

PILOT ASSET MANAGEMENT LLC

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**FORM ADV PART 2
BROCHURE**

This brochure provides information about the qualifications and business practices of Pilot Asset Management LLC. If you have any questions about the contents of this brochure, please contact us at 847-386-6782 or michael.vlahandreas@pilotam.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 Pilot Asset Management LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Pilot Asset Management LLC is 148146.

Pilot Asset Management LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Material Changes

Form ADV Part 2A, Item 2

This Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

This brochure dated March 29, 2018, contains no material changes from the brochure dated March 28, 2017, which was filed with our last updating amendment filed March 28, 2017.

Table of Contents
Form ADV Part 2A, Item 3

<i>Material Changes</i>	<i>ii</i>
<i>Advisory Business</i>	<i>1</i>
<i>Fees and Compensation</i>	<i>2</i>
<i>Performance-Based Fees and Side-By-Side Management</i>	<i>3</i>
<i>Types of Clients</i>	<i>4</i>
<i>Methods of Analysis, Investment Strategies and Risk of Loss</i>	<i>5</i>
<i>Disciplinary Information</i>	<i>7</i>
<i>Other Financial Industry Activities and Affiliations</i>	<i>8</i>
<i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</i>	<i>9</i>
<i>Brokerage Practices</i>	<i>10</i>
<i>Review of Accounts</i>	<i>11</i>
<i>Client Referrals and Other Compensation</i>	<i>12</i>
<i>Custody</i>	<i>13</i>
<i>Investment Discretion</i>	<i>14</i>
<i>Voting Client Securities</i>	<i>15</i>
<i>Financial Information</i>	<i>16</i>
<i>Requirements for State-Registered Advisers</i>	<i>17</i>
<i>Additional Information</i>	<i>18</i>

Advisory Business

Form ADV Part 2A, Item 4

Pilot Asset Management (the "Registrant") is an investment advisor providing investment management services to individuals, trusts and corporations. It has been in business since September 2008. Its sole principal is Michael Vlahandreas. Pilot Asset Management LLC is a state-registered advisor. It has no parent company and intermediate subsidiaries.

Registrant provides investment advisory services. Registrant invests in stocks, bonds, mutual funds, exchange traded funds and options for clients' accounts in a fair and equitable manner.

Prior to engaging the Registrant to provide investment advisory services, the client will be required to enter into one or more written agreements with the Registrant setting for the terms and conditions under which the Registrant shall render its services (collectively the "Agreement"). Within the agreement, client and Registrant jointly complete investment objectives page which includes information regarding, portfolio size, client age, risk tolerance, need for income and investment time horizon. In addition, the Registrant may only implement its management recommendations after the client has arranged for and furnished the Registrant with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions shall include, but are not limited to Charles Schwab & Co. ("Schwab"), and any other broker-dealer recommended by the Registrant, broker-dealer directed by the client, trust companies, banks, etc. (collectively referred to herein as the "Custodian(s)").

The client may make additions to and withdrawals from the account at any time, subject to the Registrant's right to terminate the account. Clients may withdraw account assets on notice to the Registrant, subject to the usual and customary securities settlement procedures. However, the Registrant designs its portfolios as long-term investments and asset withdrawals may impair the achievement of a client's investment objectives.

The Registrant's clients are advised to properly notify the Registrant if there are ever any changes in the financial situation or investment objectives or if they wish to impose any reasonable restrictions on their account.

Registrant does not participate in any wrap fee programs.

As of December 31, 2017, Registrant had assets under management of \$29,276,167 on a discretionary basis, and \$1,915,880 on a non-discretionary basis.

Fees and Compensation

Form ADV Part 2A, Item 5

Registrant's annual fee shall be prorated and charged quarterly, in arrears, based upon the market value of the assets on the last day of the previous calendar quarter. Generally, the Registrant charges a fee of 1% of the Assets Under Management. Registrant also offers a selection of mutual funds for 401k investors who invest their funds through Registrant. Under the 401k program, clients pay a fee of 0.50% and manage their own funds from a selection of mutual funds provided by Registrant. 401k clients also have the option to grant discretionary authority to Registrant and pay the 1% fee.

For the initial quarter of investment management services, the first quarter's fees shall be calculated on a pro rata basis. The Agreement between the Registrant and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. The Registrant's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

The Registrant, in its sole discretion, may negotiate to waive or lower its stated advisory fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts account composition, pre-existing client, account retention, pro bono activities, etc.).

Asset Management Fees will be deducted from clients' accounts on a quarterly basis in arrears and prorated to coincide with March 31st, June 30th, September 30th, December 31st. The Registrant's Investment Advisory Agreement and/or the separate agreement with the Custodian(s) may authorize the Registrant through the Custodian(s) to debit the client's account for the amount of the Registrant's fee and to directly remit that management fee to the Registrant in accordance with applicable custody rules. The Custodian(s) recommended by the Registrant have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to the Registrant.

The Custodian may charge brokerage commissions, transaction fees, custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer fees and other related expenses which shall be incurred by the client. However, the Registrant shall not receive any portion of these commissions, fees, and costs. These fees are in addition to the Registrant's management fee.

Registrant does not bill nor collect Asset Management Fees in advance.

Registrant does not receive any compensation for the sale of securities or other investment products.

Clients have the option to purchase investment products that Registrant recommends through other non-affiliated brokers or agents.

100% of Registrant's revenue is from asset management fees. Registrant does not receive any commissions or other compensation from the sale of any of the investment products Registrant recommends to clients.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

The Registrant does not charge or collect any performance based fees.

Types of Clients

Form ADV Part 2A, Item 7

The Registrant is an investment advisor providing investment management services to individuals, trusts and corporations. There is no minimum size required to open an account.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

Registrant's uses a variety of methods of analysis including, but not limited to, fundamental analysis and technical analysis. Typically Registrant uses investment strategies that coincide with the investment objectives that are jointly determined by Registrant and client. In general, Registrant follows "the Prudent Man Rule" with respect to investment decisions. Typically Registrant makes investment decisions are long term in nature in order to minimize risk. Registrant does not intentionally engage in high frequency trading.

There are generally two types of investment risk: Losing money, which is investment risk and losing buying power, which is inflation risk. Investment risk is Systematic Risk and Nonsystematic. Systematic Risk is also known as market risk and relates to factors that affect the overall economy or securities markets. These risks include, but are not limited to, interest-rate risk, inflation risk, currency risk, liquidity risk and sociopolitical risk. The Registrant attempts to protect against such risks by asset allocation and diversification. Nonsystematic risk, in contrast to systematic risk, affects a much smaller number of companies or investments and is associated with investing in a particular product, company or industry sector. Examples of such risks include management risk and credit risk.

Registrant typically invests in stocks, bonds, cash, mutual funds, exchange traded funds and options. Each security has its own unique risks, some of which are as follows: Because stocks do not have a fixed value, but reflect changing investor demand, stocks have volatility risks. Bonds have a fixed value and are subject to interest rate and default risk. Cash is subject to inflation risk. Mutual funds and exchange traded funds that invest in a specific asset class tend to share the risks of that particular asset class. Registrant occasionally will us covered call options and, less frequently, cash secured puts to enhance income for client portfolios or acquire stocks at a price that is less than the current market. The major risk or "trade-off" of covered calls is to limit stock price appreciation in exchange for current income. These transactions are very short-term (typically 2 months or less) in nature. The major risk or "trade-off" of using cash-secured puts, is that the market price of the stock can fall below the option strike price prior to the option expiration date, thereby the registrant will pay more for the stock than if they waited for the price of the shares to drop in exchange for current income.

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Form ADV Part 2A, Item 9

Registrant has no disciplinary information to report.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

Registrant has no other financial industry activities or affiliations to report.

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

Form ADV Part 2A, Item 11

The Registrant has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Advisors Act, its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by the Registrant or any of its associated persons. The Code of Ethics also requires that certain of the Registrant's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Clients may contact the Registrant to request a copy of its Code of Ethics.

Registrant does not sell securities to or buy securities from clients; nor is client a general partner in any partnership; nor does Registrant act as an advisor to any investment companies.

Generally, the Registrant and its associated persons will trade simultaneously with clients in block trades. If a limited security, the clients' transactions will always go first. Neither the Registrant nor any associated persons shall receive preferential treatment in trading or receive a better price than the clients if done simultaneously.

The Registrant and persons associated with the Registrant ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with the Registrant's policies and procedures.

Brokerage Practices

Form ADV Part 2A, Item 12

Factors which the Registrant considers in recommending the use of Charles Schwab or other broker-dealers include their respective financial strength, reputation, execution, pricing, research, and service. In addition, Schwab enables the Registrant to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other broker dealers. The commissions paid by Registrant's clients shall comply with Registrant's duty to obtain "best execution." However a client may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction where Registrant determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of the research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while the Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions. Any broker-dealer used by the Registrant will be licensed in the State of Illinois.

Any soft dollar benefits received are for the benefit of all client accounts.

The Registrant may receive from Schwab, without cost to the Registrant, computer software and related systems support, which allow the Registrant to better monitor client accounts maintained at Schwab. The Registrant may receive the software and related support without cost because the Registrant renders investment management services to clients that, in the aggregate, maintain a certain level of assets at Schwab. Specifically, the Registrant may receive the following benefits from Schwab: receipt of duplicate client confirmations and duplicate statements, access to a trading desk that exclusively services its Registered Investment Advisor Group participants, access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts, access to an electronic communication network for client order entry and account information and discounts for the purchase of performance software.

Registrant does not receive nor solicits client referrals from any broker-dealer.

Registrant makes every attempt to aggregate purchase or sale of securities for various client accounts, in order to obtain the best price per transaction. Commissions are charged by the custodian on a, client-by-client basis.

Review of Accounts

Form ADV Part 2A, Item 13

Registrant may from time to time prepare and distribute individual performance information relating to the specific performance of specific advisory clients. Michael Vlahandreas, Managing Member/RIA is the only individual authorized to conduct specific performance review with clients.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

Registrant does not pay compensation for client referrals nor receive any compensation for client referrals.

Custody

Form ADV Part 2A, Item 15

Registrant does not accept custody of any client assets. Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Clients are urged to compare the reports of Pilot against the statements they receive from the custodian.

Investment Discretion

Form ADV Part 2A, Item 16

Registrant accepts discretionary authority to manage securities accounts on behalf of clients after execution by both parties of an investment management agreement. Any mutually agreed upon limitations would be specified in the investment management agreement. For non-discretionary client accounts, the client must approve, in advance, any transaction order places by Registrant on the client's behalf.

Voting Client Securities

Form ADV Part 2A, Item 17

Registrant will vote proxies on behalf of clients unless clients indicate that they want to retain proxy voting authority. Clients declare their option at the time of opening their new account with custodian. Clients may obtain a copy of Registrant's proxy voting history, policies and procedures upon request.

Financial Information

Form ADV Part 2A, Item 18

Registrant does not require or solicit any asset management fees to be paid in advance. Registrant has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

Registrant has never been the subject of a bankruptcy petition.

Requirements for State-Registered Advisers

Form ADV Part 2A, Item 19

Michael Vlahandreas

Year of Birth: 1959

Post-Secondary Education:

- Loyola University, B.A. Finance, 1981
- DePaul University, M.B.A., 1984

Business Background for the Previous Five Years:

Pilot Asset Management LLC, Registered Investment Advisor, Managing Member 2008 to Present

Certifications:

- Series 65 Uniform Advisor Law Exam, 2008

Neither Mr. Vlahandreas nor Registrant is actively engaged in any other business other than giving investment advice.

Neither Mr. Vlahandreas nor Registrant receives performance based compensation.

Neither Mr. Vlahandreas nor Registrant has ever been found liable in any arbitration claim.

Neither Mr. Vlahandreas nor Registrant has ever been found liable in any civil, self-regulatory or administrative proceeding.

Additional Information

N/A