



Klaas Investment Portfolios

Klaas Financial

KLAAS FINANCIAL ASSET ADVISORS, LLC

4707 Perry Ridge Lane
Loves Park, IL 61111

Phone (815) 877-8440 | Fax (815) 877-6807

klaasfinancial.com

Klaas Investment Portfolios (“KIP”)

Wrap Fee Brochure | March 30, 2018

This wrap fee program brochure provides information about the qualifications and business practices of Klaas Financial Asset Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 815-877-8440 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 or by any state securities authority.

Klaas is an investment adviser registered with the U.S. Securities and Exchange Commission. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser are intended to provide you with information to assist in your determination as to whether or not to retain the services of that investment adviser.

Additional information about Klaas Financial Asset Advisors, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Klaas Investment Portfolios or “**KIP**” is the brand name under which Klaas Financial Asset Advisors, LLC, provides investment management or investment supervision services to its clients.



Material Changes

Klaas Financial Asset Advisors, LLC ("Klaas") delivers its Wrap Fee Program Brochure initially when we enter into an advisory agreement with you. The Wrap Fee Program 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 Wrap Fee Program Brochure since its last annual update. This summary will include information about how you may obtain a complete copy of our updated Wrap Fee Program 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.

The last annual update to our brochure was dated March 22, 2017. We have made the following material changes to our Brochure since the last update:

- Craig J. Klaas is the firm's President; Maleeah L. Wernsing-Cuevas is the firm's Chief Executive Officer; Stephanie R. Mowers is the firm's Chief Operating Officer, and Rita B. Rhodes is the firm's Chief Compliance Officer.
- We updated the description of trading and custody arrangements to indicate that we will generally recommend Fidelity Institutional Wealth Services ("Fidelity") to you for custody and brokerage services. Fidelity, a member FINRA/SIPC, is an unaffiliated 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. You may direct us in writing to use a particular custodian to execute some or all of the transactions for your account. If you do so, you may be responsible for negotiating the terms and arrangements for the account with that custodian. We may not be able to negotiate commissions, obtain volume discounts, or best execution with custodians with which we do not have a pre-existing relationship. A difference in transaction fees and expenses may also exist between those charged to clients who direct us to use a particular custodian and other clients who do not. In addition, some Money Managers may require the use of certain custodians. Please refer to the Brokerage Practices sections of their respective disclosure brochures for more information.
- Client Referrals and Other Compensation was updated to clarify that we do not currently participate in any solicitation arrangements.
- Other minor updates were made where necessary for consistency, for clarification, or to correct typographical or grammatical errors.

As of December 31, 2017, within the KIP wrap-fee program, we managed approximately \$279 million in client assets for approximately 1,753 clients.

Currently, our brochure may be requested by contacting us at (815) 877-8440, by emailing us at info@klaasfinancial.com, or by visiting klaasfinancial.com/klaas/downloads/ADV-Part-2A-Appendix-1-KIP-Wrap-Fee.pdf.

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 Individual Disclosure Brochure Supplement.

Klaas Financial Asset Advisors, LLC

CRD Number 121399



Table of Contents

Material Changes	FC
Services, Fees and Compensation	1
Financial Planning Services	1
Portfolio Management	2
Brokerage Practices	3
Fees and Compensation	3
Account Requirements and Types of Clients	5
Portfolio Manager Selection and Evaluation	5
Individual Needs of Clients and Restrictions	6
Other Types of Accounts	7
Performance-based Fees	7
Methods of Analysis, Investment Strategies and Risk	7
Risks of Specific Securities Utilized	7
Voting Client Securities	8
Client Information Provided to the Money Manager	8
Client Contact with the Money Manager	9
Additional Information	9
Disciplinary Information	9
Other Financial Industry Activities and Affiliations	9
Code of Ethics and Personal Trading	9
Review of Accounts	10
Client Referrals and Other Compensation	10
Financial Information	10



Services, Fees and Compensation

Klaas Financial Asset Advisors, LLC ("Klaas") is the sponsor of the Klaas Investment Portfolios ("KIP") Wrap Fee Program ("Program"). Clients who wish to participate in the Program will enter into an agreement with Klaas ("Program Agreement").

Financial Planning Services

As part of the Program, we provide financial planning services. Through discussions, interviews, and questionnaires, we will gather sufficient information to develop a financial plan and investment recommendations. 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.

Based on the above information, we assist you in selecting one or more of the investment strategies available through the Program ("Program Strategies") and allocate your assets among Program Strategies, as applicable. Other relevant information that may be considered may include (but is not limited to) your preference for certain types of investments, the amount of your assets, the projected risk and return of your portfolio, and the management fees charged. Klaas may also directly manage clients' assets.

We base our investment recommendations on the information that you provide to us. Inaccurate or incomplete information may result in an 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. Past performance is no indication of future performance, and we cannot offer any guarantees or promises that your goals and objectives will be met. Changes to your personal financial circumstances, goals, or objectives may cause our investment recommendations to change. We recommend that you notify us promptly of any changes so that your strategy can be updated if necessary.

Although the financial plan may consider your tax situation or estate plan, we do not provide tax or legal advice. We recommend that 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. Some of our Investment Adviser Representatives are also licensed insurance agents. If you choose to purchase a recommended insurance product through your Investment Adviser Representative, he or she will earn a commission on products purchased. In addition, Klaas has an arrangement with Monarch Solutions, Inc. ("Monarch") under which Klaas receives a percentage of the first year's revenue from products purchased by any clients which Klaas refers to Monarch. The price a client pays for insurance products is not affected by our referral. You may choose to purchase any insurance products through any licensed agent.



In addition, your financial plan may recommend a product offered through Investacorp, Inc., a registered broker-dealer, member FINRA/SIPC. Some of our Investment Adviser Representatives are registered representatives of Investacorp. If you choose to purchase the recommended product through Investacorp, your Investment Adviser Representative will earn a commission on such products. Klaas and Investacorp are not affiliated. You may choose to purchase any brokerage products through another insurance agent or broker-dealer.

We rely upon you to notify us of any changes in your objectives, goals and risk tolerances, as well as any other material changes in your personal circumstances (such as your employment, marital status, financial condition, etc.). In addition, notify us if you wish to impose any reasonable restrictions on the management of your account. Please notify us promptly of any changes, as these changes may require changes in the Program Strategies employed.

Portfolio Management

Klaas determines which Program Strategies are included in the Program. Program Strategies may be developed and managed by Klaas or by third-party money managers ("Money Managers"). Klaas has discretion to change the Program Strategies available through the Programs, replace a Money Manager, or add additional Money Managers at any time. We will provide you with the current disclosure brochure for any Money Manager we recommend. The Money Manager receives a portion of the wrap fee.

Clients, or Klaas on a client's behalf, will provide the Money Manager with the client's initial selection of one or more Program Strategies, and any reasonable investment restrictions the client has placed on the investments in the accounts. The selection of each Program Strategy will not be effective until accepted by the Money Manager. Client understands that an account may be unmanaged for a period of time before the account is both accepted by the Money Manager and funded to meet the Money Manager's minimum asset size for a particular Program Strategy, if applicable.

The Money Manager will manage Program accounts on a discretionary basis in accordance with the Program Strategy that the client or Klaas selects and on information provided by the client. Any restrictions on the management of an account imposed by a client may cause the Money Manager to deviate from the investment decision it would otherwise make in managing the account.

In addition to granting Money Manager investment discretion over the investments invested through the Program Strategies, the client grants Klaas discretionary authority to change the selection of any Program Strategy, add one or more additional Program Strategies to those previously selected, and reallocate assets among Program Strategies at any time. Clients generally authorize Money Managers to follow any instruction from Klaas regarding the selection of Program Strategies. Clients also grant Klaas discretionary authority to replace the Money Manager with one or more different Money Managers or to add additional Money Managers and Program Strategies at any time. Clients may request in writing that a Money Manager be added, removed or replaced, subject to the discretion and approval of Klaas. For any period between terminating an old Investment Strategy and acceptance by Money Manager of the designated assets into a Program Strategy, assets will not be managed, but the Program Fee will continue to be charged to the account as described below.



Brokerage Practices

We do not have the discretion to select the broker/dealer or custodian used for your accounts, although we may suggest broker/dealers and custodians and assist with new account paperwork. 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 unaffiliated 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. You may direct us in writing to use a particular custodian to execute some or all of the transactions for your account. If you do so, you may be responsible for negotiating the terms and arrangements for the account with that custodian. We may not be able to negotiate commissions, obtain volume discounts, or best execution with custodians with which we do not have an existing relationship. A difference in transaction fees and expenses may also exist between those charged to clients who direct us to use a particular custodian and other clients who do not. In addition, some Money Managers may require the use of certain custodians. Please refer to the Brokerage Practices sections of their respective disclosure brochures for more information. Because our compensation in connection with the Program may vary depending on the broker/dealer or custodian selected, we may have a conflict of interest in recommending Fidelity.

Program assets are maintained with a qualified custodian. We do not have physical custody of your assets, but we may be 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 recommend that you carefully review those statements to verify that the transactions are consistent with your investment goals and objectives.

Fees and Compensation

Each account in Program will generally be charged an asset-based fee (“Program Fee”) on a quarterly basis, in arrears. The Program Fee will be calculated based on the value of the Program Assets in the account at the end of each calendar quarter. The Program Fee may vary depending on several factors, such as Money Managers and Program Strategies selected, and size of accounts, but generally range between 0.5% and 2.5%. In some cases, for accounts in excess of \$10 million, the Program Fee may be negotiable. The actual Program Fee will be set forth in the fee schedule attached as Exhibit A to the Program Agreement, as amended from time to time.

New accounts in the Program are charged a prorated fee for the first quarter which is based on the number of days in the quarter from the date the account is funded to the end of the quarter.

Any party at any time upon written notice may terminate the Program Agreement, and the Program Fee will be calculated based on the value of the assets as of the close of business on the last business day before the account balance is transferred from the account or the account is closed and the proceeds returned to client. In this case, the fees will be prorated based on the number of calendar days in the quarter prior to account termination and/or closure, and Program Fee payments will be due and assessed upon the account termination or closure date.



The Program Fee will typically be charged as a single or “wrap fee.” If the Program Fee is charged as a wrap fee, it covers the consulting services provided by Klaas, the portfolio management services provided by the Money Manager(s), brokerage and custodial fees. Klaas will generally pay the broker-dealer a transaction charge for each trade in the account. The cost of these trades is covered by the Program Fee. Thus, Klaas will earn more compensation if fewer transactions are executed for the accounts. This conflict of interest is mitigated because the Money Manager manages these accounts in the same way that they manage all accounts in the Program Strategies regardless of whether Klaas pays the transaction charges.

The Money Manager’s portion of the Program Fee for providing program services may range from 0% to 1.00%, as set forth in the Money Manager’s disclosure brochure. The Money Manager may share its fee with third parties that it contracts with to provide it with services in connection with the accounts. Money Manager may also share a portion of its fee with Investacorp. Inc. to cover certain administrative costs incurred in connection with the Program.

The Program Fee does not cover:

- Brokerage commissions or other charges resulting from transactions not effected through the broker-dealer named in the client’s Program agreement.
- Any internal management operating fees or expenses imposed or incurred by a mutual fund or other pooled investment vehicle.
- Any additional custodial services contracted for directly by the client with the custodian.
- “Mark-ups” and “mark-downs” or “dealer spreads” that broker-dealers, including affiliates of Money Managers, may receive when acting as principal in certain transactions.
- Certain costs or charges that may be imported by the broker-dealer or custodian named in the client’s Program agreement or third parties, including costs associated with exchanging foreign currencies, odd-lot differentials, IRA fees, transfer taxes, exchange fees, wire transfer fees, postage fees, and other fees or taxes required by law.

Further, to the extent that cash used for investment through Program comes from redemptions of the client’s mutual fund or other investments outside of Program, there may be tax consequences or additional cost from sales charges previously paid and redemption fees incurred. Such redemption fees would be in addition to the Program Fee on those assets.

The broker-dealer and/or custodian will receive payments from certain mutual funds (including money market funds) pursuant to a Rule 12(b)-1 distribution plan or other such plan as compensation for distribution or administrative services and are distributed from the fund’s total assets. These fee arrangements will be disclosed upon request of a client and are available in the applicable fund’s prospectus. The fees received by the broker-dealer create a conflict of interest. In addition, the broker-dealer receives compensation in connection with cash held in the account. The broker-dealer receives additional compensation from the custodian based on the value of credit balances in the accounts. If cash is swept into a money market fund, the broker-dealer receives compensation based on the value of assets in these funds as broker-dealer.



The Program may cost a client more or less than purchasing such services separately depending on the frequency of trading in the Program accounts, commissions charged at other broker-dealers for similar products, fees charged for like services by other advisers and broker-dealers, the fee structure of the account and other factors.

As of December 31, 2017, within the KIP Wrap Fee Program, we provided discretionary asset management of approximately \$279 million in client assets for approximately 1,753 clients. Discretionary asset management means that we have the authorization to make investment decisions on behalf of our clients.

Account Requirements and Types of Clients

We typically do not require a minimum amount of assets to open an account in the Program; however, we may require clients to have a household investment balance of \$100,000. This minimum balance requirement may be waived, or may vary depending on the Money Manager or Program Strategy selected. Some Money Managers may impose minimum account balances. If so, those restrictions are set forth in the Money Managers disclosure brochure. The Money Manager may waive these minimums under certain circumstances. Should the market value of the assets in a Program Strategy fall below the stated minimum, the Money Manager will have the right to require that additional monies be deposited to bring the Program Strategy account value up to the required minimum, or client the Program Strategy account.

The following types of clients may participate in Program: individuals, including high net worth individuals, business entities, trusts, non-profit and charitable organizations, pension and profit sharing plans, and Taft-Hartley plans.

Portfolio Manager Selection and Evaluation

Klaas selects the investment models or strategies available as Program Strategies. Program Strategies may be offered by Klaas as Money Manager, or by third-party Money Managers. Money Managers may manage accounts outside of the Program using investment strategies not available in the Program.

In determining which investment strategies will be available in the Program, Klaas generally employs a multi-phase approach to researching and selecting suitable investment strategies and Money Managers. Klaas may also rely on the due diligence information provided by the Money Managers when conducting research. Third-party Money Managers are evaluated using data and information from several sources, including the manager and, if available, independent databases. Among the types of information analyzed are historical performance, investment philosophy, investment style, historical volatility and correlation across asset classes. Also reviewed are the manager's disclosure documents, marketing brochures, due diligence questionnaires and other relevant information that help demonstrate the manager's investment process. Klaas does not, however, verify the accuracy of the information provided to our firm with outside data sources.

Manager performance is monitored by Klaas. Managers who under-perform relative to the applicable asset class and or style will likely be removed from the program. Klaas practices careful judgment and discretion when determining whether to include each Manager in the program. However, Klaas does not independently verify Manager returns, but rather relies on the returns presented by the Manager and/or third-party sources.



Klaas recommends Program Strategies for particular clients based on investment objectives, risk tolerance, time horizon, asset size, any investment restrictions the client may wish to impose, any investment guidelines or policies that the client may have or other factors that may make a particular Program Strategy suitable for the client.

Klaas has discretionary authority to replace any Money Manager with a different Money Manager with respect to all or a portion of the client accounts that are being managed by a Money Manager. Klaas also may add one or more additional Money Managers at any time. Factors that would cause Klaas to replace a Money Manager may include but are not limited to the following: the manager does not perform as well as other managers with a similar investment strategy or style, a change in management personnel or a change in their strategy or discipline that is deemed no longer beneficial to Klaas or the client, the determination of significant risk or impairment as discovered through due diligence, a significant regulatory deficiency, or a violation of the terms of agreement held between the manager and Klaas. Clients may request in writing that a Money Manager be added, removed or replaced, subject to the discretion and approval of Klaas. For any period between terminating an Old Manager and acceptance of the account by a New Manager an account will not be managed, but the Wrap Fee will continue to be charged to the account.

Klaas may provide clients with information about Money Managers and Program Strategies. The information may be prepared by Klaas, the Money Manager, or by a third party and is based on and/or incorporates information provided by Money Managers and other third-party sources. Klaas believes that this information is accurate; however, Klaas does not independently verify or guarantee the accuracy or completeness of the information. Klaas shall have no liability with respect to information provided by Money Managers. Performance information may be included in the information provided by Klaas or may be provided by Money Managers. This performance is calculated by the Money Managers themselves or by third parties. This performance is not calculated or verified by Klaas or by any third party at Klaas's request. Thus, this performance may not be calculated on a uniform and consistent basis.

Clients will receive the Money Manager's disclosure document. Clients should review the Money Manager disclosure document carefully for important information about the Money Manager, including risks associated with the selected Program Strategies. The Money Manager is solely responsible for the truthfulness, completeness, and accuracy of its own disclosure document. Klaas shall not be responsible for any act or omission of any Money Manager or any misstatement or omission contained in any document prepared by any Money Manager or any loss, liability, claim, damage, or expense, whatsoever, as incurred, arising out of or attributable to such misstatement or omission or any other action or omission by a Money Manager.

Individual Needs of Clients and Restrictions

As described in "Services, Fees and Compensation" above, through discussions, interviews, and questionnaires, we will assist you in determining your investment objectives, risk tolerance, and investment time horizon, and any applicable investment policies, guidelines, or reasonable restrictions. Based on this information, we select Program Strategies for the client.

Clients may impose restrictions on the investments in their accounts, including designating particular securities or types of securities that should not be purchased for an account. A client also may request that the Money Manager manage the client's assets in accordance with client-specified investment guidelines or policies or otherwise implement a strategy in the client's account in a manner that may differ from that in which the Money Manager would otherwise implement the strategy in the account. The financial consultant will communicate any restrictions or guidelines imposed by the client to the Money Manager. The Money Managers may reject the restriction or the account if the manager deems the restriction to be unreasonable.



In the absence of client-specified investment restrictions, guidelines or policies and/or other modifications the Money Manager will generally manage accounts in a manner very similar to that of other clients who have selected the same Program Strategy.

We rely upon you to notify us of any changes in your objectives, goals and risk tolerances, as well as any other material changes in your personal circumstances (such as your employment, marital status, financial condition, etc.). In addition, notify us if you wish to impose any reasonable restrictions on the management of your account. Please notify us promptly of any changes, as these changes may require changes in the Program Strategies employed.

Other Types of Accounts

In addition to the KIP Wrap Fee Program, Klaas provides non-discretionary financial planning and consulting through its Klaas 360 service, and also investment consulting and education services to plan sponsors and participants of qualified retirement plans through its Klaas 401k service. Information on these additional services are provided in our Form ADV Part 2A Disclosure Brochure, which is available upon request.

Performance-based Fees

We do not charge performance-based fees for the Program. Performance-based fees are generally based on a percentage of the capital gains and/or appreciation of the client account assets.

Methods of Analysis, Investment Strategies and Risk

In determining which Program Strategies are available in the Program, we generally employ a multi-phase approach to researching and selecting suitable Money Managers and Program Strategies. We may rely on due diligence information provided by the Money Managers when conducting our research. Money Managers are evaluated using data and information from several sources, including the Money Manager and, if available, independent databases. Among the types of information analyzed are historical performance, investment philosophy, investment style, historical volatility, and correlation across asset classes. We also review the Money Manager's disclosure brochure, marketing materials, due diligence questionnaires, and other relevant information that help demonstrate the Money Manager's process. We do not, however, verify the accuracy of information provided to our firm from outside sources.

Each Program Strategy entails varying degrees of risk. There can be no assurance that a particular Program Strategy will be successful or that clients will not suffer losses. Results generated by each account will differ, and the investment advice provided to an individual will differ from client to client. Investment performance is not guaranteed, and Money Manager's past performance with respect to a client's account or other accounts does not predict future performance. For more information about the methods or analysis, investment strategies and risk, see the Money Manager's disclosure brochure.

Risks of Specific Securities Utilized

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

Mutual Funds: Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds.

All mutual funds have costs that lower investment returns. They can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned below).



Equity investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an inherent risk involved when purchasing a stock in that it may decrease in value and the investment may incur a loss.

Treasury Inflation Protected/Inflation Linked Bonds: The risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing value, albeit rather minimal.

Fixed Income is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

Debt securities carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

Stocks & Exchange Traded Funds (ETF): Investing in stocks & ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

Real Estate funds face several kinds of risk that are inherent in this sector of the market. Liquidity risk, market risk and interest rate risk are just some of the factors that can influence the gain or loss that is passed on to the investor. Liquidity and market risk tend to have a greater effect on funds that are more growth-oriented, as the sale of appreciated properties depends upon market demand. Conversely, interest rate risk impacts the amount of dividend income that is paid by income-oriented funds.

REITs have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

Precious Metal ETFs (Gold, Silver, Palladium Bullion backed “electronic shares” not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

Voting Client Securities

Klaas does not accept voting authority for client proxies. Generally, in most cases the Money Managers will vote proxies for securities held in the accounts, unless a client specifically reserves the right to vote proxies in writing. This delegation to the Money Manager may be revoked at any time by written notice to the Money Manager. The Money Manager has proxy voting policies and procedures which contain guidelines in order to minimize conflicts of interest and to ensure that it votes proxies in a manner consistent with the best interests of its clients. A copy of these policies and procedures is available upon request. Further, clients may obtain information from the Money Manager on how their proxies were voted by submitting a written request to Klaas, who will forward it to the Money Manager.

Client Information Provided to the Money Manager

As described in “Services, Fees and Compensation” above, through discussions, interviews, and questionnaires, we will assist you in determining your investment objectives, risk tolerance, and investment time horizon, and any applicable investment policies, guidelines, or reasonable restrictions. Based on this information, we select one or more Program Strategies. The Money Manager will manage client’s assets in accordance with the selected Program Strategy or Strategies on a discretionary basis. We inform the Money Manager which Program Strategies have been selected for each client in the account opening paperwork. We also provide the Money Manager with information about the client. We are responsible for communicating any changes to the Program Strategies selected or client information to the Money Manager.



Clients may impose restrictions on the investments in their accounts, including designating particular securities or types of securities that should not be purchased for an account. We will communicate any restrictions imposed by the client, or any changes to these restrictions that the client makes, to the Money Manager. The Money Managers may reject the restriction or the account if it deems the restriction to be unreasonable.

Client Contact with the Money Manager

Clients are encouraged to contact us to arrange for a consultation with the Money Manager. Clients are also free to contact the Money Manager directly.

Additional Information

Disciplinary Information

There are no legal or disciplinary events that are material to an evaluation of Klaas's advisory business.

Other Financial Industry Activities and Affiliations

Investment Adviser Representatives associated with Klaas are securities licensed through Investacorp, Inc., a registered broker/dealer, member FINRA, SIPC. Investacorp, Inc. and Klaas are not affiliated. Clients are not obligated to execute securities transactions through these individuals. However, should clients choose to execute securities transactions through these individuals, then clients are advised that they will pay a commission to them and a conflict of interest exists.

Investment Adviser Representatives with Klaas are insurance licensed to offer fixed insurance products through various insurance companies. Clients are not obligated to execute insurance purchases through these individuals. However, should clients choose to execute securities transactions through these individuals, then clients are advised that they will pay a commission to them and a conflict of interest exists.

Certain of Klaas's principal executive officers and other individuals who determine investment advice given to clients are registered representatives of Investacorp, Inc., a registered broker-dealer. Investacorp Inc. is affiliated with Ladenburg Thalman Asset Management, Inc, a Money Manager that Klaas may recommend.

Code of Ethics 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.

Review of Accounts

Client accounts are reviewed periodically by Craig J. Klaas, President, or Maleeah L. Wernsing-Cuevas, Chief Executive Officer, with regard to each client's respective investment policies and risk tolerance level. 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).

Klaas may provide clients with quarterly performance reviews of Program accounts. Klaas will not provide tax advice, and nothing in the performance review should be construed as advice concerning any tax matter. Performance reviews are not a substitute for regular monthly account statements received from the custodian or Form 1099. Performance reviews should not be used to calculate fees or to complete income tax returns.

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 solicitation of referrals, we will update this Item as necessary. Any solicitation arrangements we may enter into will comply with applicable rules that govern the nature of the solicitation arrangement, the fees to be paid, and the disclosure of the arrangement to clients.

In addition, Klaas has an arrangement with Monarch Solutions, Inc. ("Monarch") under which Klaas receives a percentage of the first year's revenue from insurance products purchased by any clients referred to Monarch by Klaas. The price a client pays for insurance products is not affected by our referral. You may choose to purchase any insurance products through any licensed agent.

Additionally, we receive certain economic benefits as a result of our participation in the institutional brokerage programs of Fidelity Brokerage Services, LLC ("Fidelity"). These benefits include products and services that assist us in managing and administering client accounts, including access to investments generally available to institutional investors, software, technology, and research. We will generally recommend Fidelity as the custodian for your KIP Wrap Fee Program Account. We are not affiliated with the custodians we recommend. We do not enter into soft dollar arrangements with any custodian. We may also receive non-economic benefit from Third Party Managers we utilize in the form of the support products and services they make available to us. The benefits we receive are more fully described in Klaas' Part 2A Disclosure Brochure in the section entitled "Brokerage Practices."

Financial Information

Klaas does not require prepayment of advisory fees six months or more in advance. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you. Klaas has never been the subject of a bankruptcy petition.