

## Klaas Financial Asset Advisors, LLC

4707 Perry Ridge Lane

Loves Park, IL 61111

Firm CRD No. 121399

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### Item 1. Introduction

Klaas Financial Asset Advisors, LLC is a registered investment adviser registered with the United States Securities and Exchange Commission.

Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences.

Free and simple tools are available to research firms and financial professionals at [investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

### Item 2. Relationships and Services

What investment services and advice can you provide me?

**Description of Services:** We offer investment advisory services to retail investors. We provide discretionary portfolio management in our Klaas Investment Portfolios (**KIP**) Wrap Fee Program. We also offer non-discretionary financial planning and consulting services (**Klaas 360**).

We have also entered into a consulting agreement with Mutual Securities, Inc., a registered broker-dealer, member FINRA, SIPC, to provide non-discretionary advisory services to certain of its brokerage clients who elect to receive such services. We receive a fee from Mutual Securities for such services, which is based on a percentage of clients' assets under management.

**Monitoring:** As part of our KIP Wrap Fee Program, we offer ongoing monitoring and management of client portfolios. Portfolios are periodically reviewed and rebalanced as necessary. Reviews may be triggered by material market, economic or political events, or by changes in the client's financial situation. Clients who elect ongoing services in the Klaas 360 program will receive assistance with implementation and ongoing monitoring of their financial plans; otherwise, our financial planning services are point-in-time services and we do not provide ongoing monitoring.

**Investment Authority:** The KIP Wrap Fee Program services include discretionary portfolio management. We have the discretion to determine which program strategies are available in the program. We also have the discretion to hire, replace, or terminate asset managers or separate account managers, and to reallocate assets among program strategies at any time. Services provided in the Klaas 360 program are non-discretionary in nature. Clients have sole discretion to decide whether to implement any of our recommendations.

**Limited Investment Offerings:** We do not offer any proprietary products. The portfolios used in the KIP Wrap Fee Program typically invest in mutual funds, exchange traded funds, equity and fixed-income instruments.

**Account Minimums and Other Requirements:** We typically do not require a minimum amount of assets to open an account in the KIP program; however, we may require clients to have a household investment balance of \$100,000. The minimum balance requirement may be waived, or may vary depending on the program strategy used. Some asset managers or separate account managers may impose minimum account balances, which are set forth in their respective disclosure brochures.

**Additional Information:** This is a brief summary of our services. Additional information is available in our Form ADV Part 2A, Appendix 1 (**Wrap Fee Program Brochure**) for KIP Wrap Fee Program services, or in our Form ADV Part 2A (**Disclosure Brochure**) for Klaas 360 services. See [Item 5. Additional Information](#) below to obtain a copy of our Wrap Fee Program Brochure and/or Disclosure Brochure.

#### ASK YOUR INVESTMENT ADVISER:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

### Item 3. Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

**Principal Fees and Costs:** For the KIP Wrap Fee Program, we charge a program fee that is a percentage of assets under management.

Our standard fee schedule starts at 1.25% per year, and decreases at set breakpoints as assets increase, to 0.60% for balances over \$10,000,000, subject to a minimum fee of \$1,500 annually. Our standard fee schedule may change over time, and some clients are subject to legacy fee schedules which may be higher or lower than our current fee schedule. In addition, we reserve the right to reduce or waive fees under certain circumstances at our discretion.

Your program fee may vary depending on several factors, such as program strategies, asset managers or separate account managers used, the size of your accounts, and the overall complexity of your financial situation. All fees are discussed with you at the time of the engagement, and are set forth in the advisory agreement.

For Klaas 360 financial planning and consulting services, we charge a fixed fee based on the complexity of your financial situation. You may also choose ongoing financial services for a monthly fixed fee. All fees are discussed with you at the time of the engagement, and are set forth in the advisory agreement. We impose a \$3,000 minimum fee for comprehensive financial planning services, and a \$300 minimum fee for project-based consulting services. Ongoing financial planning services require an implementation fee, which may be waived in some instances based on prior client engagement.

**Wrap Fee Programs:** Asset-based fees in the KIP Wrap Fee Program include financial planning services, as well as brokerage transaction costs and fees, and custodial account fees. Therefore, the KIP Wrap Fee Program may charge a higher asset-based advisory fee than another program where the client pays for these fees and/or services separately.

**Other Fees and Costs:** As stated above, the KIP Wrap Fee Program includes most brokerage and custodial account fees. However, your custodian may impose additional fees for services such as wire transfers, alternative investment fees, or account termination fees. For our other services, in addition to our advisory fees, you may incur other fees and costs, such as custodian fees, account maintenance fees, fees related to mutual funds and variable annuities, and other transactional fees and product level fees.

**Additional Information:** You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Additional information about our fees is available in our Wrap Fee Program Brochure, Item 4 for KIP Wrap Fee Program services or Disclosure Brochure, Item 5 for Klaas 360 services.

See [Item 5. Additional Information](#) below to obtain a copy of our Wrap Fee Program Brochure and/or Disclosure Brochure.

#### ASK YOUR INVESTMENT ADVISER:

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

*What are your legal obligations to me when acting as my investment adviser? How else does your firm make money, and what conflicts of interest do you have?*

**When we act as your investment adviser,** we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

**Conflicts of Interest:** An asset-based fee presents a conflict of interest because the more assets you have in your advisory account, the more you will pay in fees; therefore, we may have an incentive to encourage you to increase the assets in your account.

In the KIP Wrap Fee Program, because of our established relationship, we typically recommend the custodial and brokerage services of Fidelity Institutional Wealth Services, a registered broker-dealer, member FINRA, SIPC (**Fidelity**). Fidelity provides us with custodial services, trade execution, clearance and settlement of transactions. Our compensation in the KIP Wrap Fee Program may vary depending on the broker-dealer or custodian selected, we have a conflict of interest in recommending Fidelity for wrap-fee accounts. In addition to brokerage and custody services, Fidelity also provides access to investments generally available to institutional investors, research, software, and educational opportunities. Fidelity also offers discounts on compliance, marketing, research, technology, and practice management products provided by third-party vendors, which we may use. Thus, we receive an economic benefit from Fidelity as a result of our relationship. These services are not contingent upon us committing any specific amount of business in trade commissions. Additional information regarding our brokerage practices can be found in our Wrap Fee Program Brochure, which is available upon request.

#### ASK YOUR INVESTMENT ADVISER:

How might your conflicts of interest affect me, and how will you address them?

*How do your financial professionals make money?*

We pay our financial professionals a salary, and a discretionary annual bonus which is typically based on our overall performance. Our financial professionals may also receive a client retention bonus based on the total assets under management that they oversee, and/or a net new production bonus based on a percentage of the first year's revenue from net new assets under management. These practices incentivize our financial professionals to encourage clients to increase their assets under management. We do not pay our financial professionals differential compensation based on securities or products sold. Some IARs are licensed to offer certain insurance products. In some instances, an IAR who holds an insurance license could recommend an insurance product to a client. Clients are not obligated to purchase insurance products through these individuals. However, if you choose to purchase insurance products through an IAR who holds the appropriate insurance license, the IAR will receive a commission as an agent of the insurance company.

#### Item 4. Disciplinary History

*Do you or your financial professionals have legal or disciplinary history?*

No. Klaas and its financial professionals do not have any legal or disciplinary events to disclose. Visit [investor.gov/CRS](http://investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

#### ASK YOUR INVESTMENT ADVISER:

As a financial professional, do you have any disciplinary history? For what type of conduct?

#### Item 5. Additional Information

Additional information is available in our Wrap Fee Program Brochure for the KIP Wrap Fee Program or Disclosure Brochure for Klaas 360 services. An up-to-date copy of these documents, as well as our current Form CRS, can be obtained by visiting the Downloads page on the Resources tab of our website [www.klaasfinancial.com](http://www.klaasfinancial.com). You may also call us at (877) 495-5227 or send an email to [info@klaasfinancial.com](mailto:info@klaasfinancial.com) to request copies of these documents at any time free of charge.

#### ASK YOUR INVESTMENT ADVISER:

- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker dealer?
- Who can I talk to if I have concerns about how this person is treating me?

#### Exhibit A. Summary of Material Changes

Since the last update of our Form CRS dated March 31, 2023, we have made the following material changes:

- We no longer offer financial planning and consulting services on an hourly-fee basis. We impose a \$3,000 minimum fee for comprehensive financial planning services, and a \$300 minimum fee for project-based consulting services. Ongoing financial planning services require an implementation fee, which may be waived in some instances based on prior client engagement.
- Our financial professionals may also receive a client retention bonus based on the total assets under management that they oversee, and/or a net new production bonus based on a percentage of the first year's revenue from net new assets under management.