

Krilogy Financial® LLC

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Form ADV Wrap Fee Program Brochure

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

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

Krilogy Financial® LLC is registered as an investment advisor with the SEC pursuant to the Investment Advisers Act of 1940 (the "Advisers Act"). Registration as an investment advisor does not imply a certain level of skill or training.

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Item 2: Material Changes

On an annual basis, this item will be used to provide clients (referred to either as “Client”, “You” or “Your”) with a summary of all material changes made to the Brochure since the last annual update. Krilogy Financial, LLC (“Krilogy” or “Firm”) will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of its business’ fiscal year-end.

Further, Krilogy will provide clients with a new Brochure as necessary based on changes or new information, at any time, without charge. Krilogy has the following material changes to report.

Changes since the April 1, 2019 filing:

- Item 4: Further clarification of the setup of this program, changes in custodian’s charges of securities transactions and Krilogy Fee charge and costs for all client programs
- Item 6:
 - Changes were made to bring more consistency to the format between this Wrap Fee Brochure and the firm’s separate Client Brochure Program. Additional discussion was provided about Investment Supervision and Monitoring of accounts
 - Updates made to Proxy Voting to include any and all Corporate Actions
- Item 9: The firm adopted enhanced automation through a third-party vendor to help surveil advisor’s personal trades in accordance with the firm’s Code of Ethics

Item 3: Table of Contents

Table of Contents

<u>Item 2: Material Changes</u>	ii
<u>Item 3: Table of Contents</u>	iii
<u>Item 4: Services and Fee Compensation</u>	1
A. Description of Services	1
B. Contribution Cost Factors.....	3
C. Additional Fees	4
D. Compensation as a Result of Client Participation	5
E. Payment of Fees	6
<u>Item 5: Account Requirements and Types of Clients</u>	6
<u>Item 6: Portfolio Manager Selection and Evaluation</u>	7
A. Portfolio Manager Selection	7
B. Related Persons	7
C. Advisory Business	8
Portfolio Management	8
Other Services.....	12
Performance Based Fees and Side-By-Side Management.....	15
Amounts Under Management	15
Methods of Analysis and Investment Strategies	15
Material Risks.....	15
Voting Client Securities (Proxy Voting) & Other Corporate Actions.....	17
<u>Item 7: Client Information Provided to Portfolio Managers</u>	18
<u>Item 8: Client Contact with Portfolio Managers</u>	18
<u>Item 9: Additional Information</u>	18
A. Disciplinary Actions and Other Financial Industry Activities and Affiliations	18
B. Code of Ethics, Client Referrals, and Financial Information.....	21
Privacy Policy.....	26

Item 4: Services Fees and Compensation

Krilogy Financial® LLC (“Krilogy”) is a federally registered investment adviser with the Securities and Exchange Commission (“SEC”) pursuant to the Investment Advisers Act of 1940. Krilogy is the primary operating subsidiary of Krilogy LLC and affiliated to Krilogy Advisors, LLC (“Krilogy Advisors”), and Krilogy Tax Services, LLC. See Item 9 for a full discussion of Financial Industry Activities and Affiliations. This Brochure provides clients (“client,” “you” or “your”) with information about Krilogy, the fees charged for our services and our business practices. Please review this Brochure carefully and consult with your tax professional before you decide to invest.

A. Description of Services

In 2019, Krilogy implemented a Wrap Fee Program (“Wrap Fee Program”) exclusively for a specific advisor in order to facilitate his fee schedule for his practice prior to joining Krilogy. In the Wrap Fee Program, Krilogy and its financial advisor act as a portfolio manager for and sponsor of the Wrap Fee Program, which allows Krilogy to manage client accounts for a single fee that includes both Portfolio and Asset Management Services (“Services”) as set forth further in Item 6: Portfolio Manager Selection and Evaluation, and certain brokerage fees and costs from your custodian (e.g. commissions and certain transactions-based fees such as mark ups and mark down, custodian’s prime brokerage and trade away fees, exchange processing fees, and certain short term redemption fees) pursuant to your Investment Advisory Agreement (“Agreement”) with the firm.

When you agree to work with Krilogy, you will incur fees (“Fees”) for Krilogy’s Services. The Fee may include a minimum annual flat fee charged on a quarterly basis, regardless of the assets you hold in your account, that will transition to fees based on a percentage of Assets Under Management (“AUM”) in your account(s) as a result of the Krilogy’s minimum account size requirement of \$250,000. When your account(s) reach the minimum account size, the Fee will be a flat 2.00% based upon AUM. The fee is negotiable at the discretion of your financial advisor. Your financial advisor receives a portion of the Fee. If your financial advisor negotiates, the negotiated portion of the Fee typically comes out of your advisor’s compensation. As a result, your financial advisor has a financial incentive not to negotiate the Fees as it can directly impact their compensation. If you do not negotiate, your fee may and likely is higher than what other similarly situated clients pay based upon negotiating. While certain brokerage fees and costs are included, not all fees and costs are included. See Additional Fees section below for a more complete description.

Actual fees paid by clients of this advisor who subsequently engage(d) our firm under this Wrap Fee Program are different than our other clients. Prior to joining the firm, the advisor charged a flat fee of 2.00% for his services that included certain brokerage fees and costs. The fee charged by the advisor prior to joining Krilogy was based upon his stated value of the Services provided without account for brokerage fees and costs. In order to include certain brokerage fees and costs in the flat fee, the firm needed to create a separate Wrap Fee Program from the services offered to its other clients that allowed the firm to separately cover certain brokerage fees and costs as

further set forth below. The Wrap Fee Program is only available through Charles Schwab & Co. Inc. ("Schwab"). Krilogy does not and will not actively solicit the Wrap Fee Program to any other clients beyond the specific advisor's clients. Krilogy's Client Brochure sets forth more fully how all other clients of the firm are treated.

Note in 2019, the custodian, Schwab reduced trade costs on many transactions to zero. Even so, the firm and advisor incur a cost from the custodian to employ this program. This cost was subsequently reduced. Initially, Krilogy and the advisor agreed to a transaction-based cost program with Schwab. To reduce potential conflicts in providing services described below, the firm and advisor agreed to an asset-based cost program. This means the costs associated with the potential investment changes to client portfolios are not accrued based upon the number of transactions. Thus, the advisor is not conflicted with making certain investment decisions based upon potential increased costs to him and the firm.

The Wrap Fee Program is generally a more costly program in terms of Krilogy Fees for the services offered than under the Client Brochure Program. However, clients on the Client Brochure Program pay additional brokerage fees and costs beyond Krilogy's Fee that a Wrap Fee Program client does not pay. Under the Client Brochure Program, the majority of our clients pay a "Blended Fee" that starts at 1.5% that reduces based upon AUM. There are other clients that pay fees other than the "Blended Rate" under the Client Brochure Program based either upon grandfathering of another advisor's fees upon joining Krilogy, similar to the creation of the Wrap Fee Program or use of a flat fee in lieu of the blended rate allowed by the firm. In most situations involving a flat Fee, the flat Fee is lower than or equal to the Blended Fee. You should consult your advisor for a fuller discussion.

Fees are assessed on all AUM, including securities, cash and money market balances. Margin debit balances do not reduce the value of the assets under management. For the purposes of calculating your Fee, the AUM of the account will include accrued interest earned on securities, e.g. bonds held in your account. Accrued interest means the amount of interest you will be paid on the next coupon date based upon the holding period of the security in your account at the time the Fee is calculated. Additionally, the firm uses the trade date, and not the settlement date of securities purchased or sold from the account and reports the same within your statements. This means that the value of securities with trade dates on the last day of the calendar quarter would be used for calculation of Fees.

Fees are paid quarterly in advance or on account opening and are based on the net asset value of the client's account on the last day of the prior calendar quarter or on the date of your Account's funding if you are a new client. Alternatively, if the accounts are opened during the course of a quarter and are not billed at opening, the client will be billed a prorated fee in accordance with the period of time the account was managed during the quarter in arrears that will be collected with the advanced Fees charged for the upcoming quarter. When your Fees are based upon AUM, your Fee will increase and decrease with the value of your account(s). The specific manner in which fees are charged by Krilogy is established in your Agreement. Please note that fees will be adjusted for deposits and withdrawals made during the quarter on a pro-rata basis at the next regularly scheduled billing cycle as well. As part of this process, Clients understand the following:

- The client's custodian sends statements at least quarterly, showing all disbursements for each account, including the amount of the advisory fees paid to Krilogy; and
- Clients provide authorization permitting the Custodians to deduct these fees.

Unless otherwise specified in the Agreement, Fees are automatically withdrawn directly from the client's accounts with client written authorization. At the sole discretion of Krilogy, the client may be allowed to pay the Fee from an alternate account or may be invoiced and billed directly with payments due before the fifteenth of the month following the end of the quarter.

Your account will be grouped with your other advisory accounts with Krilogy under one Agreement. Upon request by you to your advisor, your accounts, or accounts of people related to you whom meet certain criteria may be held in the same pricing group to the extent they are party of the Wrap Fee Program. Each account can only be in one pricing group and we will disclose to you the accounts making up your pricing group upon request. Other members of the pricing group will receive the same disclosure upon request. Krilogy's policies on pricing group may be amended from time to time.

Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the Agreement. Otherwise, Clients may terminate their contracts with 30 days written notice pursuant to the terms of the Agreement. The point of termination is considered the thirtieth day after written notification. In the written request to terminate the contracts, Clients may also request a refund of Fees paid in advance. Should such a request be made, Krilogy will endeavor to rebate any fees within a reasonable time not to exceed 30 days of request. Otherwise, Krilogy will rebate any fees within ninety (90) days of the date of termination in coordination with its fee billing processes. Refunds will be given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Upon notice of termination, Krilogy will not be obligated to recommend any action with regard to the assets in your account, but you may sell the securities or transfer the securities to another account or third-party account.

If you terminate and sell the assets in your account, your proceeds will be available upon settlement of the trades generated to complete the liquidation. Settlement is typically three business days following the trades. Because bond markets may be less liquid, these investments may be more difficult to liquidate, especially during periods of extreme market volatility. Therefore, you may experience delays or adverse price fluctuations when liquidating these securities. Account liquidation may cause a taxable event as well as additional fees and expenses.

B. Contribution Cost Factors

The decision to participate in Krilogy's Wrap Fee Program is your decision. Before making this decision, you and your financial advisor should discuss whether other programs may be more appropriate. In evaluating the Wrap Fee Program, you should consider a number of factors. You may be able to obtain some or all the same or similar investments and/or services available through this and other programs offered through Krilogy or another broker-dealer or investment adviser. An important factor to consider is the amount of individual trading activity you have in your accounts and the corresponding brokerage commissions and transaction costs that would be charged depending upon the security if you bought and sold individual securities in a

brokerage account. These costs would also be impacted by the advisor and Krilogy's ability to aggregate trades. Other factors to consider include the costs and availability of services, if provided separately, which in turn depends on the prices and specific services offered by different providers. You also may experience different performance results or tax consequences from what you would by purchasing the investment separately or through another broker-dealer or investment advisor.

C. Additional Fees

Clients who participate in the Wrap Fee Program will not have to pay for transactions or trading fees from their custodian, Charles Schwab, with the following exceptions set forth below. However, you are still responsible for all other account fees that will include fees such as transfer of asset fees (TOA) and electronic fund fees, reorganization fees, wire and check fees, other fees and taxes on brokerage accounts and securities transactions, and non-custodian fees (e.g. fees charged by someone other than the broker-dealer custodian of your accounts that include contingent redemption fees (CRF) charged by a mutual fund company; or contra firm's markup/mark down, spread, commission; Managed Account Services (MAS) fees; fees for trades executed away from custodian; margin interest and alternative investment fees) as further described below. Additionally, certain accounts may not be eligible for participation in this wrap fee program. For instance, certain employer sponsored individually directed retirement accounts do not qualify. You will have to consult your advisor on the specific accounts.

You will also still be responsible for any internal fees and expenses in mutual funds and ETFs held in your account. Mutual funds and ETFs have internal management fees and ongoing expenses for operating the funds (internal fees and expenses) that are deducted from the fund's assets, which have the effect of reducing the fund's net asset value ("NAV"). The prospectus for each mutual fund and ETF will describe the internal fees and expenses. Mutual fund and ETF internal fees and expenses vary depending on the particular mutual fund or ETF. Clients should not assume they will be invested in the share class with the lowest expense ratio. Generally, Krilogy attempts to select institutional, advisory, fee-based share classes or load waived A share classes, when available. Krilogy and its advisors do not receive money or compensation from these third parties for the internal fees and expenses charged.

Additionally, for each purchase or sale of securities, there is often a contra-party to the transaction, usually a market maker. The contra-firm or market maker typically includes a markup/mark down or spread that the selling (in the case of a purchase in your account) or buying (in the case of a sale from your account) broker or market maker places on a security that is purchased into or sold out of your account. On occasion, it may be necessary to execute transactions away from your custodian, fees charged by that executing broker, including but not limited to markups/mark downs, spreads, or commissions will be an additional fee to your account. Further, if your financial advisor recommends the use of options as a part of your trading strategy and the strategy is employed, the client will incur higher fees than an account not employing this strategy because of the additional option transaction execution fees based upon the number of contracts bought or sold.

If you chose to purchase securities on margin, you will be required to acknowledge a Margin Agreement for the Account. Buying on margin refers to the practice of buying an asset where you pay only a percentage of the asset's value and borrow the rest from a lender. In this instance, your account's custodian acts as a lender and the funds in your securities account are used as collateral on the loan's balance. Your custodian typically receives compensation from such pledge/loan activities. The compensation derives from the interest that is charged on the amount borrowed. The rate charged fluctuates and is based on the amount borrowed. Krilogy does not receive compensation from such a pledge/loan activity. It is important that you fully understand the risk involved in trading securities on margin. Such activity is usually only suitable for clients that wish to take higher risk for higher reward. Please carefully review all such risks and details regarding interest charged on the amounts borrowed which are set forth in the Margin Agreement for your Account.

If you purchased or sold securities prior to entering into a relationship with Krilogy, you may have incurred fees for those purchases and sales that are wholly unrelated to Krilogy's Fee, but may reduce your overall return and performance. Additionally, Krilogy may sell/liquidate securities at the beginning of your relationship with the firm that were purchased with or at the recommendation of a previously unrelated party. The sale or liquidation of securities may result in a taxable consequence or redemption fee which would be in addition to Krilogy's Fee. Such transactions would occur without regard to tax consequences or redemption fees. If the securities are mutual funds, certain mutual funds may also impose redemption fees if the mutual fund was held for only a short time (typically anywhere from 30 days to 12 months). The prospectus and statement of additional information will describe whether the fund company has a redemption charge and whether there are instances when the redemption fees will be waived.

Finally, your financial advisor may recommend insurance. Cost and compensation to the advisor as result of recommendations of insurance will result in an additional charge. See Item 6 for a more in-depth discussion of the insurance services offered and the potential conflicts of interest.

D. Compensation as a result of Client Participation

Krilogy is a registered investment adviser. Assets in your account are held by a separate and unaffiliated broker-dealer that acts as the custodian of your account. Unless you direct otherwise, Krilogy directs all securities purchases and sales orders, recommended or otherwise as a part of our Services to the broker-dealer that acts as the custodian of your accounts. The broker-dealer providing the brokerage services on your account shall execute and perform the clearance of same and provide custodial account services to you. The custodian where the client assets are held provides written trade confirmations of securities transactions and account statements directly to clients based upon the client's preference for receipt, but as a default at their address or record, at least quarterly. **Please review your account statements carefully and notify us immediately if you detect an error or discrepancy. Krilogy does not independently audit these third-party statements for errors or discrepancies.**

Krilogy and your advisor do not receive any additional fees beyond the Fees outlined above, which reduces the potential conflicts in recommendations made by both Krilogy and your financial advisor. Put another way, Krilogy and your financial advisor receive the same fee

regardless of the security recommended or selected, with one possible exception, the purchase of security through Krilogy Capital Management Partners I or II. If this security is recommended, it would be a non-discretionary purchase requiring you to fully review and execute additional security and disclosure documentation.

Even with this level fee concept, by recommending the Wrap Fee Program, there is a conflict of interest to both Krilogy and your financial advisor because Krilogy and your financial advisor are only compensated if you participate in the Wrap Fee Program or another Krilogy program. Also, as outlined further above, Krilogy and your advisor receive higher Fee when you participate in the Wrap Fee Program as compared to the Client Brochure Program. However, the Wrap Fee Program Fee is a grandfathered Fee rate as set by the specified advisor in the program and is based upon his valuation of his services. You could choose to forgo the Krilogy's Services in the wrap fee program and buy and sell securities through a different broker-dealer or investment advisor. If you were to purchase securities through a separate broker-dealer, you generally pay sales charges or commissions, a portion of which may be paid to an investment professional should you choose to engage one, whether as a registered representative or an investment advisor representative. If you chose to work with an investment professional to provide only brokerage services, that investment professional will typically earn more in upfront fees and commissions. However, a financial advisor that is a fee-based advisor, like Krilogy's financial advisors, will typically earn more over time if you pay an asset-based fee as described above for Services provided.

E. Prepayment of Fees

Unless otherwise specified in the Client's Agreement, the Fee is automatically deducted from the account quarterly, in advance. At the sole discretion of Krilogy, and upon specific client request, Krilogy may agree to another specification to and set forth in the Client's Agreement.

Item 5: Account Requirements and Types of Clients

Krilogy generally provides Services to the following Types of Clients:

- Individuals
- High-Net-Worth Individuals
- Trusts and Estates
- Institutional - Pension and Profit-Sharing Plans and
- Corporations or Business Entities
- Charitable Foundations and not-for-profit endowments

Krilogy can decline to provide Services for any reason, including if we do not believe the client's desired investment strategy is appropriate for the client. As a general rule, you should not engage Krilogy's Services if you want to engage in day trading or actively trade in mutual funds and/or ETFs.

Minimum Account Size: There is an account minimum, \$250,000, which may be waived, based on the needs of the client and the complexity of the situation. However, a client whom does not

meet the account minimum may be required to pay a flat fee for Services. Krilogy monitors the total value of your account. If the value falls below the initial investment minimum, we may, in our discretion, discontinue Services and delink your account from Krilogy's master account.

You can fund your accounts with cash or securities. If you establish your account with securities that Krilogy does not deem to fit the investment strategy for your accounts, you authorize and direct Krilogy to liquidate or redeem those securities as practicable without regard to tax consequences or redemption fees that may be assessed on the liquidation or redemption of those securities. We will not provide advice or guidance regarding the securities being sold to fund your account. Trades that occur in taxable account will incur a taxable event to you. Please consult with your tax professional.

There may be restrictions on the types of accounts and clients that may be eligible for the wrap fee program. Krilogy can prohibit any person or entity from investing or remaining in the wrap fee program for any reason, including if we do not believe it is an appropriate investment strategy for that person or entity.

Item 6: Portfolio Manager Selection and Evaluation

A. Portfolio Manager Selection and Review of Portfolio Managers

Krilogy has been and plans to continue to be the sole portfolio manager for this Wrap Fee Program or Krilogy may select outside portfolio managers for management of this Wrap Fee Program.

Krilogy will use industry standards to calculate portfolio manager performance. For outside portfolio managers, Krilogy will review the inclusion and thereafter periodic review of performance of the manager. Review may include the manager's key personnel and experience, investment philosophies, history and performance.

B. Related Persons

Krilogy and its associates, including the specific advisor and the firm's Investment Committee serve as the portfolio managers for the Wrap Fee Program accounts or may select outside portfolio managers for management. Please note that it is a conflict of interest that no outside adviser assesses Krilogy's management of the Wrap Fee Program. However, Krilogy seeks to address this potential conflict by both not introducing additional potential conflicts of interest related to disparate compensation depending upon security selection and further acting in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager of the Wrap Fee Program.

C. Advisory Business

Portfolio and Asset Management

Krilogy offers Services as described in Item 4: Services Fees and Compensation and this section. Krilogy was founded in December 2008 by its principal owner Kent Scott Skornia with the principal purpose of providing truly independent service in assisting clients in planning and managing all aspect of their financial affairs. Krilogy maintains its independence in an effort to eliminate any potential conflicts of interest in the selection of investments to a client's portfolio. Krilogy provides fiduciary portfolio management services ("Services") pursuant to your Agreement with the firm.

Krilogy provides Services to individual clients based on each client's particular needs for an asset-based fee. Your experience with Krilogy is rooted in the working relationship between you and your Krilogy financial advisor. Krilogy provides your advisors tools that include centralized design of investment portfolio model management by the firm's Investment Committee to meet particular Investment Profiles, Objectives and Risk Profiles of clients, which is determined to be suitable to the client's circumstances. However, your advisor is not required to utilize these investment portfolio models. The firm also utilizes software to track a client's portfolio drift from its Portfolio Objective as further described in this Section immediately below and under Investment Supervision and Monitoring.

To facilitate the Services, the financial advisor(s) reviews the client's goals, investment objectives, time horizon and risk tolerance to help understand and determine a portfolio that may be suitable for the client. Each client's situation is unique and due to client individual circumstances, one client's plan may be more complex than another client's. The financial advisor will periodically meet with and review your goals, investment objectives, and risk tolerance with you.

Generally, you will complete a questionnaire that acts as an investment policy statement (your "IPS"), which includes important information about your account and risk tolerance and investment objective to help understand and determine a portfolio that may be suitable for you. The questionnaire establishes a particular score that corresponds with different Investment Profiles and Objectives. Krilogy's Investment Committee defined the scoring of certain questions within the questionnaire to help you determine your risk tolerance and corresponding Investment Profile and Objective. The firm's Investment Committee defined the Investment Profile and Objectives that correspond with a range of scores and can be selected by you in your IPS. Selection is premised on your answer to risk tolerance questions and the corresponding selection of your risk. You are able to choose an alternative Investment Profile and Objective, if one is available, and you are willing to take more or less risk than what was identified based upon your completion of the questions within the IPS. You ultimately decide whether to invest in the Investment Profile/Objective or an alternative. Krilogy will not change your Investment Profile/Objective without your written instruction.

The process also involves a close review of the existing financial position and articulated personal goals of each prospective client. Consideration is given to subjective factors such as a client's prior investment experience, ability and desire to manage their assets, risk tolerance and familiarity with various investment vehicles. Each client's situation is unique and due to individualized

circumstances may vary in length and scope, and in certain instances may be foregone in their entirety. Each client is expected to provide complete information in all relevant areas.

Krilogy portfolio allocations may include mutual funds, equities, bonds, fixed income, debt securities, ETFs, hedge funds, third-party money managers, REITs, alternative investments, and government securities. Krilogy may use other securities as well to help diversify a portfolio when applicable. Again, your portfolio may utilize one or more of Krilogy's proprietary model portfolios as a result of the recommended Investment Profile and Objective, if your advisor recommends or you request utilization.

There is no guarantee that any investment, strategy or model recommended and/or purchased will perform in any particular manner. Past performance is not a guarantee of future results. It is important that you read the prospectus of any security that has one provided to you through your Custodian and contact your financial advisor if you determine that you do not wish to be invested within that security. Krilogy and your financial advisor may make changes to your portfolio from time to time that may include changing out securities entirely or changing the amount of your money that is invested in a security or asset class without prior notice. Liquidation may cause a taxable event as well as additional fees and expenses.

The decision to engage the Services of Krilogy is yours. You should review this Brochure carefully and consult with your tax professional before you decide to invest. Krilogy Financial has a separate but affiliated tax planning company, Krilogy Tax Services, LLC for which you may wish to consult. Services provided by Krilogy Tax Services are provided for an additional charge under a separate agreement. See Item 9 for additional information and conflict disclosure related to Krilogy Tax.

If you decide to engage Krilogy's Services, the relationship begins when Krilogy accepts the executed written Agreement between you and Krilogy and you grant access to Krilogy with the custodian of your accounts. Granting access normally occurs through opening/transferring your account under Krilogy's relationship it has with both Charles Schwab and Fidelity or with another custodian of your choice through Krilogy's Total Portfolio Program. Krilogy's Acceptance occurs after designated personnel at Krilogy Main Office review and confirm that all required provisions, signatures and dates are included within the Agreement and that the firm has a completed risk tolerance questionnaire with a chosen investment objective/profile. Acceptance does not occur upon signature by the client and your financial advisor. **Any preliminary discussions or recommendations made before the written Agreement is accepted do not constitute investment advice and should not be relied upon as such. Any recommendations made for accounts for which client does hold under Krilogy's master relationship with custodian's Charles Schwab or Fidelity and does not receive a Fee as described in Item 4 are made as a courtesy and are complimentary meaning that these accounts are not governed by the Agreement between you and Krilogy and Krilogy does not provide ongoing portfolio management advice, including but not limited to fiduciary investment advice.** See Item 4 for further information on Fees. Krilogy will not offer ongoing portfolio management under the Agreement for any accounts that Krilogy does not receive an information feed from the custodian/platform provider.

Before engaging the Services of Krilogy, you should decide if you are comfortable forgoing the day to day management of your account. Clients of Krilogy typically:

- Need advice and guidance when making investment decisions
- Are at ease with a financial professional making their day-to-day investment decisions
- Are willing to follow a disciplined investment strategy
- Are comfortable paying asset-based (percentage) fees for investments and advice rather than individual commissions or sales charges

You should consider a number of factors when evaluating fee-based advisory programs. You may be able to obtain some or all the same or similar investments and/or services available through this and other fee-based advisory programs of another investment adviser. You should consider that, depending on the circumstances, the aggregated fees you pay for the services including investing with Krilogy may be lower or higher than if you purchased the investments or services separately or through another broker-dealer or investment advisor. You may also experience different performance results or tax consequences from what you would by purchasing the investments separately or through another broker-dealer or investment advisor.

Krilogy is comprised of an Investment Committee made up of senior leadership and advisors lead by its Chief Investment Officer. The Investment Committee believes in building portfolios to match the investor's ability and willingness to take risk and do so in a cost-efficient way. The Investment Committee provides a centralized decision-making process in the formulation of investment models that can be, but does not have to be, utilized by your advisor in providing Services. The Investment Committee is responsible for formulating the overall investment strategies and policies for the firm and establishing investment guidelines in furtherance of those policies. These policies help to formulate the oversight of client portfolios whether your advisor chooses to utilize the Investment Committee's investment models or not.

Investment Supervision and Monitoring

Services are based on the recommendations of Krilogy and its advisors as well as regularly supervised. The Client's financial advisor monitors and evaluates those investments to ensure conformity with the client's Investment Profile and Objective. The firm monitors advisor's overall management of your portfolio to make sure it remains within the firm's Investment Committee's predefined parameters for each Investment Profile and Objective. The parameters are determined utilizing software that compares past market conditions effects on individual stocks and sectors to forecast portfolio risk in bear market conditions (e.g. market loss of 50%). Each Investment Profile and Objective corresponds to a ten (10) point range on the risk tolerance/loss spectrum. A client can score between 0 and 50 on the risk tolerance/loss spectrum with 50 being the greatest risk. **The spectrum does not correspond to actual loss percentages.** For instance, a client that scores 50 is considered ultra-aggressive meaning they are willing to accept considerable losses. The Investment Committee has identified a point range from the client's score that it allows the client's portfolio to drift before action is required by the client's advisor. The firm regularly supervises the accounts through internal monthly review processes.

Krilogy will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. However, clients whom

choose non-discretionary authority will be responsible for all trading and investment decisions in their account and should not rely solely on the recommendations of Krilogy or their financial advisor in choosing investments.

Any recommendations made for accounts for which Krilogy does not receive Fee as described in Item 4 are made as a courtesy and are complimentary meaning that these accounts are not governed by the Agreement between you and Krilogy and your financial advisor does not provide ongoing portfolio management advice, including but not limited to investment advice. See Item 4 for further information on Fees. Krilogy will not offer ongoing portfolio management under the Agreement for any accounts that Krilogy does not receive an information feed from the custodian/platform provider.

Securities Limitations and Corresponding Services: Clients may impose restrictions in investing in certain securities in accordance with their values or beliefs by providing those specific restrictions to your financial advisor. If you have a specific investment restriction, you need to notify your advisor as part of the IPS process. However, if the restrictions prevent Krilogy from properly servicing the client account, or if the restrictions would require Krilogy to deviate from its standard suite of services, Krilogy reserves the right to end the relationship. Krilogy may allow the transfer of securities that it would not otherwise recommend or would liquidate at account opening at the specific request of the client. As one example, a client may request that Krilogy continue to maintain securities with a low-cost basis that a client has held for a long period. In this instance, Krilogy and its advisor will manage your overall portfolio to account for the specific request or restriction of holding a particular security within your account. However, Krilogy and your advisor may ultimately make changes and liquidate these securities at any time without first giving you notice if they determine that they cannot manage your portfolio to your Investment Profile and Objective. While not required, Krilogy and your investment advisor may endeavor to contact you and assist you in moving the investment from your account under Krilogy's management within a timeframe solely established by Krilogy. Such transactions would be affected without regard to tax consequences or securities redemption fees. You may have to pay redemption fees to a fund company if the security that is a mutual fund is held for only a short time. Krilogy and its advisor may also request that these securities be placed in a separate account from those accounts managed by Krilogy.

IRA Rollover Considerations: As part of Krilogy's Services, it may be recommended that you withdraw assets from an employer's retirement plan and roll the assets over to an individual retirement account (an "IRA") to be managed by Krilogy. You have multiple options when it comes to your employer sponsored retirement plan assets. You may keep the assets within the employer sponsored plan, move to your new employer's employer sponsored plan (if applicable), roll, roll it over to an IRA, or cash it out (This option may result in tax penalties and consequences for which you should consult your tax advisor). You should know and understand these options before making any decision.

Krilogy and your advisor will charge its Fee outlined in Item 4. For this reason, Krilogy and its advisor have a conflict of interest when discussing rollover considerations. Krilogy seeks to mitigate this conflict both through disclosure and providing both education and assisting in analysis of your options. You should review the costs associate with leaving the assets with your employer versus moving the assets to an IRA as part of your independent review and

determination of how to handle the assets in your employer retirement plan. You can request from your employer or plan administrator a copy of the plans 404a-5/Summary of Plan Specifics, which should provide you a breakdown of all costs to you when you participate in your employer's retirement plan. In most cases, Krilogy requires a copy of the plan sponsor documents to assist in analysis of your options. Upon receipt you should review those costs against Krilogy's Fees and expenses with your financial advisor so that you may come to an independent determination on what to do with your assets in your employer's retirement plan.

Please note that certain, low-expense investment options may be available through an employer's (or former employer's) retirement plan that would not be available to an IRA. Additionally, the employer plan may provide low or no cost professional investment guidance services that are the same or similar to the Services provided by Krilogy. The cost of investment options and plan services through your employer (or former employer) may still be less expensive than Krilogy's Fees outlined in Item 4. Please note, there may also be other advantages to factor in when determining if you should maintain assets with an employer's (or former employer's) retirement plan. You should weigh these other factors which included but not limited to services and investment options you receive from both your employer retirement plan, your new employer retirement plan (if applicable), and Krilogy when making a determination on what to do.

Portfolio management accounts participating in the Wrap Fee Program will not have to pay for transaction or trading fees. Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, 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, contra-party or market makers markups/mark downs, spreads or commissions, and fees for trades that are executed away from the custodian.

Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity. Currently, Krilogy and your advisory pay an asset-based pricing percentage for each account with your custodian regardless of trade cost to minimize any potential trade conflicts.

Other Services

Custody Services

Krilogy does not provide custody services for your accounts. Your accounts will be maintained at a qualified custodian whom will provide all accounts with written trade confirmations of securities transactions as well as account statement for each month there is activity in the account and/or on a quarterly basis. **Krilogy provides a summary on a quarterly basis upon request. However, this information is based upon information fed by the custodian to the firm's internal software systems. Please review your account statements from your Custodian carefully and notify us immediately if you detect an error or a discrepancy from any Krilogy reports.**

Financial Planning & Consultation Services Only

If the client desires, Krilogy may offer financial planning and consultation services only. These financial planning services may include, but are not limited to: investment/financial consulting, life insurance; tax concerns; retirement planning; college planning; debt/credit planning and investment/portfolio recommendations. The written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. These services are based on hourly or flat fees as individually agreed upon between the client and advisor and the final fee structure is documented in the Financial Planning Agreement. Financial planning services do not include continuous financial advice and related services. Financial Planning Services are completed once the agreed upon services are provided. If investment/financial consulting is provided, they are not considered to be ongoing and the client is responsible for implementing and monitoring any investment/financial consulting provided. For financial consulting engagements, the firm usually does not provide clients with a written summary of observations and recommendations as the process is less formal than planning services. Plans or consultations are typically completed within six months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client. Yours and Krilogy's relationship ends upon providing a final plan.

This service is not offered under the Wrap Fee Program.

Institutional Retirement Consulting and Management Services

Krilogy is engaged by plan fiduciaries to provide both fiduciary and non-fiduciary investment management and advisory services that include but are not limited to plan consulting, participant education and enrollment, investment policy statement development assistance and investment menu selection. Krilogy may act under the Employee Retirement Income Section Act ("ERISA") as either a 3(38) investment manager or a 3(21) investment advisor to a variety of retirement plans.

As a Section 3(21) investment advisor, Krilogy consults with the plan fiduciaries in the development of an Investment Policy Statement designed to reflect the investment objectives, policies, constraints and risk tolerance of the plan. Krilogy is responsible for making investment recommendations to the plan regarding the fund options made available to plan participants. The plan fiduciaries are ultimately required to exercise their discretion to act upon the investment recommendations made to Krilogy.

As a Section 3(38) ERISA investment manager, Krilogy develops an Investment Policy Statement which is subsequently approved by the plan fiduciaries. As a 3(38) investment manager, Krilogy is responsible for determining the appropriate investment options available to plan participants and provides those options to the third-party administrator and qualified custodian so that they may be available to plan participants. Krilogy performs ongoing monitoring of investment options and implements changes as necessary. Consent of the Plan for investment option changes is not required. Plan fiduciaries will be given notice of changes to existing allocations and/or menu choices; however, Krilogy will implement those changes as promptly as possible in coordination with the third-party administrator and plan custodian.

Krilogy may also provide certain plan participant enrollment and educational services. These services are non-fiduciary consulting services. The educational presentations provide assistance to plan participants in how to evaluate their specific goals and objectives and risk tolerance to identify an asset allocation that best suits their goals as well as understanding how asset allocation affects investment results. Krilogy may also provide non-fiduciary consulting services that include facilitating benefit committee meetings and consulting on industry trends.

Krilogy provides investment management and investment consulting services to large institutional clients, endowments, foundations and charitable organizations as well.

This service is not offered under the Wrap Fee Program.

Investment Management & Research Subscription Licensing

Krilogy provides proprietary investment strategies of securities to outside financial institutions as well as offers a series of proprietary model asset portfolios designed to satisfy a range of investment strategies and objectives. Recommended models are the sole property of Krilogy and are based on a comprehensive review of the market and available securities to meet the specific needs of the financial institution and/or advisor requesting. While Krilogy's Investment Committee may utilize its proprietary models as part of this service, it is not directly engaging any client and providing the Services outlined in this Brochure which include but are not limited to identifying a particular client's Investment Profile/Objective. This service is not offered under the Wrap Fee Program.

Insurance Services

Krilogy and its financial advisors may recommend changes or additions to your health, life disability or long-term care insurance coverage. This service is complimentary and you are free to follow or decline such recommendations. In those instances where you elect to purchase a policy, you are purchasing a policy from an outside insurance company through Krilogy and your advisor, in their capacity as a licensed insurance agent. **The purchase of insurance is separate and apart from the Services provided under the Agreement between you and Krilogy and the Services set forth in the Wrap Fee Program. Additional compensation is paid to Krilogy and your advisor by a separate insurance provider in the form of commissions related to the premiums of the insurance product sold.** Krilogy does not maintain a fiduciary duty as it relates to these recommendations.

The commissions present certain conflicts of interest because your financial advisors and Krilogy's affiliate, Krilogy Advisors receive commissions for the sale of insurance products, which creates an incentive to recommend the purchase of insurance products that pay them commissions over other investments and insurance products that pay either lower or no commissions. Krilogy and your financial advisor address this conflict by providing this disclosure to you. Clients may purchase insurance products recommended by Krilogy or your financial advisor through other agents that are not affiliated with Krilogy. Krilogy's Fees will not be reduced to offset the payment of insurance commissions to Krilogy Advisors or the Krilogy financial advisor. Actual commissions vary, depending upon, among other things, the type and value of the policy purchased, as well as the issuing agency or insurance company.

Performance-Based Fees and Side-By-Side Management

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

Krilogy is wholly owned by the Krilogy Partners. Kent Skornia, as Krilogy's President, is also ultimately responsible for supervising the firm.

Amounts Under Management

As of market close on December 31, 2019, Krilogy managed \$1,092,043,596 in discretionary assets and \$194,618,739 in non-discretionary assets with total assets under management of \$1,286,662,335.

Methods of Analysis and Investment Strategies

Krilogy and its financial advisors' methods of securities analysis may include varying degrees of both quantitative and qualitative work.

The main sources of information include both proprietary and third-party research and analytical tools, financial media, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, company press releases. Further research and due diligence practices are implemented by the Investment Advisor consistent with his or her investment process and implementation of the client's agreed upon investment strategy.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations and in the client's Investment Policy Statement. The client may change these objectives at any time by providing notice of such change to Krilogy. Each Investment Advisor has the option to utilize the firm's investment models or utilizes his or her own investment strategy which may or may not be consistent with Krilogy's other Investment advisors.

Strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies). Certain clients with applicable investment objectives and risk tolerances may include strategies such as reverse convertible notes, leveraged ETF's, index-linked CDs and other structured products.

Material Risks

All investment programs have certain risks borne by the investor. These risks include, among other things; loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings, occurring from market risk, interest rate risk, issuer risk, and general economic risk. Although we manage the assets in a manner consistent with risk tolerances, there can be no guarantee that our efforts will be successful and the client should be prepared to bear the risks.

It is important that clients understand that investing in securities involves certain risks which clients should understand and be prepared to bear. All investments carry some amount of risk. The risks applicable to Krilogy and your financial advisor's investment strategies include, but are not limited to the following investment risks:

Credit Risks – The risk that the portfolio could lose money if the issuer or guarantor of a fixed-income security, or the counter-party to a derivative contract, is unable or unwilling to meet its financial obligations.

Counter-Party Risks – A portfolio may incur a loss if the other party to an investment contract, such as a derivative, fails to fulfill its contractual obligation.

Currency Risks – The risk that foreign currencies will decline in value relative to the US dollar and affect a portfolio's investments in foreign (non-US) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-US) currencies.

Debt Securities Risks – The issuer of a debt security may fail to pay interest or principal when due, and changes in market interest rates may reduce the value of debt securities or reduce the portfolio's returns.

Derivatives Risks – The use of derivatives such as futures, options and swap agreements can lead to losses, including those magnified by leverage, particularly when derivatives are used to enhance return rather than offset risk.

Emerging-Markets Risk – Foreign investment risks are typically greater for securities in emerging markets, which can be more vulnerable to recessions, currency volatility, inflation and market failure.

Equity Risks – The risk that the value of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.

ETF Risks – A portfolio will be exposed indirectly to all of the risks of securities held by an ETF.
Foreign Investment Risk – Foreign investments face the potential of heightened illiquidity, greater price volatility and adverse effects of political, regulatory, tax, currency, economic or other macroeconomic developments.

High-Yield Securities Risk – High-yield securities have a risk of default or of not returning principal and tend to be more volatile than higher-rated securities of similar maturity.

Interest-Rate Risk – The risk that fixed income securities will decline in value because of an increase in interest rates.

Issuer Risk – The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.

Issuer Non-Diversification Risk – The risks of focusing investments in a small number of issuers, industries, or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.

Leverage Risk – The risk that certain portfolio transactions may give rise to leverage, causing the portfolio to be more volatile than if it had not been leveraged.

Liquidity Risk – A security may not be able to be sold at the time desired or without adversely affecting the price.

Market Risk – The market price of securities held by a portfolio may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

Mortgage and Asset-Backed Securities Risk – These securities may decline in value when defaults on the underlying mortgage or assets occur and may exhibit additional volatility in periods of changing interest rates. When interest rates decline, the prepayment of mortgages or assets underlying such securities may require the reinvestment of money at lower prevailing interest rates, resulting in reduced returns.

Regulatory Risk – The risk that changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

Short Sale Risk – The risk of entering into short sales includes the potential loss of more money than the actual cost of the investment, and the risk that the third-party to the short sale may fail to honor its contract terms, causing a loss to a portfolio.

Private Securities Risk – Private securities contain the risks of illiquidity and lack of public knowledge of the business.

Real Estate Risk–Due to changes in interest rates, the lending market, economic policy, and supply and demand, in addition to illiquidity, real estate investments contain risk.

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

Voting Client Securities (Proxy Voting) and Other Corporate Actions

Krilogy will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. While the Custodian may allow you to direct such requests to Krilogy, Clients should not request that the custodian forward this information to Krilogy for handling. Clients should direct all proxy questions to the issuer of the security.

Krilogy does not provide legal and tax advice. As such, Krilogy will not take any action and will not render any advice regarding any legal action on Client's behalf relating to any securities or

other assets held in the Account that may become subject to any legal, regulatory, administrative action, class action lawsuit and/or bankruptcy. Client should seek independent legal and tax counsel as appropriate.

Item 7: Client Information Provided to Portfolio Managers

To the extent Krilogy utilizes outside portfolio managers, all client information material to managing the portfolio (including basic information, risk tolerance, sophistication level and income level) is provided to the portfolio manager. You may be asked to contract directly with the portfolio manager. The portfolio manager will also have access to that information as it changes and is updated by you. If you are asked to do so, the portfolio manager may ask you to provide additional information. The portfolio manager will also have access to your account information through agreements with your custodian.

Item 8: Client Contact with Portfolio Managers

Krilogy's representative can be contacted during regular business hours with questions regarding your account, including questions regarding a portfolio manager. You may not be able to contact the portfolio manager depending upon the agreements. If Krilogy is unable to give you the contact information of the portfolio manager pursuant to any agreement, Krilogy will work with the portfolio manager to answer any complex or non-routine question. Otherwise, Krilogy and your financial advisor should be able to answer any questions you may have. Contact information is on the cover page of Krilogy's Brochure as well as your financial advisors Form ADV Part 2B brochure supplement.

Item 9: Additional Information

A. Disciplinary Information and Other Financial Industry Activities and Affiliations

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

Financial Industry Activities and Affiliations

The following is a summary of Krilogy's material relationships or arrangements with other entities that participate in the financial industry:

Krilogy is affiliated with Krilogy Capital Management Partners, LLC, (the "Bond Fund General Partner"), a North Carolina limited liability company, who serves as the general partner of the KCM Tax-Advantaged Total Return Bond Fund, LP. (the "Bond Fund Partnership") and Krilogy Capital Management, LLC (the "Bond Fund Investment Manager"). Krilogy is affiliated with Krilogy Capital Management Partners II, LLC, (the "Equity Fund General Partner"), a Missouri limited liability company, who serves as the general partner of the KCM Catapult Large Cap Growth Equity Fund, LP. (the "Equity Fund Partnership") and Krilogy Capital Management II,

LLC (the “Equity Fund Investment Manager”). Under both the Equity and Bond Fund Partnership Agreements the general partner is primarily responsible for the management of the Partnership. The general partner has delegated the investment management responsibilities for the respective Partnership to the respective Investment Manager. The General Partners and Investment Managers of the respective Partnership are not registered as an investment adviser under the Investment Advisers Act of 1940, As amended (the “Advisers Act”). The Partnerships are not registered as an investment company under the Investment Company Act of 1940, in reliance upon Section 3(c)(1) thereof. Both the Bond and Equity Partnership investment are only suitable for sophisticated investors (a) who do not require immediate liquidity for their investments, (b) for whom an investment in the Partnership does not constitute a complete investment program and (c) who fully understand and are willing to assume the risks involved in the Partnership’s investment program.

For those Clients where either or both the Equity and Bond Partnership may be suitable, Krilogy and its advisors may recommend holding the Partnership(s) in the Client’s portfolio as part of its Service. While the Equity and Bond General Partner of the respective Partnerships do not charge a management fee with respect to the Partnership investment, the General Partner will receive an annual performance profit allocation on the last date of each fiscal year (the “Performance Allocation”). **Any Client that invests in one or both of the Partnerships is subject to paying the Performance Allocation. The Performance Allocation is in addition to Krilogy’s Fees charged for the holding of the Partnership(s) in your portfolio under Krilogy’s management.** However, the Partnership charges a reduce Performance Allocation for those Krilogy clients that hold the respective Equity or Bond investment in their portfolio under Krilogy’s management. The above disclosures regarding the Partnership are not an offer to sell or the solicitation of an offer to buy the respective Partnerships. You should fully review the Partnership’s Private Placement Memorandum (“PPM”) carefully before investing in either Partnership. Clients are advised to consider the investment objectives, risk, charges and expenses before investing.

Certain Partners in Krilogy also maintain an ownership interest in both the Bond and Equity General Partner and the Investment Advisor to the Partnerships. These individuals will receive a pro-rata portion of the Performance Allocation, to the extent there is one. **This creates a potential conflict of interest for Krilogy because certain representatives and agents that maintain ownership in Krilogy and the Bond and Equity General Partner have an incentive to recommend the purchase of the Partnership versus another investment to Clients due to the potential increase compensation received. This incentive is in addition to the Fees charged to you for the holding of the Partnership(s) in your portfolio managed by Krilogy.** Outside of the certain Partners of Krilogy and the General Partnership, other Krilogy advisors do not receive additional compensation beyond the Fees discussed in Item 4. While there is no conflict in the way of compensation, your advisor may still have a potential conflict of interest in the recommendation of these investments due to his/her interpersonal relationships with those Krilogy partners. Krilogy has sought to remove any potential conflict by removing any additional compensation potential as well seeking to have its advisors honor their fiduciary duty to do what is in the best interest of the client. Clients interested in investing in the Partnership would receive a disclosure document for review and execution indicating will be provided a disclosure document that sets forth

Additionally, Krilogy and the Bond Investment Manager, while separate entities, have a common employee that maintains an ownership interest in the Bond General Partnership and Bond Investment Manager. In the rare instance where a Krilogy client may seek a similar financial instrument (e.g. a municipal bond with the same maturity) as the Bond Partnership, and there is not enough of the financial instrument available to satisfy the Krilogy client and the Bond Partnership request, there is a potential conflict as filling the Bond Partnership needs ahead of a Krilogy Client could result in increased compensation received by the Bond General Partnership. Krilogy seeks to address these conflicts by disclosing the ownership interest in the Partnership to Krilogy clients as well as, to the extent possible, seeking to avoid the purchase of the same securities or maturities. Note, even if there is enough supply of a particular security available, the Bond General Partnership and Krilogy are separate entities that have separate trading relationships with custodians and broker-dealers. As a result, the Bond General Partnership and Krilogy are not able to aggregate the purchases of the security between Partnership and Krilogy clients, and trades for accounts custodied at different custodians/brokers-dealers may be executed at different times and different prices. Regardless of supply, the Bond General Partnership will likely get a better price on that Bond because of a multitude of factors that include quantity purchased.

Krilogy is affiliated with Krilogy Tax Services, LLC. (“Tax Services”) through certain common ownership interest by Krilogy partners. Tax Services provides tax planning and preparation services. These services may be offered to both Krilogy clients and non-clients at an additional cost. Krilogy advisors may receive additional compensation based upon the number of client referrals to Tax Services. **The recommendation by a Krilogy advisor creates a potential conflict of interest because its representatives and agents have an incentive to recommend the use of Tax Services to clients due to the potential increase compensation received. Additionally, the common ownership interest creates a potential conflict of interest to clients of Krilogy because the partners of Krilogy with a common ownership interest will receive additional compensation from the profitability of Tax Services.**

Krilogy Advisors, a Krilogy affiliate and certain Krilogy financial advisors whom offer the sale of insurance are state-licensed insurance agents. Krilogy Advisors and Krilogy Financial Advisors whom are licensed insurance agents are eligible and from time to time receive commissions for the sale of insurance products, including those recommended to Krilogy Financial clients. **Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of Krilogy and its financial advisors whom are acting as insurance agents because it creates an incentive to recommend the purchase of insurance products that pay them commissions over other investments and insurance products that pay either lower or no commissions with other insurance companies.** Clients may purchase insurance products recommended by Krilogy or your financial advisor through other agents that are not affiliated with Krilogy. Krilogy and its advisors have received additional compensation and rewards for aggregate insurance premium sales. This was historically allowed to be provided to advisors. In 2019, no advisor received such additional compensation.

Additionally, from time to time, Krilogy receives compensation from an insurance agency for client referrals. That compensation is then split between Krilogy and its financial advisor who

made the referral. This creates a conflict of interest because the Firm has an incentive to direct clients to the insurance agency over others that do not provide a referral fee.

Some advisors of Krilogy are also registered representatives for Saxony Securities, Inc, wholly unaffiliated to Krilogy. These advisors maintain this relationship for the limited purpose of offering brokered variable annuity products for clients as appropriate or offering Institutional Services to its Employer Plan Fiduciaries as defined above. Saxony Securities is responsible for supervising these activities. Krilogy does not generally engage in commission-based brokerage services for securities otherwise. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. The sale of these products is on a suitability basis. Krilogy and its advisors seek to provide advice that is in the best interest of the client, but do not maintain a fiduciary obligation to its client in these sales. Krilogy seeks to reduce the potential conflict by fully informing, herein that Krilogy does not intend to act as a fiduciary in those sales. Clients are in no way required to implement the plan through any representative of Krilogy in their capacity as a registered representative.

Krilogy may utilize un-affiliated third-party money managers to assist in the management of client's assets. The compensation paid to these entities, as well as the fees and charges to the client will be outlined in the account documentation specific to the client. Krilogy would not receive compensation from these money managers.

Krilogy may pay referral fees to professionals and/or organizations that refer clients to us pursuant to such arrangements. Any such arrangement is structured in a manner designed to comply with the requirements of the Advisers Act, and each solicited client is notified of the referral arrangement including the referral fees that Krilogy will pay to the solicitor.

B. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading; Review of Accounts; Client Referrals and Other Compensation and Financial Information

Code of Ethics

Krilogy has adopted a Code of Ethics pursuant to Rule 204(A-1) under the Advisers Act. Krilogy has established a Code of Ethics to ensure that our employees and advisors ("associates"):

- Act with integrity and in an ethical manner with you and all of our clients;
- Place your and all of our clients' interests first and, if at all possible, avoid activities or interest that might interfere with making investment decisions that are in the best interest of clients;
- Conduct personal trading in compliance with our Code of Ethics, avoid potential conflicts of interest and make sure they do not abuse the faith and trust you have placed in them;
- Comply with all applicable rules, regulations and laws; and
- Do not use any material nonpublic information they may receive as a result of their employment with Krilogy.

Our Code of Ethics prohibits our access persons from taking advantage of clients in their personal trading activities.

Some Krilogy associates are deemed “access persons” under our Code of Ethics because they may have access to nonpublic information regarding either the securities, including transactions placed in a client’s accounts or changes to the firm’s investment models. Access persons are required to submit to the chief compliance officer, or his or her delegate, all personal accounts for approval. Unless an exception is granted, the personal accounts will run through the firm’s automated personal trade surveillance system for review. Specifically, the firm monitors trading of access persons and prohibits trading in non-exempt market orders prior to fifteen minutes before market close. Clients may request a copy of our Code of Ethics by request to your Financial Advisor or on our website at www.krilogy.com.

You should know that Krilogy associates and/or their family members are permitted to buy or sell securities for themselves that may also be recommended to clients. This practice could create a conflict of interest if associates placing trades for their own accounts were to place a trade before our clients and receive a better price on a security. The firm attempts to handle any potential conflict through disclosure and by implementing the above set forth time of trade restriction, which means that the client trade will take place before the access person, unless the access person’s accounts are part of one of the firm’s portfolios which results in trade aggregation and price averaging. As referenced above, the firm also reviews those trades that flag out within the firm’s trade automation based upon a certain set of criteria to determine if there is a material conflict with the best interest of a client. If it is determined there is a material conflict, the firm would take one of the following actions: 1.) bust the trade, or 2.) aggregate the trade with the client and average the price.

With the exception of those security and affiliates identified within above, Krilogy does not recommend that clients buy or sell any security in which a related person to Krilogy has a material financial interest.

Review of Accounts & Content and Frequency of Reports Provided to Clients

Client accounts are reviewed as often as necessary, always keeping in mind the best interests of the client. The individual client’s financial advisors are the chief advisors and are instructed to review clients’ accounts with regards to their investment policies and risk tolerance levels no less frequently than annually. Additional client account reviews may be triggered by client request, changes in market conditions, new information about an investment, or other pertinent events. As more fully discussed, in Item 6, under Supervision and Monitoring, all accounts undergo regular oversight.

When your financial advisor manages your investment account your custodian will maintain custody of the investment assets, in most cases. The Custodian where the client assets are held provides account statements directly to clients at their address of record, at least quarterly. In addition, Krilogy will provide access to separate, supplemental portfolio reporting on demand, typically via electronic access, if client elects to opt in to access the system and receive information electronically.

Should events in your life lead to changes in your financial situation or investment objectives, you should contact your financial advisor immediately. If changes result in a change in your investment objective you will be asked to complete a new Investment Policy Statement.

Our supervision and monitoring does not substitute for your own continued review and monitoring of your account(s) and performance of your investments. Krilogy believes that records provided by you Custodian would be the most accurate. However, Krilogy does not do an independent audit of those records to verify. Any reports provided by Krilogy are believed to be accurate and based upon data provided by your custodian. However, if there are any discrepancies you should rely upon your custodian's record. You should review performance reports, trade confirmation (as applicable), account statements and other information you receive from Schwab or your custodian/broker and Krilogy. If you have any questions, please discuss them with your financial advisor.

Client Referrals and Other Compensation

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. In addition, Schwab has also agreed to pay for certain products and services for which we would otherwise have to pay once the value of our clients' assets in accounts at Schwab reaches a certain amount. For instance, in the past, Schwab has provided credit for outside brokerage costs associated with an Advisor and his practice (e.g. client accounts) transitioning to Krilogy. In some cases, a recipient of such payments is an affiliate of ours or another party which has some pecuniary, financial or other interests in us (or in which we have such an interest). These products and services, how they benefit us, and the related conflicts of interest are described above. Otherwise, Krilogy does not receive any economic benefit, directly or indirectly from any third-party for advice rendered to Krilogy clients with the exception of compensation derived from certain employee's ownership in Krilogy or an affiliate as set forth above.

Additionally, Krilogy may enter into written arrangements with third parties to act as solicitors for the Adviser's investment management services.

Schwab & Schwab Advisor Network: For instance, Krilogy receives client referrals from Schwab through Krilogy's participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Krilogy. Schwab does not supervise Advisor and has no responsibility for Krilogy's management of clients' portfolios or Advisor's other advice or services. Krilogy pays Schwab fees to receive client referrals through the Service. Krilogy's participation in the Service may raise potential conflicts of interest described below.

Krilogy pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Krilogy is a percentage of the fees the client owes to Krilogy or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Krilogy pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Krilogy

quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Krilogy and not by the client. **Krilogy has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Krilogy charges clients with similar portfolios who were not referred through the Service.**

Krilogy generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, Krilogy will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Krilogy's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Krilogy will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Krilogy's fees directly from the accounts.

For accounts of Krilogy's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Krilogy's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Krilogy may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Krilogy other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

All compensation with respect to the foregoing will be fully disclosed to each Client to the extent required by applicable law. All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

Krilogy may also receive other economic benefits from Schwab in the form of support products and services as further outlined below:

Products & Services Available to Us From Schwab

Schwab Advisor Services is Schwab's business serving independent investment advisory firms like ours. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail clients. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis, at no charge to advisors.

Services that Benefit Client

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit clients or their account(s).

Services that May Not Directly Benefit Clients

Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or their account(s). These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third-party's fees.

Irrespective of direct or indirect benefits to our client through Schwab, we strive to enhance the client's experience, help reach their goals and put their interests before that of our firm or its associated persons.

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. In 2019, Schwab also agreed to pay up to \$20,000 in a one-time benefit to be used towards technology, research, marketing, and compliance consulting products and services that Krilogy would otherwise have to pay as a result of the expectation of a dollar value of end client

statement equity in Schwab client accounts within the next twelve months. None of the products or services described above are provided in consideration of brokerage commissions directed to Schwab. However, this does create an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business and Schwab's payment for services for which we would otherwise have to pay rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as a custodian and broker is in the best interests of our clients. Even so, our selection is primarily supported by the scope, quality and price of Schwab's services and not Schwab's services that benefit only us. Other custodians/brokers may provide these services as well.

Other Compensation: Krilogy's financial advisors are eligible to participate in the firm's travel award program which includes eligibility to attend the firm's annual domestic or international trip. The financial advisor becomes eligible based upon client service of existing accounts and the amount of new assets the advisor brings under the Krilogy's management over a defined period. The conflict of interest associated with this program is the same as the conflict to the advisor of recommending the firm's services since the advisor stands to benefit if he retains you as a client. This conflict is mitigated once you become a client as the advisor and the firm seek to provide Services in your best interest and the advisor and firm are not compensated differently based upon the advisor's recommendations to you, other than as identified above in the "Financial Industry Activities and Affiliations" section.

Krilogy financial advisors may receive compensation for referral of clients to affiliate Krilogy Tax Services, LLC for tax planning and preparation. Compensation is dependent upon the number client referrals successfully engaged by Krilogy Tax Services, LLC.

Financial Information

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

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

Krilogy has never been the subject of a bankruptcy petition.

Krilogy Privacy Policy

Investment Advisers are required by law to inform their clients of their policies regarding privacy of client information. We are bound by professional standards of confidentiality that are even more stringent than those required by law. Federal law gives clients the right to limit some but not all sharing of personal information. Below is more information regarding the extent you can limit the information. Federal law also requires us to tell you how we collect, share, and protect your personal information.

Types of Non-public Information (NPI) Krilogy Collects

We collect nonpublic personal information about you either directly from you or a third-party you're your authorization. We collect this information when you open an account under our management or give us your contact information; seek advice about your investments or tell us about your investment or retirement portfolio, or open enter into an investment advisory agreement with the firm. This information assists Krilogy and your advisor in providing comprehensive and personalized financial services.

The NPI can include but is not limited to your social security number; date of birth; banking information and financial account numbers and/or balances, a list of assets, transaction history, statements of net worth; sources of income; credit card numbers or other debt related information; types of insurance products; business relationships, and estate planning documents. When you are no longer our client, we may continue to share your information only as described in this notice.

Krilogy's Use of Information

Krilogy does not disclose any nonpublic personally identifiable information about its clients to other parties or service providers except at the specific direction of the client or as required or permitted by law to perform Krilogy's everyday business for you. Pursuant to existing law, Krilogy may disclose client personally identifiable information to/for:

- To affiliated and non-affiliated third-party services providers, including but not limited to tax planners, tax preparation services, retirement services, or individual portfolio management services for everyday business purposes;
- Non-affiliated third-party services providers who provide services directly to Krilogy, including but not limited to, data storage and analysis, portfolio reporting and management and custodial administration;
- Non-affiliated entities with whom Krilogy has entered into a joint marketing agreement to publicize certain service offerings; and
- For our affiliates' everyday business purposes – information about your transactions and experiences.

DEFINITIONS: Affiliates – companies related by common ownership or control. They can be financial and nonfinancial companies; Non-affiliates – companies not related by common ownership or control. They can be financial and nonfinancial companies; Joint marketing – a formal agreement between non-affiliated financial companies that together market financial products or services to you.

Clients may opt out of sharing information for joint marketing to other financial companies, to our affiliates and to non-affiliates. If you are a new client, we may begin sharing your information on the day you sign our agreement. When you are no longer our client, we may continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.

Federal law allows you the right to limit only the sharing of your NPI related to:

- Sharing for affiliates' everyday business purposes – information about your creditworthiness;
- Affiliates from using your information to market to you; or
- Sharing with non-affiliates to market to you.

State laws and individual companies may give you additional rights to limit sharing. Please notify us immediately at the address, telephone number, or at info@krilogy.com if you have any questions or wish to limit sharing.

Protecting the Confidentiality of Current and Former Client's Information

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law, which included but are not limited to:

- Personal service – Your advisor knows you and the activity that taking place in your account. This personal service helps protect your financial information.
- Fraud Prevention - computer safeguards including firewalls, encryption and detection through our IT vendor and secured physical access to the firm's buildings and files.
- Training – We are continually training our employees on how to safeguard client information.

Krilogy does not share client information with third parties without the consent of the client except under the circumstances described above or under the following circumstances:

- As necessary, to maintain and service the client account or to provide certain requested or authorized third-party services requested by the client (e.g. tax preparer/CPA, attorney);
- As required by regulatory authorities or law enforcement officials having jurisdiction over Krilogy, or otherwise required by applicable law; and
- To prevent fraud, unauthorized transactions, false claims or other potential liability to either you or Krilogy.

Steps You Should Take to Protect your Privacy

You should take the following steps in order to help protect your NPI and privacy:

- Passwords – Don't use the same password for all your online accounts. Choose hard-to-guess passwords, and change them periodically. Don't share them with others (verbally or in writing) or post them where others can see.
- Anti-virus software – Make sure you have anti-virus and anti-malware software, and keep it up-to-date.
- Websites – Scam artists are very good at creating authentic looking websites. Make sure the site you visit is legitimate – check to see that contact information is present and the phone number actually goes to the company in question. Before sharing personal information online, look for “https” at the beginning of the URL to ensure the site is secure.
- Public Computers – Be wary of accessing your financial information from a computer in a public place, such as the library. Someone may have installed malicious software that can capture the websites you visit as well as any user IDs or passwords.
- Unprotected Networks – You should also avoid accessing sensitive information when using unprotected or unsecured Wi-Fi networks, such as those available in public places – even when using your own computer, tablet or mobile device.
- Awareness – Staying informed about your accounts and investments is key to identifying possible breaches. Be sure to read your statements and other communication from Krilogy and the custodian holding your accounts and log on to your accounts regularly.

Additional Privacy Policy Disclosures:

Please understand that you maintain a relationship with other financial service providers, including but not limited to, custodians of your assets, and insurance carriers for which you may have entered into an insurance contract. The providers have separate privacy policies for which you should know and understand.

Krilogy does engage a third-party service provider to shred confidential documents and records prior to disposal. Krilogy also maintains processes to destroy electronic data on any computer or other devices that are taken out of service in order to prevent the data from being read or reconstituted.

Krilogy's Privacy Policy remains in effect at all times even after the client relationship is terminated.