
- Investment Selection and Management
- Plan Fee and Cost Analysis
- Plan Committee Consultation
- Fiduciary and Compliance
- Participant Education

As disclosed in the Advisory Agreement, certain of the foregoing services are provided by Kilter Group as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In

accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of

Kilter Group's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

Use of Independent Managers

As mentioned above, Kilter Group selects certain Independent Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

Kilter Group evaluates a variety of information about Independent Managers, which includes the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. Kilter Group also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

Kilter Group continues to provide services relative to the discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. Kilter Group seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

Participant Account Management

We use a third-party platform to facilitate management of held away assets such as defined contribution plan participant accounts, with discretion. The platform allows us to avoid being considered to have custody of Client funds since we do not have direct access to Client log-in credentials to affect trades. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the Client allowing them to connect an account(s) to the platform.

Once Client account(s) is connected to the platform, Adviser will review the current account allocations. When deemed necessary, Adviser will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance. Client account(s) will be reviewed at least quarterly, and allocation changes will be made as deemed necessary.

Item 5. Fees and Compensation

Kilter Group offers services on a fee basis, which includes fixed fees, as well as fees based upon assets under management. Additionally, certain of the Firm's Supervised Persons, in their individual capacities, offers securities brokerage services and/or insurance products under a separate commission-based arrangement.

Financial Planning and Consulting Fees

Kilter Group charges a fee for providing financial planning and consulting services. These fees are negotiable. This fee can vary depending upon the complexity of the client's financial planning and consulting requirements and the individual(s) providing the services. Fees are charged either as an assets under management fee or a fixed annual fee. Asset under management fees vary between 10 and 200 basis points (0.10% – 2.00%), and fixed fees range from \$500 to \$200,000. Assets under management fees are prorated and collected monthly, in arrears, based upon the market value of the average daily account balance (with the exception of illiquid assets, such as private investment funds, which are generally valued on a quarterly basis). Asset under management fees may include the value of any assets invested in private funds, as further detailed below.

For the initial period of an engagement, the fee is calculated on a pro rata basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement. For fixed fees, Kilter Group generally requires payment or payment plan upon execution of the Advisory Agreement. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered. The annual fee is prorated and monthly, in arrears, based upon the market value of the average daily account balance (with the exception of illiquid assets, such as private investment funds, which are generally valued on a quarterly basis). For the initial period of an engagement, the fee is calculated on a pro rata basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

If the client engages the Firm for additional investment advisory services, Kilter Group may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Investment Management Fees

Kilter Group offers investment management services for an annual fee based on the amount of assets under the Firm's management. The annual fee varies depending upon the size and composition of a client's portfolio and the type of services rendered. This management fee varies between 10 and 100 basis points (0.10% – 1.00%).

For Sub-Advisory Clients, this management fee generally varies between 20 and 75 basis points (0.20% - 0.75%), depending on amount of assets Kilter Group is managing on behalf of the Delegating Advisor. Sub-Advisory Clients incur fees related to both Kilter Group's sub-advisory services and the on-going services provided by the Delegating Advisor. Such fees may be higher than a Sub-Advisory client would otherwise pay in the event the engaged Kilter Group directly.

The annual fee is prorated and monthly, in arrears, based upon the market value of the average daily account balance (with the exception of illiquid assets, such as private investment funds, which are generally valued on a quarterly basis). For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Investment management fees are generally directly debited on a pro rata basis from client account. One exception for this is directly managed held-away accounts, such as 401(k)'s. As it is impossible to directly debit the fees from these accounts, those fees will be assigned to the client's taxable accounts on a pro-rata basis. If the client does not have a taxable account, those fees will be billed directly to the client.

Accounts initiated or terminated will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 15 calendar days in advance. Since fees are paid in arrears, no rebate will be needed upon termination of the account.

In addition to its annual fee, Kilter Group can charge a fixed monthly fee of \$99 for access to its Client Portal, as described in Item 4. This fee is charged in advance beginning on the date the client enrolls in this service.

Retirement Plan Consulting Fees

Kilter Group charges as fixed project-based fee to provide clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the Agreement. These fees vary, based on the scope of the services to be rendered. In those situations where Kilter Group has agreed to manage a plan's assets, the Firm also charges an annual asset-based fee between 10 and 100 basis points (0.10% – 1.0%), depending upon the amount of assets to be managed.

Fee Discretion

Kilter Group may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

Additional Fees and Expenses

In addition to the advisory fees paid to Kilter Group, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks, and other financial institutions (collectively “Financial Institutions”). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, reporting charges, fees charged by the Independent Managers, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm’s brokerage practices are described at length in Item 12, below.

KennMar KILTER GROUP Diversified Income Fund, LLC Fees and Expenses

The fund’s organizational and offering document include details regarding the fees, costs, and expenses associated with the fund, and the provisions of the fund’s organization and offering documents govern an investment in the private fund, including with respect to fees, operating expenses, and other costs of the fund. Any investor in the private fund must read and understand the fund’s organization and offering documents. The Managing Member is entitled to (i) an Asset Management Fee equal to 1.00% of assets under management, payable quarterly in advance, (ii) an acquisition fee equal to 1.00%, (iii) a disposition fee equal to 1.00%, and (iv) a refinancing fee equal to 0.5% of the amount of the refinancing. In addition, the Managing Member may be reimbursed for formation and offering expenses incurred on the fund’s behalf. Scott Jarred, the owner of Kilter Group, stands to receive a portion of all fees and expense reimbursements generated by the fund through his ownership of the Managing Member of the fund. This creates a conflict of interest. Kilter Group seeks to mitigate this conflict of interest by (1) disclosing it to clients, and (2) only recommending this investment to clients that it believes the investment will be suitable. Notwithstanding, there could be other investments that are equally appropriate for clients.

Direct Fee Debit

Clients provide Kilter Group and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts

paid to Kilter Group. Alternatively, clients may elect to have Kilter Group send a separate invoice for direct payment.

Account Additions and Withdrawals

Clients can make additions to and withdrawals from their account at any time, subject to Kilter Group's right to terminate an account. Additions can be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept securities into a client's account. Clients can withdraw account assets on notice to Kilter Group, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments, and the withdrawal of assets may impair the achievement of a client's investment objectives. Kilter Group may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

Commissions and Sales Charges for Recommendations of Securities

Clients can engage certain persons associated with Kilter Group (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Kilter Group.

Under this arrangement, the Firm's Supervised Persons, in their individual capacities as registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS") or Private Client Services, LLC ("PCS") may provide securities brokerage services and implement securities transactions under a separate commission-based arrangement. Supervised Persons are entitled to a portion of the brokerage commissions paid to PKS or PCS, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. Kilter Group may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with PKS or PCS.

A conflict of interest exists to the extent that a Supervised Person of Kilter Group recommends the purchase or sale of securities through a brokerage relationship where that Supervised Person receives commissions or other additional compensation because of that recommendation (the "Brokerage Relationship"). Because the Supervised Persons receive compensation in connection with the sale of securities in the Brokerage Relationship, a conflict of interest exists as such Supervised Persons, have an incentive to recommend more expensive securities or services to clients where such Supervised Persons earn more compensation with respect to the sale of such securities through the Brokerage Relationship rather than through an advisory relationship with the Firm. The Firm has procedures in place to ensure that any recommendations made by such Supervised Persons to engage in the Brokerage Relationship are in the best interest of that client. Clients should understand that the investments made in the Brokerage Relationship are not receiving advisory services from the Firm. Therefore, the Firm does not have a fiduciary duty over the Brokerage Relationship recommendations.

Item 6. Performance-Based Fees and Side-by-Side Management

Neither Kilter Group nor its affiliates provide services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

Item 7. Types of Clients

Kilter Group offers services to individuals, businesses, business owners, high-net worth individuals, pension and profit-sharing plans, and charitable organizations.

Minimum Account Requirements

Kilter Group does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship. Certain Independent Managers may, however, impose more restrictive account requirements and billing practices from the Firm. In these instances, Kilter Group may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

Certain of Invest's owner and employees may serve on the investment committee to KennMar KILTER GROUP Diversified Income Fund, LLC. Any minimum investment amount or other qualification requirements related to an investment in the private fund is set forth in the fund's offering documents.

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

Methods of Analysis

Kilter Group utilizes a combination of fundamental, technical (including charting), and cyclical methods of analysis.

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For Kilter Group, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation, and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis (including charting analysis) involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Kilter Group will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (entire market or economy) or micro (company specific) level, rather than focusing on the overall fundamental analysis of the health of the company that Kilter Group is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Kilter Group may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year);
- Short Term Purchases (securities sold within a year); and
- Trading (securities sold within thirty (30) days).

Investment Strategies

Kilter Group recommends asset allocations based on a particular client's economic situation, liquidity needs, risk tolerance, proposed investment period, need for diversification, reliance upon current income, and present and anticipated tax situation. Kilter Group also considers historical yields, potential appreciation, and marketability before making investment recommendations. Kilter Group recommends and manages many types of asset allocations, including exchange-listed securities, mutual fund shares, corporate debt, ETFs, US government securities, REITs, Independent Managers and certificates of deposit on a discretionary basis in accordance with the client's designated investment objectives.

Kilter Group may allocate investment advisory assets of its client accounts, on a discretionary basis, among one or more asset allocation programs. The asset allocation programs generally seek to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, with a non-exclusive safe harbor from the definition of an investment company.

Private Funds

Investors in private funds, including any advisory clients who elect to invest in the KennMar KILTER GROUP Diversified Income Fund, LLC, are exposed to the investment strategies described in the applicable private fund's offering documents, which are materially different from the solutions described above and below. For information regarding a private fund's strategies and the risks involved, please see the organizational and offering documents for the applicable private fund.

Risk of Loss

Market Risks

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Kilter Group's recommendations and/or investment

decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds, and other asset classes. There can be no assurance that Kilter Group will be able to predict those price movements accurately or capitalize on any such assumptions.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event, they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Use of Independent Managers

As stated above, Kilter Group selects certain Independent Managers to manage a portion of its clients' assets. In these situations, Kilter Group continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement

their investment strategies. In addition, Kilter Group does not have the ability to supervise the Independent Managers on a day-to-day basis.

Options

Options allow investors to buy or sell a security at a contracted "strike" price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total

loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Real Estate Investment Trusts (REITs)

Kilter Group recommends an investment in, or allocate assets among, various real estate investment trusts (“REITs”), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle’s shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

Management through Similarly Managed “Model” Accounts

Kilter Group manages certain accounts through the use of similarly managed “model” portfolios, whereby the Firm allocates all or a portion of its clients’ assets among various mutual funds and/or securities on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through the use of models, the Firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients’ net after tax gains. While the Firm seeks to ensure that clients’ assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client’s individual tax ramifications. Clients should contact the Firm if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

Item 9. Disciplinary Information

Kilter Group has not been involved in any legal or disciplinary events that are material to a client’s evaluation of its advisory business or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

This item requires investment advisers to disclose certain financial industry activities and affiliations.

Registered Representatives of a Broker-Dealer

Certain of the Firm's Supervised Persons are registered representatives of PKS or PCS and provide clients with securities brokerage services under separate commission-based arrangements. These arrangements are described at length in Item 5.

Insurance Services

A number of the Firm's Supervised Persons are licensed insurance agents and offer certain insurance products on a fully disclosed commissionable basis. A conflict of interest exists to the extent that Kilter Group recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

The Firm has entered into an agreement with a third-party provider—Pendella Technologies Inc. (“Pendella”)—to implement, deliver and maintain a platform that facilitates marketing and sales functions and enables existing and prospective customers and clients to purchase individual insurance products. Pendella's agents and staff will represent Kilter Group in the sale of insurance products. In exchange, Pendella provide the Firm with a portion of the revenue generated by Pendella's activities.

The Firm has entered into an agreement with a third-party provider—GJ Insurance Group. (“GJ”)—independent auto, home, life, commercial and benefits insurance agency and enables existing and prospective customers and clients to purchase individual insurance products by comparing multiple providers for best price. GJ's agents and staff will represent Kilter Group in the sale of insurance products. In exchange, GJ provide the Firm with a portion of the revenue generated by GJ's activities.

General Partner/ Managing Member of Investment Funds

The Firm's principal serves as the managing member of several limited liability companies that seek investments in direct real estate and other businesses (“Real Estate & Business LLCs”). The Firm's principal also maintains an ownership interest in the Managing Member of KennMar KILTER GROUP Diversified Income Fund, LLC—a private investment fund formed to invest in and manage real estate. From time to time the Firm may recommend to certain of its client's investments in these Real Estate & Business LLCs and/or the KennMar KILTER GROUP Diversified Income Fund, LLC. Investment in the Real Estate LLCs and private fund involves a significant degree of risk. All relevant information, terms and conditions relative to the Real Estate & Business LLCs and private fund, including the compensation received by its Principal as managing member, suitability, risk factors, and potential conflicts of interest, are set forth in a Confidential Private Offering Memorandum (the “Memorandum”), Limited Partnership Agreement (the “Agreement”), and/or Subscription Agreement (together, the “Offering Documents”), which each investor is required to receive and/or execute prior to being accepted as an investor in the Real Estate & Business LLCs or KennMar KILTER GROUP Diversified Income Fund, LLC.

The Firm has a conflict of interest where it acts as investment adviser to a client and recommends an

investment in the Real Estate & Business LLCs or the KennMar KILTER GROUP Diversified Income Fund, LLC. The conflict exists because the Firm is recommending an investment that could be invested elsewhere which would potentially remove assets from the Firm's (or its affiliate's) management. The Firm has procedures in place whereby it will ensure that all recommendations are suitable and provides clients additional disclosures related to alternative investments.

Item 11. Code of Ethics

Kilter Group has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. Kilter Group's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Kilter Group's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Kilter Group may recommend that clients invest in the KennMar KILTER GROUP Diversified Income Fund, LLC. See Items 4, 5, 7, 8 and 10 for more information about that arrangement and the conflicts of interest it creates.

Clients and prospective clients may contact Kilter Group to request a copy of its Code of Ethics.

Item 12. Brokerage Practices

Recommendation of Broker-Dealers for Client Transactions

Kilter Group recommends that clients utilize the custody, brokerage and clearing services of Charles Schwab & Co, Inc. through its Schwab Advisor Services division (“Schwab”), TD AMERITRADE Institutional, a division of TD AMERITRADE, Inc. (“TD Ameritrade”), Interactive Brokers LLC (“IB”), SEI Investments Distribution Co. (“SEI”), and Altruist Financial, LLC (“Altruist”) (collectively, “the Financial Institutions”) for investment management accounts. The final decision to custody assets with the Financial Institutions is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Kilter Group is independently owned and operated and not affiliated with the Financial Institutions. The Financial Institutions provide Kilter Group with access to its institutional trading and custody services, which are typically not available to retail investors.

Factors which Kilter Group considers in recommending the Financial Institutions or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. The Financial Institutions enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Financial Institutions may be higher or lower than those charged by other providers.

The commissions paid by Kilter Group’s clients to the Financial Institutions comply with the Firm’s duty to obtain “best execution.” Clients may pay commissions that are higher than another qualified broker-dealer might charge to effect the same transaction where Kilter Group determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Kilter Group seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

In limited circumstances, Kilter Group may clear transactions through other broker-dealers with whom the Firm and its custodians have entered into agreements for prime brokerage clearing services. Should an account make use of prime brokerage, the Client may be required to sign an additional agreement, and additional fees are likely to be charged.

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist Kilter Group in its investment decision-making process. Such research will be used to service all of the Firm’s clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client’s portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Kilter Group does not have

to produce or pay for the products or services.

Kilter Group periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

Software and Support Provided by Financial Institutions

Kilter Group receives without cost from the Financial Institutions administrative support, computer software, related systems support, as well as other third party support as further described below (together "Support") which allow Kilter Group to better monitor client accounts maintained at the Financial Institutions and otherwise conduct its business. Kilter Group receives the Support without cost because the Firm renders investment management services to clients that maintain assets at the Financial Institutions. The Support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The Support benefits Kilter Group, but not its clients directly. Clients should be aware that Kilter Group's receipt of economic benefits such as the Support from broker-dealers creates a conflict of interest since these benefits may influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services. In fulfilling its duties to its clients, Kilter Group endeavors at all times to put the interests of its clients first and has determined that the recommendation of the Financial Institutions is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, Kilter Group receives the following benefits from the Financial Institutions: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information.

Charles Schwab & Co., Inc. (Schwab)

With respect to benefits received from Schwab, these services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm specific educational

events organized and/or sponsored by Schwab. Other potential benefits may include occasional business entertainment of personnel of Kilter Group by Schwab personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Kilter Group in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Schwab. Schwab also makes available to Kilter Group other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. While, as a fiduciary, Kilter Group endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a potential conflict of interest.

Altruist LLC (Altruist LLC)

There is no direct link between Kilter Group's participation in Altruist LLC's institutional customer program and the investment advice it gives to its clients, although Kilter Group receives economic benefits through its participation in the program that are typically not available to Altruist retail investors. Additionally, Kilter Group may receive the following benefits from Altruist through its registered investment adviser division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Adviser participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. The Firm also has the ability deduct advisory fees directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the Firm by third party vendors. Altruist may fund business consulting and professional services received by Kilter Group's related persons.

Some of the products and services made available by Altruist through the program may benefit Kilter Group but not its client. These products or services may assist Kilter Group in managing and administering client accounts, including accounts not maintained at Altruist. Other services made available by Altruist are intended to help Kilter Group manage and further develop its business enterprise. The benefits received by

Kilter Group's participation in the program do not depend on the amount of brokerage transactions directed to Altruist.

Brokerage for Client Referrals

Kilter Group does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

Directed Brokerage

The client may direct Kilter Group in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by Kilter Group (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Kilter Group may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Commissions or Sales Charges for Recommendations of Securities

As discussed above, certain Supervised Persons in their respective individual capacities are registered representatives of PKS or PCS. These Supervised Persons are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless PKS or PCS provides written consent. Therefore, clients are advised that certain Supervised Persons are restricted to conducting securities transactions through PKS or PCS if they have not secured written consent from PKS or PCS to execute securities transactions through a different broker-dealer. Absent such written consent or separation from PKS or PCS, these Supervised Persons are prohibited from executing securities transactions through any broker-dealer other than PKS or PCS under its internal supervisory policies. The Firm is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

Trade Aggregation

Transactions for each client will be effected independently, unless Kilter Group decides to purchase or sell the same securities for several clients at approximately the same time. Kilter Group may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among Kilter Group's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which

Kilter Group's Supervised Persons may invest, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Kilter Group does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Item 13. Review of Accounts

Account Reviews

Kilter Group monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. A client's account is reviewed by the investment adviser representatives assigned to that client's account(s). All investment advisory clients are encouraged to discuss their needs, goals and objectives with Kilter Group and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Kilter Group and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Kilter Group or an outside service provider.

Private Fund

The investment committee of the KennMar KILTER GROUP Diversified Income Fund, LLC is responsible for reviewing the fund's portfolio. Reviews of private funds consists of an analysis of the portfolio holdings (when available) and performance to-date in light of the fund's investment objective, as well as an evaluation of any appropriate changes to be implemented with respect to the portfolio. Investors receive the fund's annual audited financial statement.

Item 14. Client Referrals and Other Compensation

Client Referrals

The Firm does not currently provide compensation to any third-party solicitors for client referrals. In the event a client is introduced to Kilter Group by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from Kilter Group's investment Program Fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor is required to provide the client with Kilter Group's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of Kilter Group is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

Other Compensation

The Firm receives economic benefits from the Financial Institutions. The benefits, conflicts of interest and how they are addressed are discussed above in response to Item 12.

Compensation from Pendella

The Firm also receives a portion of the revenue generated by Pendella arising from Pendella's efforts when it assists the Firm with placing insurance products with clients. The percentage of revenue sharing is not contractually agreed to and the Firm and Pendella revisit the percentage on a product-by-product basis. However, the Firm generally expects to receive up to 72.5% of commissions generated. Clients are free to request information about the revenue share on any recommended insurance product and the Firm endeavors to provide that information upon request.

This arrangement creates a conflict of interest, because the Firm is incentivized to introduce more clients to Pendella and they are incentivized to sell clients more insurance products and those that compensate them better.

The insurance premium is ultimately dictated by the insurance carrier, although in some circumstances the brokers may have the ability to influence an insurance carrier to lower the premium of the policy. The final rate may be higher or lower than the prevailing market rate. The Firm can offer no assurances that the rates offered to clients by the insurance carrier are the lowest possible rates available in the marketplace.

The Firm mitigates this conflict by fully and fairly disclosing the material facts concerning the above arrangements to clients, including in this Brochure. Additionally, the Firm notes that clients will receive product-specific disclosure from the insurance carriers and other unaffiliated third-party intermediaries that provide them services.

Compensation from GJ Insurance Group

The Firm also receives 40% of the revenue generated by GJ Insurance Group arising from GJ Insurance Group's efforts when it assists the Firm with placing insurance products with clients. Clients are free to request information about the revenue share on any recommended insurance product and the Firm endeavors to provide that information upon request.

Item 15. Custody

The Advisory Agreement and/or the separate agreement with any Financial Institution authorize Kilter Group and/or the Independent Managers to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Kilter Group.

In addition, as discussed in Item 13, Kilter Group will also send, or otherwise make available, periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from Kilter Group.

Standing Letters of Authorization

Kilter Group also has custody due to clients giving the Firm limited power of attorney in a standing letter of authorization ("SLOA") to disburse funds to one or more third parties as specifically designated by the client. In such circumstances, the Firm will implement the steps in the SEC's no-action letter on February 21, 2017 which includes (in summary): i) client will provide instruction for the SLOA to the custodian; ii) client will authorize the Firm to direct transfers to the specific third party; iii) the custodian will perform appropriate verification of the instruction and provide a transfer of funds notice to the client promptly after each transfer; iv) the client will have the ability to terminate or change the instruction; v) the Firm will have no authority or ability to designate or change the identity or any information about the third party; vi) the Firm will keep records showing that the third party is not a related party of the Firm or located at the same address as the Firm; and vii) the custodian will send the client an initial and annual notice confirming the SLOA instructions.

Managing Member of Investment Funds

The Firm's principal serves as the managing member of several Real Estate & Business LLCs and the KennMar KILTER GROUP Diversified Income Fund, LLC as described in Item 10 and so the Firm is

deemed to have custody of client assets. As such Kilter Group or the fund will engage an independent public accountant registered with, and subject to regulatory inspection by, the Public Accounting Oversight Board (PCAOB) to conduct an annual audit of the Real Estate & Business LLCs. The Real Estate & Business LLCs will distribute the audited financials to each investor within 180 days of the fund's fiscal year-end. Real Estate & Business LLCs are not administered by a third-party administrator and are not maintained with an independent qualified custodian. Kilter Group through its principal has direct access to those client funds invested in the Real Estate & Business LLCs and the KennMar KILTER GROUP Diversified Income Fund, LLC.

Item 16. Investment Discretion

Kilter Group is given the authority to exercise discretion on behalf of clients. Kilter Group is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. Kilter Group is given this authority through a power-of-attorney included in the agreement between Kilter Group and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Kilter Group takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired.

We only make recommendations to advisory clients regarding investing in the KennMar KILTER GROUP Diversified Income Fund, LLC on a non-discretionary basis, meaning that an advisory client must decide on a case-by-case basis whether to accept or reject Kilter Group's recommendations regarding making an investment in the KennMar KILTER GROUP Diversified Income Fund, LLC.

Item 17. Voting Client Securities

Kilter Group does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

Item 18. Financial Information

Kilter Group is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.