

Klaas Financial Asset Advisors, LLC
4707 Perry Ridge Lane
Loves Park, IL 61111
Firm CRD No. 121399

March 31, 2026

Item 1. Cover Page

This brochure provides information about the qualifications and business practices of Klaas Financial Asset Advisors, LLC (**Klaas**). If you have any questions about the contents of this brochure, please contact us at (877) 495-5227 or by email at info@klaasfinancial.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (**SEC**) or by any state securities authority.

Klaas is a registered investment adviser registered with the SEC. Registration as an investment adviser does not imply any level of skill or training.

Additional information about Klaas is also available on the SEC’s website at www.adviserinfo.sec.gov by conducting a Firm search using our Firm CRD No. 121399.

Item 2. Material Changes

We deliver our Disclosure Brochure initially when we enter into an advisory agreement with you. The Disclosure Brochure will be updated no less than annually within 90 days of our December 31 fiscal year end. Within 120 days of our fiscal year end, we will deliver to you a summary of material changes which have been made to our Disclosure Brochure since its last annual update. This summary will include information about how you may obtain a complete copy of our updated Disclosure Brochure at no charge, and it will include the date of the last annual update. We will provide updated disclosure information about material changes more frequently as needed.

Since the last annual update to our Disclosure Brochure dated March 28, 2025, we have made the following material changes:

- We have amended our Klaas 360 services and fees. We offer ongoing Comprehensive Financial Planning Services for a monthly fee based on investable assets, or Project-Based Financial Consulting Services on a fixed-fee basis. Please see Item 4, Advisory Business, and Item 5, Fees and Compensation for more information.
- We are compensated solely through advisory fees and do not receive commissions or other product-based compensation. We have clarified our compensation arrangements throughout the brochure.

We have made edits as necessary to correct typographical or grammatical errors, or to provide clarification where necessary. We do not consider these changes to be material.

As of December 31, 2025, we provided investment advisory services on approximately \$820 million in client assets for more than 1,100 client households. This total represents approximately \$758 million in client assets under management through our Klaas Investment

Portfolios (**KIP**) discretionary asset management wrap fee program, approximately \$6 million in retirement plan assets through our **Klaas 401K** Retirement Plan Services 3(38) offering, approximately \$28 million in assets under advisement through our Klaas 401K Retirement Plan Services non-discretionary 3(21) offering, and approximately \$28 million in assets under advisement through our non-discretionary Klaas Investment Consulting Services for brokerage customers. Furthermore, we provided **Klaas 360** financial planning and consulting services.

Currently, our brochure may be requested by contacting us at (877) 495-5227 or info@klaasfinancial.com. The brochure is also available on our website at www.klaasfinancial.com. We will provide you with a copy of our current brochure at any time without charge.

Information about each of our Investment Adviser Representatives may be found in their respective Form ADV Part 2B Brochure Supplement, which can also be found on our website at www.klaasfinancial.com.

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Item 4. Advisory Business

Klaas Financial Asset Advisors, LLC (**Klaas**) is located in Loves Park, Illinois and Fitchburg, Wisconsin. The firm's shareholders are Craig J. Klaas, Maleeah L. Wernsing-Cuevas, Kyle A. Kite, Eric J. Schwartz, Joshua E. Stirling, and Nathan A. Breiby.

Klaas is registered as an investment adviser with the U.S. Securities and Exchange Commission (SEC). We are compensated solely through advisory fees and do not receive commissions or other product-based compensation. This helps to mitigate certain conflicts of interest inherent in commission-based arrangements. Our services include:

- **Klaas Investment Portfolios (KIP)** – Wrap-fee program offering discretionary portfolio management
- **Klaas 360** – Financial planning and consulting services
- **Klaas Investment Consulting Services** – Non-discretionary advisory services to brokerage customers
- **Klaas 401K** – Retirement plan services

Klaas Investment Portfolios (KIP) – Wrap Fee Program

Klaas Investment Portfolios (**KIP**) is the brand name under which we offer discretionary portfolio management services and financial planning through the KIP Wrap Fee Program on a wrap-fee basis. Details about the KIP Wrap Fee Program, including fees, is more fully described in the Wrap Fee Program Brochure, which is available upon request, or which can be found by visiting our website at www.klaasfinancial.com.

As of December 31, 2025, within the KIP Wrap Fee Program, we provided discretionary asset management on approximately \$758 million in client assets for more than 1,100 client households. Discretionary asset management means we have the authorization to make investment decisions on behalf of our clients.

Klaas 360 – Financial Planning and Consulting

Klaas 360 is the brand name under which we provide financial planning and consulting services. Clients who wish to obtain these services will enter into a financial planning agreement (**Klaas 360 Agreement**) with us.

Comprehensive Financial Planning Services

Through discussions, interviews, and questionnaires, we will gather sufficient information to develop a written financial plan tailored to your needs, which may include investment guidance, ongoing goals-based financial projections, and financial review meetings. The items covered in your financial plan are based on your financial circumstances and needs. The financial plan may consider such items as the following:

- Your personal financial circumstances, such as assets and liabilities, net worth, cash flow, spending analysis, budgeting, family situations, and personal obligations.
- Payment of past, present, and future debts, such as loans, education expenses, health expenses.
- Your current and future tax liabilities, and an analysis of how to mitigate tax liabilities with your investments.
- Your attitudes towards investments, including your risk tolerance, financial goals, and investment objectives.

- Your cash needs in the event of your disability, incapacity, or death, including the income needs of your dependents, and estate planning.
- Your current retirement assets, potential future savings, planned retirement age, income needs and spending in retirement.
- Other specific financial concerns you may have.

We rely on the accuracy and completeness of the information you provide to develop our investment recommendations. Inaccurate or incomplete information may result in inaccurate or incomplete investment recommendations. We must make certain assumptions with respect to interest and inflation rates, past trends, and future projections of the performance of the market and economy. Changes to your personal financial circumstances, goals, or objectives may cause our investment recommendations to change. We recommend you notify us promptly of any changes so that your strategy can be updated if necessary.

Although the financial plan may consider your estate plan, we do not provide legal advice. We recommend you work closely with your attorney, accountant, or other investment professionals in implementing your plan. We are happy to work with your professionals to coordinate your financial plan with your estate planning and tax planning.

In some cases, your financial plan may recommend an insurance product. Although certain Investment Adviser Representatives maintain insurance licenses, the firm and its representatives do not receive commissions, trails, or any other compensation in connection with the sale or servicing of insurance products. You may choose to purchase any insurance products through any licensed agent unaffiliated with Klaas.

We will deliver your comprehensive financial plan, including analysis and recommendations, to you verbally or in writing, during an in-person meeting, by telephone, by video conference, or by other means as agreed to by the parties. Comprehensive Financial Planning Services include access to Klaas Portal, a comprehensive web-based financial planning platform.

Your comprehensive financial plan will be updated periodically as needed due to changes in your financial circumstances or as you progress toward your financial goals. We will offer a complete review of the comprehensive financial plan on an annual basis.

Project-Based Financial Consulting Services

We offer Project-Based Financial Consulting to provide a one-time comprehensive financial plan addressing all applicable financial topics relevant to your financial circumstances, or to provide guidance and support focusing on a specific financial topic or project. Examples of specific topics or projects may include:

- Assisting heirs of a deceased client with determining options for the assets they have inherited.
- Developing a plan for reducing debt, establishing emergency savings, and future retirement savings.
- Providing guidance on educational funding options and establishing 529 plan accounts.

Depending on your specific needs, we will help develop strategies and provide recommendations for actionable steps to implement your strategies and help achieve goals.

We will deliver our analysis and recommendations verbally or in writing, during an in-person meeting, by telephone, by video



conference, or by other means as agreed to by the parties. You may seek clarifications or present additional questions within thirty (30) days following the delivery. We will have an additional thirty (30) days after any such inquiries, up to a maximum of (60) days from delivery, to resolve any outstanding questions you may have.

Project-Based Financial Planning and Consulting Services are point-in-time advice, and we do not provide any ongoing monitoring or implementation of our recommendations.

Tax Preparation Services

Clients who engage our KIP or Klaas 360 services may also choose to receive tax preparation services for an additional fee. Clients are not required to use our Tax Preparation Services and may choose another tax professional. A separate tax engagement agreement is required for each tax year. An IRS-enrolled tax professional will prepare your federal and state income tax returns from information you furnish to us. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information.

Financial Institution Consulting Services

We have entered into an agreement with Mutual Securities, Inc. (**Mutual Securities**), a registered broker-dealer, member FINRA, SIPC, to provide non-discretionary investment consulting services to certain of Mutual Securities' brokerage customers (**Brokerage Customers**). Brokerage Customers who elect this service provide written consent to Mutual Securities for us to provide services, and enter into a non-discretionary investment consulting agreement (**Consulting Agreement**) with us. Our recommendations are not limited to any specific product set; however, implementation occurs through Mutual Securities' brokerage platform, which may limit available investment options.

For our services under the Consulting Agreement, we offer to provide Brokerage Customers with periodic reviews, analysis, and recommendations regarding their holdings with Mutual Securities. The Brokerage Customers are solely responsible for all decisions relating to the implementation of the advice we provide.

As of December 31, 2025, we provided non-discretionary advice on approximately \$28 million in assets under the Klaas Investment Consulting Services.

Klaas 401K – Retirement Plan Services

Klaas 401K is the brand name under which we provide services to the Plan Sponsors and Plan Participants of qualified retirement plans. The Employee Retirement Income Security Act of 1974, as amended (**ERISA**) sets forth rules under which Plan Fiduciaries may retain investment advisers for various types of services with respect to Plan assets. For certain services, Klaas will be considered a fiduciary under ERISA. Plan Sponsors who wish to engage our services to the Plan and its Participants will enter into a retirement plan services agreement (**Klaas 401K Agreement**) with us. Our services can be tailored to the Plan Sponsor's requirements and may be offered on either a discretionary or non-discretionary basis. In providing these services, we serve as a fiduciary as described in ERISA § 3(21). We may additionally serve as a discretionary investment manager as defined in ERISA § 3(38).

Our Klaas 401K program includes the services described below. Plan Sponsors may choose whether to use any or all of these services.

Participant Investment Education Services

Klaas will provide the following investment education services at the Plan Sponsor's reasonable request. Participant Investment Education Services are not intended to be investment advice under the definition of fiduciary in ERISA section 3(21)(A)(ii), but are intended to be investment education as outlined in the Department of Labor Interpretive Bulletin 96-1. These investment education services may include information about the plan, general financial and investment information, and/or generalized asset allocation models, or interactive investment materials (e.g., questionnaires or worksheets), but will not address the appropriateness for any individual investment option or model for any particular Participant.

- Assist Plan Sponsor with the development of communications and educational materials for Participants.
- Conduct seminars for Participants on investment issues relevant to the Plan and retirement planning in general (in group settings) upon Plan Sponsor's reasonable request.
- Conduct other periodic group education meetings as reasonably requested by Plan Sponsor.
- Assist Plan Sponsor with the planning and coordination of an initial enrollment and communication meeting in a group setting for the purpose of introducing the Plan to Participants and educating Participants about the Plan.
- Upon Plan Sponsor's reasonable request, conduct individual meetings with Participants in the Plan to provide information or answer questions regarding the Plan, give general financial and investment information, provide generalized asset allocation models, and offer assistance to participants through interactive investment materials (e.g., questionnaires or worksheets). Note that Klaas is unable to provide specific investment advice unless the participant enters into a separate advisory agreement with Klaas.

Investment Selection Services

Upon Plan Sponsor's request, Klaas will analyze funds in the universe of funds defined by Plan Sponsor or the recordkeeper, and make recommendations for funds to be made available to Participants in the Plan. Under our non-discretionary service (**3(21) Fiduciary Service**), the Plan Sponsor is solely responsible for reviewing Klaas's recommendations and making the final selection of funds to be made available in the Plan.

Klaas may also assist the Plan Sponsor with selecting and retaining a discretionary Investment Manager, as defined in §3(38) of ERISA. We may be able to coordinate our services with the Investment Manager to help facilitate the implementation of our recommendations, as approved by the Plan Sponsor.

Under our discretionary service (**3(38) Fiduciary Service**), the Plan Sponsor appoints Klaas as its discretionary Investment Manager as defined in ERISA § 3(38). We have the full authority to select the investment options available in the Plan.

Investment Monitoring and Review Services

Klaas will assist the Plan Sponsor with the development of an Investment Policy Statement (IPS). The IPS outlines the process used by Klaas to review and monitor existing investment fund options in the Plan. Klaas will provide Plan Sponsor with periodic Plan Investment Review and Monitoring Reports that document investment



performance, consistency of fund management, and conformance to the guidelines described in the IPS. As applicable, Klaas will use this report and other available investment reports and statistics to make recommendations to maintain or remove or replace investment fund options. Under the 3(21) Fiduciary Service, the Plan Sponsor shall have the final decision-making authority regarding the retention, removal or replacement of investment fund options. Under the 3(38) Fiduciary Service, we have the full authority to remove or replace investment options available in the Plan.

Additional Plan Services

Klaas may provide additional services, as requested by the Plan Sponsor or as necessary based on the needs of the Plan and/or its Participants:

- Provide advice with respect to the selection of a qualified default investment alternative (QDIA) for participants who otherwise fail to make an active investment election.
- Perform an Annual Plan Review, and meeting with Plan Sponsor to discuss key Plan demographics that relate to the overall health of the Plan.
- Perform Fee and Expense Benchmarking that will provide expense comparison to Plans of a similar asset size and participants. The Benchmarking helps to determine that Plans overall fees and expenses are reasonable.
- Provide Financial Wellness services and tools to the Plan for Participants.
- Provide Vendor Relationship Management to coordinate with the Recordkeeper and TPA (if appropriate) in servicing the Plan.
- Perform analysis of fees and expenses associated with service providers of the Plan. Provide searches and analysis of service providers by assisting the Plan with Requests for Proposals or Requests for Information as needed.

Klaas 401K Assets Under Advisement

As of December 31, 2025, we managed approximately \$6 million in retirement plan assets through our **Klaas 401K** Retirement Plan Services 3(38) offering, and provided non-discretionary advisory services on approximately \$28 million in assets under advisement through our Klaas 401K Retirement Plan Services non-discretionary 3(21) offering. We do not have discretion to execute trades in these accounts; however, we collect a fee for our services based on the plan assets or as a fixed fee.

Item 5. Fees and Compensation

KIP Wrap Fee Program Fees

The fees for our KIP Wrap Fee Program are described in detail in the Wrap Fee Program Brochure, which is available upon request, or which can be found by visiting our website at www.klaasfinancial.com.

Klaas 360 Financial Planning and Consulting Fees

Comprehensive Financial Planning Services Fees

For Comprehensive Financial Planning Services, we charge a Program Fee of \$275 per month for up to \$1,500,000 of Investable Assets, plus \$75 per month for each \$500,000 above \$1,500,000. See the table below. You will pay a one-time Initial Fee equal to half of the total Program Fees for the first year of service. The Initial Fee covers initial discovery meetings, data gathering, research and analysis, and creation of the initial financial plan. The Initial Fee is due after delivery

of the initial financial planning recommendations; Monthly Program Fees are payable monthly in arrears and begin accruing with the first full month following the Initial Fee payment.

Investable Assets	Monthly Program Fee	Initial Fee
Up to \$1,500,000	\$275	\$1,650
Up to \$2,000,000	\$350	\$2,100
Up to \$2,500,000	\$425	\$2,550
Up to \$3,000,000	\$500	\$3,000
Up to \$3,500,000	\$575	\$3,450
Up to \$4,000,000	\$650	\$3,900
Over \$4,000,000	\$650 + \$75 for each additional \$500,000	Half of total Program Fees for first year

Investable Assets used to calculate the Initial Fee and Monthly Program Fees are determined prior to entering into the Klaas 360 Agreement based on information you provide, and generally include assets such as investment accounts, retirement accounts, and other financial assets. Investable Assets are re-evaluated annually, and we will notify you of any changes to your fees. Periodic re-evaluations are based on information available in Klaas Portal. You should notify us promptly if any information in Klaas Portal is inaccurate. Re-evaluations may also occur more frequently due to material changes in Investable Assets.

Comprehensive Financial Planning Services will continue until terminated by either party upon notice to the other party. Upon termination, Monthly Program Fees are not prorated. Because fees are paid in arrears, no refunds are given upon termination. If services are terminated mid-month, no partial refund will be given.

Project-Based Financial Consulting Fees

For our Project-Based Financial Consulting Services, we charge a fixed fee based on the complexity of your financial situation and your specific needs.

Project-Based Financial Consulting Services will automatically terminate sixty (60) days following delivery of our analysis and recommendations. In addition, either party may terminate these services by providing notice to the other party. In the event of early termination, you will be invoiced for fees in an amount equal to the hourly rate of \$300 times the number of hours of work that has been completed up to and including the date of termination, not to exceed the fixed fee. In the event of early termination, we will provide you with any completed deliverables. However, the scope and/or soundness of any analysis or other work product made prior to completion may be limited, inaccurate, or incomplete due to the early termination.

Fees are billed in arrears and will be invoiced upon the completion of the Services. Client agrees to pay all fees upon receipt of invoice. Because fees are paid in arrears, no refunds are given upon termination.

Tax Preparation Services

Fees for our Tax Preparation Services will be charged according to our standard fee schedule, which is based on the complexity of your returns (number and type of required forms and schedules and/or other circumstances). Some forms that are billed hourly are also subject to minimum fees. A fee guide is available on our website at www.klaasfinancial.com. Fees are subject to change without notice.



Fees may be negotiable in certain circumstances. Klaas reserves the right to waive or discount fees at its sole discretion. Fees are due and payable upon acceptance by Client of the final tax returns.

Clients may terminate the Tax Services Agreement without penalty within five business days of signing said Agreement. Engagements will automatically terminate upon the earlier of (i) the acceptance of Client's electronically filed tax returns by the taxing authorities, (ii) delivery of the final printable PDF to Client (if Client opts out of electronic filing), or (iii) eighteen (18) months from the Effective Date of the Agreement. In addition, either party may terminate this service upon written notice to the other party. We will take all reasonable steps to assist in the orderly transfer of your tax information to a new preparer. You remain liable for all services provided prior to termination.

Financial Institution Consulting Services Fees

Mutual Securities pays us a consulting fee based on the assets under management from Brokerage Customers who have provided written consent to Mutual Securities to receive the investment consulting service from us, and have entered into a Consulting Agreement with us. This compensation is paid by Mutual Securities for advisory consulting services and is not related to the sale of securities or financial products. Clients who receive this service do not pay us a fee directly, and the fees and expenses Brokerage Customers pay to Mutual Securities related to their brokerage accounts are not higher or lower as a result of the investment consulting services we provide. Clients may terminate the Consulting Agreement with us at any time without penalty by providing written notice. In addition, the Consulting Agreement will automatically terminate if the Brokerage Customer revokes written consent to Mutual Securities for us to provide investment consulting services, or if the Brokerage Customer closes the brokerage account(s).

Klaas 401K Fees

The fees for our Klaas 401K retirement plan consulting services may be based on a percentage of assets under advisement or may be a fixed fee. The fee may vary depending upon the complexity of the Plan and the level of services provided to the Plan Sponsor and Participants. Asset-based fees typically range between .05% to 1.0%, although in some instances fees could be higher or lower. Fixed fees are negotiated on a case-by-case basis. The specific fee is described in the Klaas 401K Agreement between Klaas and the Plan Sponsor. Asset-based fees are calculated on the total assets as of the last business day of each billing period, or on average daily balance. Fees for any partial billing period will be reduced on a pro rata basis. Fees may be paid in advance or in arrears, and may be billed on a monthly or quarterly basis. Fees may be paid by the Plan Sponsor or deducted from Plan Assets, at the Plan Sponsor's direction. In some cases (e.g., depending on plan size, number and complexity of investment options, or number of employees), fees may be negotiable. The Klaas 401K Agreement between Klaas and the Plan Sponsor will outline the specific fees and billing arrangements.

Plan Sponsors may terminate their contracts at any time upon a 30-day written notice. If the contract is terminated prior to the end of a billing period, the fees for the last billing period will be prorated. Any unearned fees paid in advance will be refunded.

In the event the Plan Sponsor requests to engage Klaas for additional services, including but not limited to customized printed participant

or Plan Sponsor marketing campaigns, additional fees mutually agreed upon by the Plan Sponsor and Klaas will apply.

Other Compensation

Certain Investment Adviser Representatives maintain insurance licenses. We may recommend insurance products as part of our financial planning services, but we do not implement or receive compensation from such products. The firm and its representatives do not receive any commissions, trails, or other compensation from insurance-related activities. This helps to mitigate material conflicts of interest related to insurance activities.

We do not receive 12b-1 fees, revenue sharing, or any other compensation from investment products or custodians.

In addition to our fees, you may incur additional charges on your investment accounts, such as:

- custodial fees;
- brokerage commissions;
- transaction fees;
- internal fees and expenses charged by mutual funds, ETFs and variable annuities;
- fees charged by Third-Party Asset Managers in our Wrap Fee Program;
- maintenance and termination fees for IRAs, certain retirement and qualified accounts; and
- other fees and taxes on brokerage accounts and securities transactions.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment.

If you purchase mutual fund shares through the custodian, you may pay a transaction fee that would not be charged if the transaction were made directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may charge internal fees that are different from mutual funds held at the mutual fund company. Mutual funds held at a mutual fund company may not be part of a managed account. This means they will not be included in the investment strategies, investment performance monitoring, or investment reallocation performed by an investment manager.

Please be sure to read **Item 12** entitled **Brokerage Practices**, which follows later in this brochure.

Item 6. Performance-Based Fees

We do not charge performance-based fees for any of the services described in this brochure. Performance-based fees are generally based on a percentage of the capital gains on and/or appreciation of the client account assets.

Item 7. Types of Clients

We provide advisory services primarily to individuals, including high net worth individuals. We also provide services to small businesses, including their pension and profit-sharing plans, and charitable organizations. In addition, we provide institutional consulting services to a broker-dealer.



We do not impose a minimum investment account size to start and maintain an advisory relationship with us.

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

Methods of Analysis

With regard to Klaas 360 and Financial Institution Consulting Services, when we provide advice regarding investments, we use information gathered in the financial planning process to assess the client's financial objectives, risk tolerance, time horizon, and liquidity needs. We evaluate asset classes to construct a diversified portfolio that aligns with the client's financial goals, while seeking an appropriate balance between risk and return. For our Klaas 401K services, the methods of analysis are set forth in the plan's Investment Policy Statement. See our Wrap Fee Program Brochure for details on our methods of analysis used in our discretionary portfolio management through the KIP Wrap Fee Program.

Investment Strategies

Klaas generally employs long-term investment strategies, using broad asset allocation exposures, incorporating diversification across sources of risk and return, asset classes, countries, and sectors. Long-term trading is designed to capture market rates of both return and risk. Asset allocation and diversification are strategies designed to reduce risk, but they do not protect against losses.

Risks

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear. Investing carries the risk of loss of principal. Investments in securities are not guaranteed or insured by the FDIC or any other government agency.

Past performance is no indication of future performance, and we cannot offer any guarantees or promises your goals and objectives will be met.

Klaas generally recommends investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

In addition to general market risks, investment strategies may be subject to the risk of loss arising from direct or indirect exposure to catastrophic or geopolitical events, such as global pandemics, natural disasters, acts of terrorism, war, sanctions, cyber-attacks, or network outages. The extent and impact of any such event on investment strategies will depend on many factors, including the duration and scope of the event, the extent of any governmental restrictions, the effect on the supply chain, overall consumer confidence, and the extent of the disruption to global and domestic markets.

Risks of Specific Securities

The following is a summary of some of the general risks for categories of investments that may be recommended:

Equity Securities - Investing in individual stock positions involves inherent risk, including the potential for greater concentration risk related to a single company or business enterprise. Significant risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the

company's ability to manage costs, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk, and liquidity risk. Equity securities are not guaranteed or insured by the FDIC or any other government agency.

Mutual Fund Securities - Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund. Active mutual funds have higher fees and costs that can result in lower investment returns. Mutual funds are not guaranteed or insured by the FDIC or any other government agency.

Exchange Traded Fund (ETF) Securities - Exchange-traded funds are investment companies with shares that are bought and sold on a securities exchange. Generally, an ETF holds a portfolio of securities designed to track a particular market segment or index. Some examples of ETFs are SPDRs®, Powershares® and iShares®. Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Certain ETFs or ETNs employ leverage, which creates additional volatility and price risk. ETFs are not guaranteed or insured by the FDIC or any other government agency.

Corporate Debt Securities, Commercial Paper, and Certificates of Deposit - Fixed income securities carry different risks than those of equity securities described above. These risks include the company's or the government's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S. or foreign), and currency risk. If bonds have maturities of 10 years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds have liquidity and currency risk. Corporate Debt securities are not guaranteed or insured by the FDIC or any other government agency.

Commercial paper and certificates of deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank, and the length of maturity. With respect to certificates of deposit, depending on the length of maturity there can be prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

Municipal Securities - Municipal securities carry different risks than those of corporate government and bank-sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax-free at the federal level, but can be taxable in individual states other than the state in which both the investor and municipal issuer are domiciled. Municipal



securities are not guaranteed or insured by the FDIC or any other government agency.

U.S. Government Securities – U.S. government securities include securities issued by the U.S. Treasury and by U.S. government agencies and instrumentalities. U.S. government securities may be supported by the full faith and credit of the United States.

Item 9. Disciplinary Information

We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

Item 10. Other Financial Industry Activities and Affiliations

We have an agreement with Mutual Securities to provide investment consulting services to its Brokerage Customers, as described in Item 4 above. Mutual Securities compensates us for providing investment consulting services to Brokerage Customers, as described in Item 5 above. We do not assume discretionary authority over Brokerage Customers' brokerage accounts or the monitoring of securities. These consulting services offered to Brokerage Customers may include a general review of their investment holdings, which may or may not result in our investment adviser representatives making specific investment recommendations or offering general investment advice.

The relationship with Mutual Securities presents a potential conflict of interest. We mitigate this potential conflict of interest by having Brokerage Customers consent to receive investment consulting services from us. We do not accept or bill for additional compensation on brokerage assets under management beyond the consulting fees disclosed in Item 5.

We are not affiliated with any broker-dealer, and we do not engage as or hold our firm out to the public as a securities broker-dealer. In addition, our Investment Adviser Representatives are not registered representatives of any broker-dealer.

Neither Klaas nor its Investment Adviser Representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

Item 11. Code of Ethics; Participation or Interest in Client Transactions and Personal Trading

We have adopted a Code of Ethics (**Code**) to address the standards of business conduct required of our Investment Adviser Representatives and employees. The Code includes policies and procedures designed to protect your interests. The Code includes, but is not limited to, the following provisions:

- To uphold our fiduciary duty to put your interest ahead of ours at all times.
- To comply with all applicable laws and to maintain a standard of conduct.
- To avoid actual or potential conflicts of interest where possible, and to fully disclose any actual or potential conflicts that may exist.
- To conduct all personal securities transactions of our Investment Adviser Representatives and employees in a manner consistent with the Code.

- To avoid giving or receiving gifts that may influence decisions.
- To prevent any abuse of our position of trust and responsibility, including the use of inside information we may obtain.

You may obtain a complete copy of our Code upon request.

Item 12. Brokerage Practices

Unless you grant us discretionary authority over your accounts through our KIP Wrap Fee Program, we do not have the authority over your accounts, without your specific consent, to determine the amount or types of investments to be bought or sold, the broker-dealer or custodian to be used, or the commission rates paid. For additional information on our wrap fee program, please see our Wrap Fee Program Brochure. Because of our established relationship, we will generally recommend Fidelity Institutional Wealth Services (**Fidelity**) to you for custody and brokerage services. Fidelity, a member FINRA/SIPC, is an SEC-registered broker-dealer. Fidelity provides brokerage and custody through its affiliates, National Financial Services, LLC or Fidelity Brokerage Services, LLC, which are also SEC-registered broker-dealers and members FINRA/SIPC. Fidelity offers independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. Because our compensation in connection with the KIP Wrap Fee Program may vary depending on the broker-dealer or custodian selected, we may have a conflict of interest in recommending Fidelity for wrap fee accounts.

In addition to brokerage and custody services, Fidelity provides access to investments generally available to institutional investors; research; software; and, educational opportunities. Fidelity also makes available or arranges for discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. Thus, we receive economic benefits as a result of our relationship with Fidelity, which creates a conflict of interest because it provides an incentive to recommend Fidelity based on benefits to us rather than solely on client considerations. We address this conflict by evaluating custodians based on service, cost, and overall client benefit.

These services are not contingent upon us committing any specific amount of business to the custodians in trading commissions. Klaas does not enter into any soft dollar arrangements with custodians and broker-dealers through which we receive research or other services based on commissions generated in your account or the number of transactions effected in your account.

Our recommendation of specific custodians may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. This creates a conflict of interest for us. As a fiduciary, we are required to act in your best interests at all times.

Custodians may not charge separately for holding our client accounts, but may be compensated by you through other transaction-related fees with the securities transactions they execute for your account.

Commissions and other fees for transactions executed through the custodians we recommend may be higher than commissions and other fees available if you use another custodian firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our clients by our recommended custodians outweighs the benefit of



possibly lower transactions cost which may be available under other brokerage arrangements.

Many of the services described above may be used to benefit all or a substantial number of our accounts, including accounts not maintained through our recommended custodians. We do not attempt to allocate these benefits to specific clients.

With regard to the services outlined in this Disclosure Brochure, other than the KIP Wrap Fee Program, we do not implement transactions. Therefore, we do not participate in any directed brokerage arrangements.

Item 13. Review of Accounts

KIP Wrap Fee Program

Please see our Wrap Fee Program Brochure for details on our review of accounts.

Klaas 360

With our Comprehensive Financial Planning Services, we will monitor your financial plan on an ongoing basis and provide updates as necessary due to changes in your financial circumstances or as you progress toward your financial goals. We offer a complete review of your financial plan on an annual basis.

As previously noted, we strongly encourage you to advise us of any changes in your personal circumstances, your investment goals or objectives, and your risk tolerances to ensure your investments and investment strategies are most appropriate for you. Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

You will receive account statements directly from your account custodian. These statements will identify your current investment holdings, the cost of each of those investments, and their market values. Please review these carefully.

With Project-Based Financial Consulting Services, we do not provide implementation assistance, ongoing monitoring, review or updates of your financial plan.

Financial Institution Consulting Services

If you are a Mutual Securities' Brokerage Customer who elects to receive our non-discretionary advisory services, we will offer to provide a review, analysis, and recommendations regarding your brokerage account on at least an annual basis, or upon your request if a review is needed due to your financial circumstances. Our review findings will be delivered to you either verbally or in writing. It is your responsibility to implement our recommendations as you deem appropriate.

You will receive account statements directly from the sponsor of the brokerage product. These statements will identify the current investment holdings and their market values. We do not typically provide periodic reports for Brokerage Customers; however, if you are a Brokerage Customer and also receive Klaas 360 or KIP Wrap Fee Program Services from us, we may include information regarding your brokerage account in our aggregated reports as a courtesy to you for informational purposes.

Klaas 401K

We will typically review the investments in the Plan on a quarterly basis, or as specifically described in the Klaas 401K Agreement with the Plan Sponsor.

Item 14. Client Referrals and Other Compensation

We do not currently compensate any unaffiliated persons or entities for referring clients to us. In the event we enter into such an agreement for receiving client referrals, we will update this Item as necessary. Any referral arrangements we may enter into will comply with applicable rules governing the nature of the referral arrangement, the fees to be paid, and the disclosure of the arrangement to clients.

Clients occasionally seek recommendations for third-party service providers such as insurance agents, estate planning attorneys, or accountants (**Service Providers**), for assistance with carrying out our financial planning recommendations. We have developed the Klaas Professional Network (**KPN**), which is a list of Service Providers with whom Klaas has worked in the past and who we believe provide quality services to their clients. KPN is provided as a convenience to clients only, and clients are encouraged to perform their own due diligence on qualified professionals before engaging their services. Klaas and Service Providers agree to share information with each other, as authorized by the client, as necessary to provide coordinated services to clients. No monetary compensation is provided by either Klaas or Service Providers to participate in KPN.

We receive certain economic benefits as a result of our participation in Fidelity's institutional brokerage programs. These benefits and related conflicts of interest are described in detail in the preceding section entitled **Brokerage Practices**.

Item 15. Custody

Your assets are maintained with a qualified custodian. Klaas does not have physical custody of your assets but we are deemed to have custody when you authorize us to deduct advisory fees directly from your account. You will receive account statements from the custodian on at least a quarterly basis. We urge you to carefully review those statements. You should verify the transactions in your account are consistent with your investment goals and objectives for your account.

Item 16. Investment Discretion

Our advisory services through the KIP Wrap Fee Program are offered on a discretionary basis, meaning we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your account. We will exercise our discretion in a manner consistent with your investment objectives. Please see our Wrap Fee Program Brochure for additional details on our investment discretion.

The services we provide through Klaas 360 are non-discretionary advice and consulting. We do not have the discretion to implement recommendations on your behalf without your consent.

In some limited circumstances, as a consideration and convenience, we may assist a client in establishing a brokerage account to hold investments over which we do not exercise discretion or provide ongoing supervisory management, and for which we do not collect a management fee. The client is solely responsible for the oversight and management of these assets.



Klaas 401K Retirement Plan Services may be provided on a discretionary or non-discretionary basis, depending on the service selected by the Plan Sponsor. Our 3(21) Fiduciary Service is offered on a non-discretionary basis. The Plan Sponsor is solely responsible for reviewing our recommendations and making the final selection of funds to be made available in the Plan. Our 3(38) Fiduciary Service is offered on a discretionary basis, and the Plan Sponsor appoints Klaas as its discretionary Investment Manager as defined in ERISA § 3(38). We have the full authority to select the investment options available in the Plan.

Item 17. [Voting Client Securities](#)

Klaas does not accept voting authority for client proxies, and does not provide advice to clients on how to vote proxies. In addition, we do not take any action on behalf of clients or provide advice to clients with regard to any class action lawsuit or bankruptcy related to securities held in client accounts.

Item 18. [Financial Information](#)

Because we do not require prepayment of advisory fees six months or more in advance, we are not required to provide a balance sheet.

We have not been the subject of any bankruptcy proceedings.