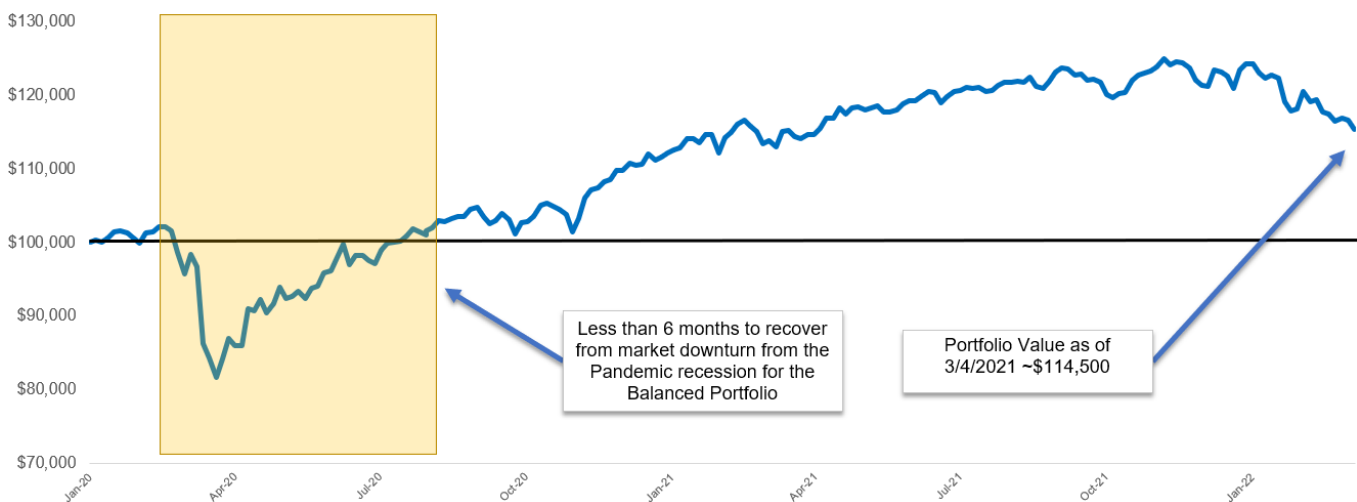


The start of 2022 has been a bumpy ride in financial markets. Geopolitical conflict from the Ukraine war and economic sanctions directed at Russia have sent tremors through the markets. What's more, the conflict in Europe sparked further upward pressure in oil, which will impact all of us through higher prices at the pump. Since the end of last year, the stock market has seen volatile ups and downs from week-to-week given the unknowns of the future.

We look to historical examples of the stock market going through challenging times, not as an answer to what will happen, but as a reminder that these market events, while unpredictable, will happen. It's important to remind ourselves that volatile periods in the stock market are a normal part of investing during the journey to reach our long-term goals.

While it is shortsighted to evaluate market performance over brief windows of time, let's reflect momentarily on recent history as a guidepost as to why we should remain calm and stay the course. Referring to the chart below, we see how a balanced portfolio reacted to market events since the start of 2020. As the example illustrates, the market can fall, rise, and potentially recover very quickly. Even with multiple negative events, this balanced portfolio still has a positive impact. Staying invested allowed the portfolio to reap the benefits of time in the market.

The Coronavirus Round Trip - Balanced Portfolio Returns - 1/1/2020 to 3/4/2021



Source: Morningstar Direct as of 3/4/22.

Past performance is not indicative of future results. Hypothetical portfolios are for illustrative purposes only and do not represent actual investment performance. The performance and risk data shown above is based on index benchmarks, not specific portfolio holdings. An index is not managed and it is not possible to invest directly in an index. Balanced portfolio constructed with: 60% global equities, represented by the MSCI ACWI IMI Index; 38% Fixed-Income, represented by the Bloomberg Barclay's U.S. Aggregate Bond Index; and 2% Cash, represented by the Bloomberg Barclays US Treasury Bills Index as a proxy for cash. Returns are annualized and include reinvestment of all dividends and interest; but do not reflect management fees or effects of taxes on capital gains or distributions.

Keeping focus on your established, long-term plan is critical during periods of market stress. Eventual outcomes from riding out the turbulent times are often quite rewarding if we remain invested and don't succumb to news headlines and emotions.

At Klaas Financial, our focus is working side-by-side with you to create a financial plan aligning to your needs now and in the future. The most significant drivers toward your success are decisions and elements within your control. Absent any significant changes in your life, circumstances, and aspirations, you should remain focused and confident in the plan we have built together.

We are grateful for the continued trust and confidence you've placed in our team and organization to help you plan and invest for your future. As always, please don't hesitate to reach out to your adviser if you have any questions or concerns.