

Krilogy Financial® LLC

275 N. Lindbergh Ste. 20
St. Louis, Missouri 63141
(314) 884-2800

www.krilogy.com

Client Disclosure Brochure

This Client Disclosure Brochure ("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: info@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.

Version Date: March 31, 2021

Main Office
275 N. Lindbergh Ave. Ste. 20
St. Louis, Missouri, 63141
www.krilogy.com
(314) 884-2800

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 last filed an amendment on July 30, 2020. Since the last filing, the firm made the following changes:

- Krilogy moved headquarters in March 2021. The new address is:

275 N. Lindbergh Blvd. Ste 20
St. Louis, MO 63141

- Item 4 – “Advisory Business”: was amended to further set forth the Firm’s relationship to your advisor and the advisor’s independence in investment philosophies and strategies.
- Item 8 - “Risks of Investment Loss”: Potential Risks of investing updated to set forth with more particularity risks to understand.
- Item 10 – “Business Affiliations”: Krilogy’s affiliation with KEP Law, LLC identified.

The full firm’s Brochure can be found at <https://adviserinfo.sec.gov/firm/brochure/149046>

Item 3: Table of Contents

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Item 4: Advisory Business

Description of Krilogy Financial

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 Krilogy Advisors, LLC ("Krilogy Advisors"), and affiliated with Krilogy Tax Services, LLC. It is also affiliated through certain common ownership to Krilogy Capital Management Partners, LLC, Krilogy Capital Management, LLC, Krilogy Capital Management Partners II, LLC, Krilogy Capital Management II, LLC see Item 10: Other Financial Industry Activities and Affiliations for further discussion. 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.

Krilogy was founded in December 2008 by its principal owner Kent Scott Skornia, President and CEO, with the principal purpose of providing truly independent service in assisting clients in planning and managing all aspects of their financial affairs. Krilogy maintains its independence in an effort to eliminate a number of potential conflicts of interest in the selection of investments to a client's portfolio. Krilogy provides the following types of services: Portfolio Management, Financial Planning and Consulting, Corporate Retirement Plan Consulting and Management, Investment Management & Research Subscription Licensing Services for other Investment Advisers, and Managed Account Programs.

While this brochure generally describes the business of Krilogy, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm's officers, partners, directors, (or other person occupying a similar status or performing similar functions). Employees or any other person who provides investment advices on Krilogy's behalf and is subject to the Firm's supervision or control. Supervised Persons that provided advisory services on behalf of Krilogy are also known as Investment Adviser Representatives. (herein referred to as "financial advisor" "wealth advisor" or simply "advisor"). **While all Krilogy financial advisors share a common association with Krilogy, many are still independent and their individual investment philosophies and the types of investment philosophies and strategies they use may differ significantly from each other. Consequently, Krilogy does not necessarily provide Clients who have similar investment objectives or risk tolerances the same investment strategies or advice. Clients should, therefore, select the Krilogy financial advisor whose investment philosophy and strategy is consistent with, among other things, the customer's investment objectives, risk tolerances and investment experience.**

As of market close on December 31, 2020, Krilogy managed \$1,523,047,072.60 in discretionary assets and \$165,052,388 in non-discretionary assets with total assets under management of \$1,688.099,460.60.

Advisory Services We Offer

Asset Management & Investment Management Services

Krilogy provides portfolio management advisory services ("Services") pursuant to your Investment Advisory Agreement ("Agreement") with the firm. Most clients receiving this Client Disclosure Brochure will be signing up for our portfolio management advisory services which can best be defined as giving continuous investment advice to a client and making investments for the client based on the individual needs of the client.

Krilogy provides Services to meet clients' financial goals through the use of financial investments for an asset-based fee. We provide our Services through accounts maintained at a qualified custodian (please refer to Item 15 - Custody for more information). We are also able to manage retirement and variable annuity accounts held at select broker/dealers and qualified custodians, conditional upon availability.

Your experience with Krilogy is rooted in the working relationship between you and your Krilogy financial advisor. Krilogy provides your advisor(s) tools that include the ability to utilize centralized design of investment portfolio model management by the firm's Investment Committee to meet particular Investment Profiles, Objectives and Risk Profiles of clients. 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.

To facilitate the Services, advisor(s) reviews your 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. 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 seeks important information about your account, risk tolerance and investment objectives to help understand and determine a suitable portfolio. The questionnaire establishes a particular score that corresponds with different Investment Profiles and Objectives. The firm refers to this document as an investment policy statement ("IPS"). The IPS does not set forth specific asset allocations. 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 profile. 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 initial 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. You are always responsible for notifying us of any changes to your financial situation or investment objectives.

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 12 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 account 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 5 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 5 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 similar to the Services referenced here. You may be able to obtain some or all the same or similar services available through other fee-based advisory programs of another investment adviser or by performing the services yourself. 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 adviser.

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 establishes investment guidelines for formulating investment strategies. These policies help to formulate the oversight of client portfolios whether your advisor chooses to utilize the Investment Committee's investment models or not. Even so, because your investment advisor may operate independent of the Investment Committee and the firm's investment strategy offerings and is in best position to understand your specific needs, your advisor has the final decision on any investment strategy.

Investment Supervision and Monitoring

Services are based on the recommendations of Krilogy and its wealth advisors. The Client's financial advisor monitors and evaluates those investments against the client's Investment Profile and Objective. The firm regularly, not less than quarterly, supervises client accounts/portfolios utilizing predefined parameters for each Investment Profile and Objective to identify accounts/portfolios for review by your advisor.

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 5 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 5 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. In such instances, you would be responsible for advising your advisor when it would be acceptable to liquidate the security. 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. 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 from a Client's Employer Sponsored Retirement Plan, (e.g., 401(k)): 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 a Fee as outlined in Item 5 – Fees and Compensation on the assets rolled from your employer's plan to an IRA. 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 associated 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. 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. **The cost of investment options and plan services through your employer (or former employer) in almost all cases is less expensive than Krilogy's Fees outlined in Item 5. Clients that choose to rollover these assets are doing so despite the additional cost.**

Custody Services

Krilogy does not provide custody services for your accounts. Your accounts will be maintained at a financial institution that a qualified custodian. Clients generally provide Krilogy and/or certain independent managers with the authority to directly debit their accounts for payment of Services. The qualified custodians have agreed to send statements to clients not less than quarterly detailing all account transactions, including the amount paid to Krilogy. Clients will also receive written trade confirmations of securities transactions. **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 qualified custodian carefully and notify us immediately if you detect an error or a discrepancy from any Krilogy reports.**

Financial Planning Provided Under Portfolio Management Services

For some clients, we provide financial planning services under several formats at the client's specific direction. There is not a specific asset under management minimum for which this would be offered. The client must request and the financial advisor must agree to providing such services. The financial planning services provided, may be specific or modular in their preparation (unique to each client in their depth of preparation). Topics included as part of the financial planning services can include, but are not necessarily limited to, the following:

- 1.) Organization and assessment
- 2.) Retirement Planning
- 3.) Education Planning
- 4.) Long-term Care
- 5.) Insurance Planning
- 6.) Debt Management
- 7.) Investments
- 8.) Tax Planning

- 9.) Estate Planning (this does not include legal advice and guidance including legal document preparation)
- 10.) Life Events

Upon request and at the acceptance of your financial advisor, we will consult with the client to determine the client's personal financial situation and objectives and to analyze the client's assets and liabilities, investment portfolio, retirement plan, education plan, risk management plan, risk tolerance and estate plan, as well as other areas relevant to the client's financial health. Your advisor would typically provide an executive summary, highlighting the plan of action. Krilogy and your advisor are available to work with you throughout the year to implement the plan. The plan is updated to take into account changes in the client's financial situation. The client is ultimately responsible for communicating changes in circumstances to us so that we can provide the most accurate advice and counsel possible. Krilogy and your financial advisor are available to assist with the implementation of the plan and to answer any client questions, but the client is ultimately responsible for the implementation or rejection of our recommendations. This means you are never obligated or required to implement our recommendations.

Financial Planning & Consultation Services Only

At our discretion, Krilogy may offer one-time financial planning and consultation services only. We rarely agree to enter into such an arrangement. 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.

Corporate & 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 option 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.

Wrap Fee Program

In 2019, Krilogy implemented a Wrap Fee Program exclusively for a specific advisor of the firm and his clients. In this program, Krilogy acts as a portfolio manager for and sponsor of a wrap fee program, which is an investment program where the client pays one stated fee that includes management fees, transactions costs, fund expenses, and other administrative fees. Unlike the Wrap Fee Program, you may incur transaction and other trade costs associated with the purchase and sale of securities in the management of your investment portfolios. However, this Brochure describes non-wrap fee advisory services. Clients utilizing Krilogy's wrap fee portfolio management should see the separate Wrap Fee Program Brochure. Krilogy manages the investments in the wrap fee program but does not manage those wrap fee accounts any differently than it would manage non-wrap fee accounts. Fees paid under the Wrap Fee Program will be given to Krilogy as a management fee. Wrap Fee Program Services are charged a two percent (2%) Fee.

Krilogy does not actively solicit the Wrap Fee Program to any other clients beyond the specific advisor's clients referenced above. Given the cost from Krilogy's fee perspective of two percent (2%) this is generally a more costly program than the Services offered in this Brochure for the Fees discussed in Item 5. While Krilogy does not actively solicit this program, the firm would allow a client to request whether it should be considered as part of the Services provided. 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.

Insurance and Other 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 through Krilogy Advisors, and affiliate of Krilogy Financial 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.** Krilogy and your advisor have a conflict of interest as any purchase of insurance coverage results in additional compensation. **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. Advisor's also receive cash (e.g., money) and non-cash awards (e.g., trips) from third party vendors for aggregate insurance sales.** Please see "ITEM 5 – Fees and Compensation, Other Forms of Compensation" for additional information regarding commissions received in connection with the sale of insurance products.

Third Party Investment Management & Research Subscription Licensing

Krilogy provides proprietary investment strategies of securities to outside financial institutions and other Registered Investment Advisers 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.

Item 5: Fees and Compensation

Methods of Compensation and Fees

Krilogy is required to describe our fees and other third party and external expenses so you will know how much you are charged and by whom for our advisory services provided.

When you agree to work with Krilogy, you will incur fees (“Fees”) for Krilogy’s service. The Fee may include a minimum annual flat fee charged on a quarterly basis that will transition to fees based on a percentage of Assets Under Management / Assets Under Advisement (AUM/AUA) when you meet the firm’s minimum account size requirement.

Krilogy’s Fees when based upon AUM/AUA, are not to exceed 2.00% excluding any internal fees and expenses in the mutual funds, ETFs or separate asset managers in your account or transaction charges or spreads. If your Fee does not match the fee schedules set forth below, you are likely paying more than other similarly situated clients. The specific manner in which fees are charged by Krilogy is established in your Agreement.

Krilogy’s Fees are negotiable upon request and at the discretion of your financial advisor. However, there is limitations based upon the number and types of negotiated fee schedules entered into the firm’s systems. Your financial advisor receives a portion of the Fee. Typically, the negotiated portion comes directly off your advisor’s portion he/she is compensated for. As a result, your financial advisor has a financial incentive not to negotiate the Fees. If you do not negotiate, your fee may be higher than what other similarly situated clients pay.

Krilogy has grandfather fee schedules of advisors who had practices prior to joining Krilogy. As a result, actual fees paid by clients who engaged our firm through an advisor who has since joined Krilogy, prior to the Advisor joining Krilogy, are different than published below. In some cases, the grandfather schedule is more than Krilogy’s rate set forth below, particularly for those transition advisors that charged a flat percentage rate that does not reduce based upon the clients AUM. In other cases, it is less than Krilogy’s rate set forth below. Despite this you still maintain the ability to negotiate fees. Additionally, Krilogy maintains a number of fee schedules that varied from blended to multiple flat percentage rates. Flat Fees outside of the Wrap Program Fee generally do not go above 1.5%. While the majority of our clients utilize a blended fee schedule, it is not required. The following is a sample Blended Fee schedule provided for illustrative purposes:

Asset Management

AUM/AUA	Annual Percentage of Asset Charge
\$1 -\$250,000	1.50%
\$250,001 - \$1,000,000 then	1.00%
\$1,000,001 -\$2,000,000 then	0.75%
Above \$2,000,000 then	0.50%

Krilogy refers to this Fee as the “Blended” Fee, meaning that the Fee is calculated by rate tiers that reduce based upon AUM/AUA. As the value of your account increases or decreases, you are charged the percentage rate for each tier that corresponds to this value of your account. As a result, your Fee will increase or decrease with the value of your account. For purposes of illustration and to assist the client in understanding the Blended Fee, the effective rate (“Effective Annual Rate”) of the Blended Fee at specific asset values is as follows:

AUM/AUA	Effective Annual Rate
\$1,000,000	1.13%
\$2,000,000	0.94%
\$3,000,000	0.79%
\$5,000,000	0.68%
\$10,000,000	0.59%

Even with the Blended Fee, Krilogy may still charge a minimum annual flat fee charged on a quarterly basis that will transition to fees based on a percentage of Assets Under Management / Assets Under Advisement (AUM/ AUA) when the client meets the firm's minimum account size requirement of \$250,000.

In addition to the Blended Fee, Krilogy still allows Advisor to use various Flat Fees starting at 1.5% and moving lower. Krilogy also allows certain clients that have assets over five (5) million dollars to pay a flat dollar rate that is not based upon AUM. With the exception of the fees charged to the clients of the advisor utilizing the Wrap Fee Program, the majority of clients that are on a Flat Fee Schedule pay one percent (1.00%) or less. Many of these were grandfathered from transition advisors as more fully set out above. In most situations, the Flat Fee is lower than or equal to the Blended Fee based upon the client's AUM. Krilogy also has a referral relationship with Schwab Advisor Network that requires a reduction in Blended Fees for any client referral.

Krilogy encourages the use of the Blended Fee. In fact, the majority of the firm's AUM is under the Blended Fee. Krilogy encourages you to review your Fee with your Advisor on an annual basis. Although personalized to a particular client situation, all clients, regardless of Fee receive the same or similar services. Typically, the time dedicated by an advisor to a particular client goes up as the clients AUM increases.

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. In the alternative, if the accounts are opened during the course of a quarter, the pro-rata advisory fees will be deducted during the next regularly scheduled billing cycle in accordance with the period of time the account was managed during the quarter in arrears. 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.

For the purposes of calculating your Fee, the net asset value of the account will include accrued interest earned on securities, e.g., bonds held in your account, and cash balances invested in money market funds, short-term investment funds, in addition to other securities 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. The firm

does not include the margin balance in the Fee. Put another way, the firm does not increase the balance of your account by any margin balance and therefore does not include your margin balance in the client's overall management fee calculation. 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.

Generally, 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. Request is required for two reasons. First, Krilogy does not have the ability to identify potential relatives without the client's help. Second, each account can only be in one pricing group and if Krilogy consolidates accounts, all clients in the pricing group would be able to calculate potential AUM of those other "house-holded" members based upon rate charged 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 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 Investment Management and/or Supervisory 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. 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 one to three business days following the trades depending upon the type and issuer of the security. 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. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

Financial Planning Only Fees

Depending upon the scope and complexity of the engagement, the hourly fee for these services is between \$250 and \$400. Krilogy may also agree to financial planning services on a flat fee basis. The fees are negotiable and the final fee schedule will be identified within of the Financial Planning Agreement. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

Corporate & Institutional Retirement Consulting and Management Clients

Fees are assessed based on assets under supervision. Annualized fees are set forth in the client's engagement agreement. Fees for these clients generally range from 25 to 75 basis points on a blended fee schedule and are negotiated on an individual plan basis.

Third Party Fees: Management fees, Internal Fees and Expenses

Clients are responsible for the payment of all third-party fees (i.e., custodian fees, third party manager fees, mutual fund fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Krilogy. You will not see a separate entry on your account statement showing these fees and expenses. Krilogy considers several factors when selecting a mutual fund share class, which may include but is not limited to the eligibility criteria set by mutual fund companies and the overall cost structure of the share class. Even so, the 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.

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. Internal fees and expenses are in addition to the Fee described above and vary depending on the particular mutual fund or ETF. Additionally, third party managers may also charge management fees and expenses separate and apart from Krilogy's Fee for management of certain assets within your account. In addition, if a client engages a third-party investment adviser to manage the client's account(s), the client will pay the fees and expenses set forth in the client's agreement with the investment adviser.

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. Such transactions would be affected 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.

Other Fees

Clients, including Institutional clients, will typically bear expenses in connection with account transactions and investment activities, including brokerage costs and securities transactions fees. Please see Item 12 below for more detailed discussion of brokerage expenses and practices.

Payment of Fees for Services

Fees are deducted directly from the client's accounts with client written authorization and paid using the cash portion of the account which may include cash or assets invested in a money market fund. If there is insufficient cash or assets invested, Krilogy is authorized to sell a sufficient amount of securities to pay the Fee. Such transactions to pay Fees would be affected without regard to tax consequences or securities redemption fees or brokerage transaction fees (see above Third-Party Fees).

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. Clients may select the method in which they are billed.

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

Comparing Costs and Expenses

It is important to understand that you could forgo the Services provided by Krilogy and buy and sell many of the same securities within your account either on your own in a broker-dealer account, through another investment advisor, broker or agent not affiliated with Krilogy. In doing so, you may pay sales charges or commissions, a portion of which would be paid to the agent or representative to the broker. Some financial advisors of Krilogy are also registered representatives of Saxony Securities, Inc. ("dually registered representatives") 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. Sales of securities through the broker-dealer are not governed by the Agreement and require the signing of separate documentation from Saxony. The sale of these products is on a suitability basis, Krilogy and its advisors do not maintain a fiduciary obligation to its client in these sales. Saxony and Krilogy are wholly unrelated.

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.

If you were working with a registered representative or agent of a broker, to buy and sell securities in your account that person will typically earn more in upfront fees and commissions. Certain advisors of Krilogy are registered representatives at an unaffiliated broker, Saxony Security for the limited purposes of offering variable annuity products for a commission that is in addition to your Fee. Beyond the variable annuity offering, these advisors are not offering to buy and sell securities on a commission basis in lieu of the asset-based fee basis. In the alternative, a fee-based financial advisor like Krilogy and its financial advisors will typically earn more over

time. This may create a financial incentive and potential conflict of interest to your financial advisor whom is registered both with Krilogy and Saxony Securities, Inc. The firm seeks to reduce that conflict through this disclosure, providing services on a level fee basis. See below for further discussion of Other Forms of Compensation/Insurance Commissions.

Other Forms of Compensation/Insurance Commissions

Insurance services are non-advisory services that may be offered to the client through Krilogy Financial affiliate, Krilogy Advisors and a client's Krilogy financial advisor's whom is a state-licensed insurance agent working either directly with insurance company's or insurance brokers. Krilogy Advisors and your financial advisor whom are licensed insurance agents are eligible to receive commissions in addition to Fees for the sale of insurance products, including those recommended to Krilogy Financial clients. Advisor's also receive cash and non-cash awards (e.g., trips) from insurance companies and brokers for aggregate insurance sales. This presents certain conflicts of interest because your financial advisors and Krilogy receive commissions for the sale of insurance products, which creates an incentive to recommend the purchase of insurance products 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 and seeking to operate in your best interest despite the conflict. Clients may purchase insurance products recommended by Krilogy or your financial advisor through other agents or directly with insurance carriers 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 or insurance broker incentives.

Item 6: 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 a client.

Item 7: 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 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, Krilogy may, in our discretion, discontinue Services and delink your account from Krilogy's master account.

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

Krilogy is comprised of an Investment Committee made up of senior leadership and advisors lead by its Chief Investment Officer. Broadly, the Investment Committee is responsible for formulating the overall direction of the firm's investment philosophy and policies. The Investment Committee also manages the firm's investment models, that may be utilized by your financial advisor. Your financial advisor monitors and evaluates investments to ensure conformity with the client's Investment Profile and Objective. The firm monitors you advisor's overall management of your portfolio. However, your advisor is ultimately responsible for determining whether changes need to be made, even upon alert from firm's monitoring, because your advisor is in the best position to understand your individual needs.

Methods of Analysis

Krilogy and its financial advisors' methods of securities analysis may include varying degrees of both quantitative and qualitative work and are specific to your financial advisor.

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.

Investment Strategies

The investment strategy for a specific client is based upon the objectives stated by the client during consultations and in conformity with the client's Investment Profile and Objective(s) may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing. Certain clients with applicable Investment Profile and Objectives may include strategies that are considered risky and more complex such as the use of alternative investments, including non-registered investments; reverse convertible notes; leveraged ETF's; index-linked CDs and other structured products.

Generally speaking, the firm seeks to manage your accounts over full market cycles. Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Short term trading and options writing generally hold greater risk

and clients should be aware that there is a chance of material risk of loss using any of those strategies.

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

Risks of Specific Securities Utilized

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

All investment strategies and investments involve risk, and the value of your account will fluctuate in value. As a result, your account may be worth more or less than the amount of money you invested. Diversification does not guarantee a profit or protect against a loss. You should consider the investment objectives, risks, and charges and expenses of each security before deciding to engage in Krilogy's Services. Because of the inherent risk of loss associated with investing, the firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There is certain additional risk associated when investing in securities.

- **Market Risk:** Either the stock market as a whole or the value of an individual company as a result of moves in the overall market goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- **Equity (stock) Market Risk:** Common stocks are susceptible to general stock market fluctuations and to volatile increase and decreases in value as market confidence in and perceptions of their issuers change.
- **Company Risk:** When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **Fixed Income Risk:** When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on sets amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

- **Options Risk:** Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- **Margin Risk:** While Krilogy does not recommend margining securities as a part of its investment strategies, a client may choose to utilize margin. When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intend to borrow funds in connection with your account, you will be required to open a margin account, which will be carried by the qualified custodian. The securities purchased in such an account are the qualified custodian's collateral for its loan to you.

If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the broker firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

Some of the risk involved in margin trading include the following:

- You can lose more funds than your deposit in your margin account.
 - The account custodian or clearing firm can force the sale of securities or other assets in your account.
 - The account custodian or clearing firm can sell your securities or other assets without contacting you.
 - You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call.
 - The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities.
 - The account custodian or clearing firm can increase its "house" maintenance margin requirements at any time and they are not required to provide you advance written notice.
 - You are not entitled to any extension of time on a margin call.
- **ETF and Mutual Fund Risk:** When we invest in an ETF or mutual fund for a client, the client will bear additional expenses based on its pro-rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs. In some instances, the firm utilizes mutual funds issues by Dimensional Fund Advisors (DFA). DFA funds are generally only available through registered investment advisers approved by DFA. If you terminate our services to you and self-manage your accounts(s) or transition to another adviser who has not been approved by DFA to utilize DFA funds, restrictions regarding additional purchases of, or reallocation among other DFA funds will generally apply.

- **Tax Harvesting Risk:** One trading strategy that has been employed by certain financial advisors in client accounts is tax harvesting. The intent of this trade is to sell an ETF or mutual fund at a taxable loss and replace those positions with a holding whose historical performance and expected future performance are similar, thereby having little impact on the overall strategic allocation, but capturing the tax loss. Because past performance is no indication of future performance, there is potential for the future performance of the replacement position to deviate from that of the initial holding. This type of strategy may also incur an increase in the frequency of trading and amount of transaction costs. You should discuss this with your financial advisor.
- **Alternative Investment Risk:** Alternative investment may be recommended in specific circumstances. These investments are susceptible to many of the same risks as other securities, but also include characteristics and risks related to liquidity, transparency, taxes, and fund valuation, which are disclosed in the offering documents.
- **Management Risk:** Your investment with the firm varies with the success and failure of our and your advisor's investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- **Sub-Advisor Risk:** The firm may use sub-advisors to manage some or all of certain client's portfolios. The Sub-Advisor will have discretionary authority to buy, sell, exchange, and otherwise trade securities within the client account. The investment strategies of the Sub-Advisor will be disclosed in their Disclosure Brochure. (ADV Part 2A).

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

Item 9: Disciplinary Information

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

Item 10: Other Financial Industry Activities and Affiliations

Krilogy is an independent investment advisory firm and provides investment advisory services and other ancillary services described below. The firm does not have an affiliated broker-dealer, and is not engaged in any other business activities and offers no services other than those described in this Disclosure Brochure.

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

Affiliated Private Funds:

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 Equity Fund or Bond Fund Partnership values are included in the Fees Krilogy charges to clients holding these securities.** 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. Krilogy seeks to mitigate this conflict through both disclosure in the Brochure, separate disclosure you are required to sign, and additional policies and procedures both designed to set limitations on size of ownership as well as review the investment recommendation and purchase prior to purchase. 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 5. 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(s) receive a disclosure document setting forth the potential conflicts and affiliations for review and execution.

Additionally, Krilogy and the Bond Investment Manager, while separate entities, have a common employee, who is the Director of Fixed Income, that maintains an ownership interest in the Bond General Partnership and Bond Investment Manager. This ownership interest and dual employment relationship creates a potential conflict of interest. Specifically, the potential conflict occurs in the rare instance where a Krilogy client and the Bond General Partnership seek to purchase a similar financial instrument (e.g., a municipal bond with the same maturity) and there is not enough of the financial instrument available to satisfy both. Filling the Bond Partnership needs ahead of a Krilogy Client could result in the employee indirectly receiving increased compensation through his ownership share of the fees earned by Bond General Partnership. Krilogy seeks to address these conflicts by disclosing the ownership interest in the Partnership to Krilogy Clients. Also, to the extent possible, Krilogy and the employee seeks 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 may get a better price on a bond due to a number of factors that include quantity purchased. When there is not enough supply of a specific financial instrument, Krilogy will see to obtain a fair and equitable basis that may include filling a Krilogy Client request for a financial instrument prior to the Bond Partnership.

Affiliated Accounting and Tax Planning Services – Krilogy Tax Services, LLC

Krilogy is under common ownership with Krilogy Tax Services, LLC. (“Tax Services”). Krilogy Tax Services provides tax planning and preparation services. Clients needing assistance with tax preparation and/or accounting services may be referred to Krilogy Tax Services. To work with a licensed Certified Public Accountant. **Please note that while your financial advisor may maintain the education and credentials of a certified public accountant, your financial advisor cannot provide tax preparation and tax planning advice.**

These services may be offered to both Krilogy clients and non-clients at an additional cost to Krilogy's Fees. Clients are advised of the additional costs at initial engagement. Because of the affiliation with Krilogy Tax Services, LLC, our recommendation of the company is not independent and we have a conflict of interest when recommending Krilogy Tax Services, LLC. Clients are never obligated to use the Tax Services.

In the past, Krilogy has provided additional compensation based upon the number of client referrals to Tax Services. Krilogy may do this in the future as well.

Legal Activities:

Krilogy is under common ownership and control with a law firm, KEP Law, LLC d/b/a Krilogy Law ("Krilogy Law"). KEP Law, LLC primarily provides business and estate planning legal work to both Krilogy and non-Krilogy Clients.

Clients of Krilogy may be referred to Krilogy Law for estate planning and other legal services. Due to the fact that they are related entities, this presents a conflict of interest as both firms have an economic incentive to refer clients to each other in lieu of referring clients to other law firms or financial professionals.

Although we recommend you use the services of Krilogy Law, you are never obligated or required to use their services. There are other law firms that provide legal services similar to those provided by Krilogy Law, and may provide such services for less expensive rates. Whenever we recommend Krilogy Law, you are encouraged to consider other law firms too. A choice of a lawyer is an important decision and should be relied upon solely based upon advertisements or recommendations from Krilogy and your financial advisor.

The services of Krilogy and Krilogy Law are separate and distinct from one another, each with a separate compensation arrangement typical for the services rendered.

Insurance Activities:

Certain Krilogy financial advisors whom offer the sale of insurance are state-licensed insurance agents. Krilogy and Krilogy's financial advisors provide individual life, disability and long-term care coverage through various insurance companies and insurance brokers. Krilogy and Krilogy financial advisors whom are licensed insurance agents receive commissions for the sale of insurance products, including those recommended to Krilogy clients. The receipt of insurance commissions is in addition to any Krilogy advisory Fee charged to you by Krilogy. **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, insurance products that pay either lower or no commissions with other insurance companies, or no insurance products at all.** Krilogy and its advisors have received additional compensation and rewards for aggregate insurance premium sales from insurance companies/insurance

brokers as well, which further incentivizes the sale of insurance product with one particular insurance company or broker.

Clients are never obligated or required to purchase insurance products recommended by Krilogy or your financial advisor. Clients may purchase insurance products recommended by Krilogy or your financial advisor through other agents that are not affiliated with Krilogy.

Broker-Dealer Activities:

Krilogy does not have an affiliated broker-dealer. Certain financial advisors of Krilogy are also registered representatives with Saxony Securities, Inc., a broker-dealer. While the financial advisor is a licensed registered representative to the broker-dealer, he or she maintains this licensing for the limited purpose of offering variable annuity products or Institutional Services as outlined in Item 4, when appropriate. Saxony Securities supervises the suitability of these products. Otherwise, Krilogy and its financial advisors do not offer Services as outlined in Item 4 above through Saxony Securities. 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. Krilogy strives to always act in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of 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. The third-party manager will have discretionary authority to buy, sell, exchange, and otherwise trade securities within the client account. The investment strategies of the third-party manager will be disclosed in their Disclosure Brochure (ADV Part 2A).

Krilogy may pay referral fees to professionals and/or organizations that refer clients or financial advisors to us pursuant to such arrangements. See Item 14 below for more information. Any such arrangement is structured in a manner designed to comply with the requirements of the Advisers Act.

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

Krilogy has adopted a Code of Ethics pursuant to Rule 204 under the Advisers Act. Krilogy has established a Code of Ethics designed to govern personal securities trading activities in the accounts of our employees and advisors ("associates"). The Code is based upon the principle that Krilogy and its associates owe a fiduciary duty to our clients to conduct, and resultingly follows the below guidelines:

- 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;
- 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.

The purpose of the Code is designed to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct.

Participation or Interest in Client Transactions:

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. Securities recommended by the firm are widely held and publicly traded. In accordance with its fiduciary duty to clients, Krilogy and its associated persons will place client interests ahead of their own interests. We have developed policies and procedures that require our employees to submit their personal securities holdings and transactions to our Firm. This is done so that we can monitor their investments to ensure compliance with our Code of Ethics and our general fiduciary duty to clients.

This section is intended to be a summary of Krilogy's Code of Ethics. Clients may request a copy of our Code of Ethics by request to your Financial Advisor.

With the exception of those security and affiliates identified within Item 10 above, Krilogy does not recommend that clients buy or sell any security in which a related person to Krilogy has a material financial interest.

Item 12: Brokerage Practices

You are under no obligation to act on the recommendations of Krilogy and are free to select any broker/dealer or investment advisor you'd like. In other words, you are not **required** to work with us. However, if you want to hire us for our Services, we will be responsible for executing your account transactions and therefore responsible for attaining the best execution possible under the prevailing circumstances.

Your assets must be maintained in an account at a broker-dealer or bank ("Qualified Custodian") with which Krilogy retains a relationship. Krilogy primarily utilizes Schwab, a registered broker-dealer, to serve as qualified custodian for the client's assets and to execute securities transactions on its institutional platform. Krilogy also maintains a relationship with Fidelity and will work with them at the instruction of the client. However, clients retain sole authority to select a different custodian, Krilogy has the right to terminate its relationship with the client pursuant to

the terms of the Agreement or to recommend a different custodian. We are independently owned and operated and are not affiliated with Schwab, Fidelity or any other Qualified Custodian.

The primary factor in suggesting or working with a Qualified Custodian is that services, including, but not limited to hold your assets and execute transactions are provided in a cost-effective manner. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration. The trading process of any qualified custodian suggested by us must be efficient, seamless and straightforward. Overall custodial support services, trade correction services and statement preparation are other factors determined when suggesting a qualified custodian. We also consider a number of other factors and benefits, including: competitiveness of the price of those services; Reputation, financial strength and stability of the provider; Breadth of investment products made available and quality of services; access to a broader range of mutual funds only available to institutional investors; bundled duplicate statement; access to a trading desk, access to block trading which provides the ability to aggregate securities transactions and allocate the appropriate shares to client's accounts, the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information and availability of other products and services that benefit us, as discussed below.

Custody and Brokerage Costs

Krilogy maintains an institutional brokerage services relationship with Schwab and Fidelity that provides trading, custody, reporting and other services, some of which are not typically available to retail clients. These services are generally available to independent investment advisors at no charge to them so long as the independent investment advisors maintain a minimum amount of assets with the custodian. Schwab provides both custodian and brokerage services. Schwab will hold your assets in a brokerage account and buy and sell securities when we or you instruct them to. While we primarily utilize Schwab as a custodian/broker for our client's assets, you will decide whether to do so and will open your account with Schwab or another custodian directed by you by entering into an account agreement directly with them. When executing that account agreement with Schwab or another custodian, you will give the firm certain authorities that include trading and money movement authority on either a discretionary or non-discretionary basis.

Schwab and Fidelity generally do not charge a separate fee for custody services but are compensated by charging commissions or other fees on trades that it executes or that settle into your account as well as the retention of interest earned on uninvested cash held in your accounts. In the case of Schwab, this program is referred to as Schwab's Cash Features Program. In addition to commissions and asset-based fees, Qualified Custodians charge a fee for clearance and settlements of each trade executed by a different broker-dealer other than the Qualified Custodian holding the Clients Account in custody. The Qualified Custodian's fee for trades executed through broker-dealers are in addition to the other broker-dealer's fees. Thus, we have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Certain trades (for example, many mutual funds and ETFs) may not incur commissions or transaction fees from the Qualified Custodian. You should inquire your Qualified Custodian

about their trade practices and trade costs you may incur in carefully considering as your custodian and broker for your accounts.

Krilogy does not engage in principal or proprietary trading. However, Krilogy and its advisors may recommend and/or a client may purchase securities of Krilogy affiliates, please see Item 10 – Other Financial and Industry Activities and Affiliations. Krilogy will never charge a premium or commission on transactions, beyond the actual cost imposed by the custodian.

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. On occasion, Schwab has also agreed to pay client custodial transfer fees upon transfer of the client and his or her accounts to Krilogy's management. None of the products or services described in this Brochure are provided in consideration of brokerage commissions directed to the custodian/broker. Certain other custodian/brokers in addition to Schwab also provide these services.

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. 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.

Best Execution

With the exception of some bond trades, Krilogy generally places trade order requests with the Custodian for the Custodian's execution. As a result, Krilogy relies upon Schwab, Fidelity or the client's custodian/broker (collectively "Custodians") to execute most of the trades requested for the client's account. Given the general nature of these arrangements—including pre-negotiated brokerage costs; operational methodologies that must be employed to trade accounts custodied with these brokers; and additional trade away charges for trades executed through a different broker-dealer—it is often infeasible or impracticable for Krilogy to trade these accounts with broker-dealers other than those at which the accounts are maintained.

Custodians are required to seek best execution for all trades they place in your accounts from orders received from the firm, which means that the Custodians has full authority to execute trades with those broker-dealers that they believe are capable of providing the best qualitative execution under the circumstances. In addition to commissions and asset-based fees, the Custodians may charge a "trade away" fee for each trade executed by a different broker-dealer but where the securities purchased or funds from the securities sold are deposited (settled) into the client's account. If Krilogy is looking for a certain fixed income security (e.g., bonds) that

Schwab or Fidelity does not have, it will locate certain fixed income securities for purchase through another broker-dealer depending upon Schwab or Fidelity's fixed-income inventory and direct the trade between Schwab and another broker. Krilogy primarily engages in this activity when it is implementing an investment grade municipal bond laddering strategy for specific clients. These fees for this activity are in addition to the commission or other compensation you pay the executing broker-dealer including third party fees outlined in Item 5: Fees and Compensation. Typically, trading away results in more costs because of the additional commissions, markups, markdowns, or "spreads" paid to the market makers and the executing-broker.

Client Directed Brokerage

In the alternative, clients may select a different custodian and broker with the approval of Krilogy. Krilogy's approval is limited to whether the alternate custodian and broker's systems and technology can interact with Krilogy's systems. Even so, the use of the alternate custodian may limit Krilogy's ability to provide any of its services at any time, with or without notice. Krilogy relies upon these custodians/ broker to execute trades for the client's account. In doing so, Krilogy cannot be responsible for whether the custodian achieves most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients' money because without the ability to direct brokerage, Krilogy may not be able to aggregate orders to reduce transactions costs that usually result in higher brokerage commissions and less favorable prices. The client may also pay higher execution charges, commissions, markups, markdowns, spreads, and other fees including but not limited to custodian and other account fees.

In addition, we may also render investment management services to clients regarding their (1) variable life/annuity products that they may own, (2) their individual employer-sponsored retirement plans, and/or (3) 529 college savings plans. In these situations, we either direct or recommend the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product, retirement plan or college savings plan. The client's assets shall be maintained at either the specific insurance company that issues the variable life/annuity product which is owned by the client or at the custodian designated by the sponsor of the client's retirement plan or college saving plans. The accounts would be considered client directed brokerage accounts. Similarly, Krilogy in its Agreement with you expressly declines to take any ability to move money to or from these accounts and therefore expressly declines to take Custody, as further discussed in Item 15 of these assets.

Aggregation Orders:

Krilogy maintains the ability to request aggregation of securities transactions across accounts and does so frequently as part of its rebalancing process for those clients that utilized the firm's models discussed in Item 4. The goal of this process is to attempt to achieve better pricing for clients by purchasing larger blocks in groups. Aggregation of orders does not guarantee a better price. Trades placed in this way will be allocated over participating client accounts and each account will receive the same average transaction price. Functionally, the securities will be allocated to the firm's master account to aggregate all the trades in one account and then allocated to participating client accounts. The firm does not consider this to be a principal trade in the spirit

of the principal trading rules. The intent in doing this is solely to attempt to benefit all client in an equal manner. The firm passes the security directly through with no mark up or commission.

Krilogy does not enter into client referral agreements with any broker-dealer or third party in exchange for using that broker-dealer or third party. Krilogy does participate in Schwab's SAN program, wherein Schwab does not provide referrals in exchange for using Schwab as a broker-dealer but does receive compensation which is more fully described in Item 14, Client Referrals and Other Compensation. However, Schwab may waive transfer costs, and assist financial advisor and his/her client referrals with outside broker dealer costs to help offset the cost to the advisor and his practice joining Krilogy. This does create a potential conflict for the advisor who seeks to join Krilogy and custody accounts with Charles Schwab. The firm attempts to mitigate this conflict through disclosure here as well as through our best execution review process of custodians.

In certain circumstances, a trade error may occur in your account. Krilogy endeavors to ensure that clients are not disadvantaged by trade errors in any way. A trade error is an error in the placement, execution or settlement of a client's trade. If a trader error is caused by the activity of Krilogy, it is Krilogy's policy to restore your account to the position it would have been in, had the trade error not occurred. However, in those instances in which we cannot restore your account to the position it would have been in had the trade error not occurred, Krilogy will work with you to ensure that your account is otherwise made whole. If the trade error results in a gain, the gain will be donated to charity through the firm's Custodian. A trade error gain is typically not paid to Krilogy.

Schwab or your custodian will provide all accounts with written trade confirmation of securities transactions and account statements. You will also receive mutual fund and ETF prospectuses, when applicable. **Please review your account statements from Schwab or your custodian carefully and notify us immediately if you detect an error or discrepancy.** Krilogy will provide you quarterly performance reports upon request.

Trade Errors:

On occasion, an error may be made in a client's account. For example, a security may be erroneously purchased for a client account instead of sold. In these situations, we generally seek to correct the error by placing the client's account in a similar position as it would have been had there been no error, at no cost to the client. Depending on the circumstances, corrective steps may be taken, including but not limited to, canceling the trade, adjusting an allocation, and/or crediting the customer's account.

Item 13: Reviews of Accounts

Client accounts are reviewed as often as necessary, always keeping in mind the best interests of the client. The individual client's financial advisor(s) are the primary person(s) responsible for reviewing your accounts to assure accounts are in line with your investment policies, investment objectives and risk tolerance levels, and/or your short/long-term wishes. Clients are contacted annually for updates to investment objectives and risk tolerance levels and other information that

may impact how their portfolio is managed. Additional client account reviews may be triggered by client request, changes in market conditions, new information about an investment, or other pertinent events. You may call, email, or schedule in-person meetings with your investment advisor representative as often as needed. As discussed in Item 4, under Supervision and Monitoring, all accounts undergo regular oversight. Portfolios are also reviewed on an informal and periodic basis as needed or requested. While your Financial Advisor is responsible for reviewing your individual accounts, he or she may seek the advice of other Krilogy advisory personnel when conducting reviews, formulating strategies, making changes to your accounts or implementing one of Krilogy's investment allocation models.

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. These statements include all transactions including Krilogy Fees. 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 do not substitute for your own continued review and monitoring of your account(s) and performance of your investments. Krilogy believes that records provided by your 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.

Item 14: 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 (see Item 12 – Brokerage Practices). Otherwise, Krilogy does not receive any economic benefit, directly or indirectly from any third party for advice rendered to

Krilogy clients with the exception as set forth in Item 10: Other Financial and Industry Activities and Affiliations.

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

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. Krilogy nevertheless, acknowledges its duty to seek

best execution of trades for client accounts. 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 previously described in Item 12: Brokerage Practices.

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 as well as cash bonuses based upon aggregate AUM brought in and brokered products (e.g., Insurance sales) for a specific period. This conflict is mitigated as the firm seeks to provide Services in your best interest and the advisor and firm provide appropriate informed disclosure of the conflict for discussion and consideration.

Item 15: Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client's funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

Krilogy does not maintain physical custody of client assets; rather, all client assets are held by the client's qualified custodian. Under government regulations, Krilogy is generally deemed to have custody of your assets held by the qualified custodian as a result of the access granted to Krilogy by the client. For example, clients authorize us to instruct Schwab to deduct our advisory fees directly from your account. The account custodian does not verify the accuracy of our advisory fee calculation. Alternatively, a client grants us the authority to disburse client assets to an account not in the name of the client. The ability to disburse client assets to a third party is another form of custody. Typically, this ability is granted a standing letter of authorization (SLOA) to aid you in facilitating on demand requests for moving money in and out of an account to specific parties or accounts that you designate. Krilogy has no ability to move money beyond the specific SLOA you grant. For accounts in which Krilogy is deemed to have custody, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Additionally, the firm follows certain safe harbors with the assistance of your custodian to avoid the regulatory requirement of an independent audit on these accounts.

For accounts in which the firm is deemed to have custody of, other than the ability to deduct fees, or meet the certain safe harbors under applicable regulations, the firm engages an independent public accounting firm, not affiliated with Krilogy, to perform an annual surprise verification examination. The purpose of such an examination is to verify that the funds and securities held in accounts actually exist and are located at the applicable qualified custodian.

Clients will receive written transaction confirmation notices and written summary account statements directly from the custodian at least quarterly. They will be sent to the email or postal mailing address you provided to your custodian. Krilogy urges clients to compare the account statements they receive from the custodian with those they received from Krilogy.

Item 16: Investment Discretion

Krilogy manages client accounts on discretionary and non-discretionary basis. In non-discretionary relationships, Krilogy will consult with the client prior to each trade to obtain approval. The discretionary investment and trading authority you give to Krilogy can be exercised by us at any time and without prior notice to you. Krilogy and your financial advisor will have the authority to determine the type of securities and the amount of securities that can be bought or sold for the client portfolio without obtaining the client consent for each transaction.

For clients for whom a Sub-Advisor has been engaged, the Sub-Advisor will have discretionary authority to buy, sell, exchange, and otherwise trade securities within the client account. The investment strategies of the Sub-Advisor will be disclosed in their Disclosure Brochure (ADV Part 2A).

With respect to our Retirement Plan Services, described above, Krilogy at the request of a plan sponsor (or plan participant in the case of managed asset allocation models), may be granted limited discretionary authority to select and replace investment alternatives for the plan (or to allocate, reallocate and rebalance model portfolios for plan participants.) When such plans are covered by Title I of ERISA, Krilogy has agreed to provide such services as an “investment manager” and a “fiduciary” as such terms are defined in ERISA Sec. 3(38) and 3(21), respectively.

All clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. The client may be required by the qualified custodian to execute a limited power of attorney granting Krilogy authority over their account(s) for trading purposes. The capacity in which Krilogy acts will be outlined in the Agreement executed by the client. Should you decide to engage Krilogy’s Services, you will sign the Agreement indicating that you agree to all of its terms and conditions.

Item 17: 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 18: 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. However, On July 9, 2020, Krilogy received a Paycheck Protection Program ("PPP") loan in the amount \$518,500 through the U.S. Small Business Administration, which was part of the economic relief provided under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). As described in the program requirements, the loan provided to Krilogy is to be used to support the firm's payroll expenses and other expense items as allowed under the program which based on the parameters of the loan will then result in the loan being forgiven without a requirement for the firm to make any repayment. If the PPP loan proceeds are used in any manner other than allowed under the program, then the loan will convert to a standard loan which will require the firm to repay the loan proceeds in accordance with the firm's agreement with the lending financial institution. The firm has not suffered any interruption of service.

Krilogy has never been the subject of a bankruptcy petition.

Item 19: 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.