Item 1 Cover Page

Kissling Financial Services, LLC
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This brochure provides information about the qualifications and business practices of Kissling Financial Services, LLC. If you have any questions about the contents of this brochure, please contact us at (724) 667-1617. 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. Registration as a registered investment advisor does not imply a certain level of skill or training.

Additional information about Kissling Financial Services, LLC, CRD# 299531 also is available on the SEC's website at http://www.adviserinfo.sec.gov.

Item 2 Material Changes

There have been no material changes to this brochure since the date of the last annual update noted below.

The material changes discussed above are only those changes that have been made to this brochure since the firm's last annual update of the brochure. The date of the last annual update of the brochure was May 7, 2025.

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Brochure

Item 4 Advisory Business

Kissling Financial Services, LLC ("Kissling") is a firm that was established in 2004 and from 2004 to 2018 provided financial services under the investment advisor registration of an unaffiliated firm. Kissling became a registered investment advisor in 2018.

The principal owner of Kissling Financial Services, LLC is Timothy J. Kissling, CPA, President and CCO.

<u>Portfolio Management Services</u>
Kissling Financial Services, LLC ("Kissling" or "Advisor") principal service is providing fee-based portfolio management services. The Advisor practices custom management of portfolios, on a discretionary basis (see Item 16 concerning investment discretion), according to the client's objectives. Portfolio management may also be provided on a non-discretionary basis according to the client's needs. Non-discretionary management requires the investment advisor to obtain the client's approval prior to placing each trade. The Advisor's primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. The Advisor may use exchange listed securities, over-the-counter securities, warrants, corporate debt securities, CDs, municipal securities, mutual funds, United States government securities, and interests in publicly traded partnerships investing in real estate and oil and gas interests to accomplish this objective. The Advisor measures and selects mutual funds by using various criteria, such as the fund manager's tenure, and/or overall career performance. The Advisor may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The Advisor may recommend specific stocks to increase sector weighting and/or dividend potential. The Advisor may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The Advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client's risk tolerance. Note that to the extent a client account includes unmanaged or static assets (e.g., cash that is not a part of the active management strategy), Advisor will not charge advisory fees on such unmanaged or static assets.

<u>Financial Planning</u>
In addition to investment supervisory services, Kissling may provide Financial Planning Services to some of its clients. The Advisor's Financial Planning services may include topics such as investment advice, tax planning, trusts and estate planning, budgeting, cash management, and the use of insurance as part of an overall financial plan. Clients may use other financial services professionals to implement financial planning recommendations provided by Kissling.

Financial planning services and the topics included in a written plan or a financial planning project may include, but are not limited to, any of the following:

- Budgeting and retirement planning: Discuss the impact of spending before and during retirement and its influence on long term goals. Identify spending categories that may increase or decrease in retirement; identify cash flow and strategy for withdrawals from cash, investment, and retirement accounts.

- Social Security Financial analysis: Discuss impact and timing of starting social security withdrawals, how it is taxed, and how it impacts the overall financial plan.
- Recommendations for portfolio customization based on the client's investment objectives, goals, and financial situation: Strategies for investing will include consideration for time horizon, risk level, assets (taxable, tax deferred, and tax free), and income sources.
- Recommendations relating to investment strategies as well as tailored investment advice: Discussions will include the impact of investment account types (taxable, tax deferred, and tax free), dollar cost averaging, a client's risk profile, time horizon, goals, assets, and mcome.
- Personal financial recommendations: This may include large purchases, including vehicles, primary home, etc., and may include payment and financing strategies. May also discuss the sale of large assets, procedure and tax impacts, and future steps to consider.
- Risk management assessments: A brief questionnaire and discussion will be documented in client's risk profile.
- Retirement income and cash flow planning: Ensure clients are aware of spending habits and cash flow, and the impacts of over-spending in retirement.
- Debt payment and payoff analysis: Individual strategies for debt payoff will include assessing balances, interest rates, tax impacts, and other preferential or negative impacts of different kinds of debt.
- Income tax planning: Ensure clients are aware of impacts of how their income and spending can impact income tax treatment.
- Estate planning and asset protection strategies: As tax laws change, review with clients the importance to have their legal estate documents complete and up to date. Review strategies of how assets (including investment accounts, cash, real estate, personal property, etc.) are taxed or not, whether any tax may be due upon transfer before or after death, impact of step-up basis, and whether federal or state inheritance taxes may impact their plan.
- Employee benefit planning: Ensure clients are taking advantage of key benefits offered to them, including retirement matching options, short-term and long-term disability, life insurance, health insurance, health savings accounts, dependent care, etc., and review whether they have any gaps in coverage that should be accounted for.
- Multi-generational wealth transfer: Review current federal and state tax law and impact of transferring assets, both before and after death, and the potential impacts and strategies that may be available.
- Long-term care planning: Discuss potential for long term care needs, including family and personal health history, available assets to provide coverage, and any potential gaps in coverage and what options may or may not be available.

Kissling will tailor its advisory services to its client's individual needs based on meetings and conversations with the client. If clients wish to impose certain restrictions on investing in certain securities or types of securities, the Advisor will address those restrictions with the client to have a clear understanding of the client's requirements.

Kissling does not provide portfolio management services to wrap fee programs.

As of July 26, 2024, the firm managed $101,902,000 in discretionary, and $2,406,000 in non-discretionary client assets.

Item 5 Fees and Compensation

Asset Management Fees
Pursuant to a portfolio management contract signed by each client, the client will pay Kissling an annual management fee, payable quarterly in advance, based on the fair market value of portfolio assets of the account managed by the Advisor on the last business day of the previous quarter. The management fee may be adjusted to account for significant contributions or withdrawals made to the account during the quarter. For partial quarters, the fee will be prorated based on the number of days the account was open during the quarter.

Management fees range up to 2.0% per annum depending on factors such as the type and complexity of the investment management strategy employed as well as the size of the account or overall client relationship. Management fees may be reduced or waived for directors, officers, and employees of Kissling at the discretion of management. These fees may be negotiated by Kissling at its sole discretion. The client will give written authorization permitting the Advisor to be paid directly from their account held by the custodian. The custodian will send a statement at least quarterly to the client and the Advisor will also send an invoice to the client outlining the fee calculation and the amount withdrawn from the client account. Where it is impractical to deduct fees directly from the client account, the client will be sent an invoice on a quarterly basis for any outstanding advisory fees due. Such invoices may be paid by check.

Hourly Fee
Financial planning clients that do not engage Kissling for portfolio management services will contract to have financial planning advice provided based on an hourly fee. The Advisor's hourly fee will be billed at a rate of$250 and will be negotiated and agreed upon by the parties in advance. Hourly fee-based clients are billed on a monthly basis upon completion of work performed. Clients may pay the invoice by check.

Financial planning clients who engage Kissling for portfolio management services will not be charged an hourly fee for the time spent on the assets included in the financial planning advice and will instead be charged an annual management fee. A financial planning client who terminates the Investment Advisory contract before the Advisor has received management fees equal to the financial planning fee will be charged a pro rata fee equal to the difference between the total hourly fee incurred and the management fees already received.

Fixed Fees
Kissling will charge a fixed fee for comprehensive financial planning services in the range of $500 to $5,000 per plan as negotiated and contracted for with client in advance, at the discretion of the Advisor. Fixed fee-based clients are billed one half of the fee at the time of signing the agreement with the Advisor and the other one half upon delivery of the financial plan to the client. If the final fee is not paid by the client at the delivery of the financial plan, the client is required to pay the fee within five days of delivery of the financial plan. If the client terminates the Agreement with the Advisor prior to the Advisor's completion of the financial plan, any fees due the Advisor will be invoiced to the client and payable within five days of delivery of the invoice. If the Advisor completes the financial plan in less time than originally planned, the Advisor will refund to the

client a pro-rata share of the fee the client paid. The Advisor will refund the pro-rata fee to the client within five days of delivery of the financial plan.

If a client terminates its relationship with the Advisor prior to the Advisor finishing the financial planning advice or project, the Advisor will deliver the completed portions of any advice and recommendations to the client. However, clients should be aware that acting on any recommendations in an incomplete financial planning project may not be in the client's best interest.

All fees paid to Kissling for investment advisory services are separate and distinct from the internal expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, transaction fees (if applicable) and other fund expenses. These fees are paid by the client.

When a copy of the disclosure documents (Form ADV Parts 2A and 2B) is not delivered to the client at least 48 hours prior to the client entering into any written contract with this investment adviser, then the client has the right to terminate the contract without fee or penalty within five business days after entering into the contract.

At no time will Kissling accept or maintain custody of a client's funds or securities except for authorized fee deduction. Client is responsible for all custodial and securities execution fees charged by the custodian. The Advisors fee is separate and distinct from the custodian and execution fees.

Kissling's management fee is payable in advance. Upon termination, any fees paid in advance will be prorated to the date of termination and any unearned fees will be refunded to client.

Neither Kissling nor its supervised persons accept compensation for the sale of securities or other investment products (except insurance products as described in Item 10 below), including asset-based sales charges or service fees from the sale of mutual funds.

Item 6 Performance-Based Fees and Side-by-Side Management

Kissling does not charge performance-based fees and therefore does not engage in side-by-side management.

Item 7 Types of Clients

The Advisor will offer its services to individuals, trusts, estates, charitable organizations, corporations and other business entities.

The Advisor does not have any minimum requirements for opening or maintaining an account.

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

The Advisor may utilize fundamental, technical or cyclical analysis techniques in formulating investment advice or managing assets for clients.

Fundamental analysis of businesses involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives; to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions and to calculate its credit risk.

Technical analysis is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall.

Cyclical analysis of economic cycles is used to determine how these cycles affect the returns of an investment, an asset class or an individual company's profits. Cyclical risks exist because the broad economy has been shown to move in cycles, from periods of peak performance followed by a downturn, then a trough of low activity. Between the peak and trough of a business or other economic cycle, investments may fall in value to reflect the uncertainty surrounding future returns as compared with the recent past.

The investment strategies the Advisor will implement may include long-term purchases of securities held at least for one year, short-term purchases for securities sold within a year, and option writing, including covered calls.

Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear. In addition, when using short-term trading strategies, frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs, and taxes.

The methods of analysis and investment strategies followed by the Advisor are utilized across all of the Advisors clients, as applicable. One method of analysis or investment strategy is not more significant than the other as the Advisor is considering the client's portfolio, risk tolerance, time horizon and individual goals. However, the client should be aware that with any trading that occurs in the client account, the client will incur transaction and administrative costs.

Investing includes the risk that the value of an investment can be negatively affected by factors specifically related to the investment (e.g., capability of management, competition, new inventions by other companies, lawsuits against the company, labor issues, patent expiration, etc.), or to factors related to investing and the markets in general (e.g., the economy, wars, civil unrest or terrorism around the world, concern about oil prices or unemployment, etc.).

Risks of fundamental analysis may include risks that market actions, natural disasters, government actions, world political events or other events not directly related to the price or valuation of a specific company's fundamental analysis can adversely impact the stock price of a company causing a portfolio containing that security to lose value. Risks may also include that the historical data and projections on which the fundamental analysis is performed may not continue to be relevant to the operations of a company going forward, or that management changes or the business direction of management of the company may not permit the company to continue to produce metrics that are consistent with the prior company data utilized in the fundamental analysis, which may negatively affect the Advisor's estimate of the valuation of the company.

In cyclical analysis, economic or business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. Also, the lengths of the economic cycles may be difficult to predict with accuracy. Therefore, the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

The primary risks in technical analysis are that the factors used to analyze the price, trends and volatility of a security may not be replicated, or the outcomes of such analysis will not be the same as in past periods where similar combinations existed. Because of the reliance on trends, technical analysis can signal buying at market peaks and selling at market troughs.

All investments involve some degree of risk. In finance, risk refers to the degree of uncertainty and/or potential financial loss inherent in an investment decision. In general, as investment risks rise, investors seek higher returns to compensate themselves for taking such risks.

Every savings and investment product has different risks and returns. Differences include how readily investors can get their money when they need it, how fast their money will grow, and how safe their money will be. The primary risks faced by investors include:

Business Risk

With a stock, you are purchasing a piece of ownership in a company. With a bond, you are loaning money to a company. Returns from both of these investments require that that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing.

The business risk in purchasing an annuity is that the financial strength of the insurance company issuing the annuity may decline and not be able to pay out the annuity obligation.

Volatility Risk

Even when companies aren't in danger of failing, their stock price may fluctuate up or down. Large company stocks as a group, for example, have lost money on average about one out of every three years. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

Inflation Risk
Inflation is a general upward movement of prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest. The principal concern for individuals investing in cash equivalents is that inflation will erode returns.

Interest Rate Risk
Interest rate changes can affect a bond's value. If bonds are held to maturity the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than the face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher rate of interest than older ones. To sell an older bond with a lower interest rate, you might have to sell it at a discount.

Liquidity Risk
This refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. This can be the case with the more complicated investment products. It may also be the case with products that charge a penalty for early withdrawal or liquidation such as a certificate of deposit (CD).

Risks of Covered Call Option Writing
While writing covered call options is less risky than other options strategies, there are several risks. For example, the upside of a rise in the underlying stock price will be limited to the strike price of the option. If the call is exercised, you will need to sell the underlying shares and may incur taxes on the capital gains. Further, the underlying stock price may drop below the breakeven point (the purchase price of the stock minus the option premium received) and the stock cannot be sold before the call option expires.

Risks oflnvesting in Mutual Funds and ETFs
The risks of investing in mutual funds and ETFs include the following:

- **Call Risk.** The possibility that falling interest rates will cause a bond issuer to redeem-or call-its high-yielding bond before the bond's maturity date.
- **Country Risk.** The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.
- **Credit Risk.** The possibility that a bond issuer will fail to repay interest and principal in a timely manner. Also called default risk.
- **Currency Risk.** The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- **Income Risk.** The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates.
- **Industry Risk.** The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- **Inflation Risk.** The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns.

- **Interest Rate Risk.** The possibility that a bond fund will decline in value because of an increase in interest rates.
- **Manager Risk.** The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- **Market Risk.** The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- **Principal Risk.** The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

Risks of Investing in Business Development Companies

Business Development Companies (BDCs) are typically public companies who shares trade on major stock exchanges, and generally use pooled investor funds to invest in other private companies and sometimes small publicly traded companies that have low trading volumes. Although BDCs provide investors with exposure to debt and equity investments in predominantly private companies and may offer high yields, BDCs are considered high-risk investments that are sensitive to interest rate spikes and illiquidity of the underlying investments. BDCs frequently employ leverage - borrowed money used to invest or loan to target companies. BDCs are also exposed to default risk by the companies receiving BDC investments.

Risks of Interests in Partnerships Investing in Real Estate or Oil and Gas

General and limited partners in real estate and oil and gas partnerships share certain risks, and also have their own separate risks. Both types of partners are at risk of losing the capital they invest. However, general partners have the added risk of being liable for any loans, and their other assets may be at risk if the partnership defaults on a loan. Limited partners take a risk in trusting the general partner with their investments. Once the money is invested and the partnership agreement is signed, limited partners rely on the general partner to make the investment successful and earn an investment return. Beyond the complexity of negotiating the terms of a limited partnership, one of the highest risks of investing in a partnership investing in real estate or oil and gas is liquidity risk. Liquidity risk refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. It may also be the case with products that charge a penalty for early withdrawal or liquidation. Kissling only invests in exchange traded real estate and oil and gas partnerships.

The Advisor does not primarily recommend a particular type of security. However, clients are advised that many unexpected broad environmental factors can negatively impact the value of portfolio securities causing the loss of some or all of the investment, including changes in interest rates, political events, natural disasters, and acts of war or terrorism. Further, factors relevant to specific securities may have negative effects on their value, such as competition or government regulation. Also, the factors for which the company was selected for inclusion in a client portfolio may change, for example, due to changes in management, new product introductions, or lawsuits.

Item 9 Disciplinary Information

Neither Kissling nor its management persons have had any legal or disciplinary events, currently or in the past.

Item 10 Other Financial Industry Activities and Affiliations

Neither Kissling nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Kissling nor any of its management persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Kissling does not currently have any relationships or arrangements that are material to its advisory business or clients with either a municipal securities dealer, government securities dealer or broker, investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund" and offshore fund), other investment advisor or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, lawyer or law firm, pension consultant, real estate broker or dealer or sponsor of syndicator of limited partnerships.

Mr. Kissling is the founder and owner of Kissling Amoroso & Co., Inc., Certified Public Accountants ("KAC"), and provides tax and accounting services to individuals and businesses through that entity. Clients of Kissling that require such services may be referred to KAC, and they will be charged fees for those services that are separate from the fees that are charged by Kissling. A conflict of interest exists because of the receipt of additional compensation by Mr. Kissling. Clients always have the right to decide whether to use KAC for their tax and accounting needs. However, if the client utilizes KAC, all additional compensation will be disclosed to the client prior to the client utilizing the services of the accounting firm. Mr. Kissling spends approximately 25% of his time during trading hours conducting KAC business.

Mr. Kissling is also licensed and registered as an insurance agent to sell life, accident and other lines of insurance for various insurance companies. Therefore, he will be able to purchase insurance products for any client in need of such services and will receive separate, yet typical compensation in the form of commissions for the purchase of insurance products. This also creates a conflict of interest because of the receipt of additional compensation by Mr. Kissling. Clients always have the right to decide whether to act on an insurance recommendation made by the firm, and if they do decide to act, they have the right to do so through the insurance agent of their choosing. However, in such instances, there is no advisory fee associated with these insurance products. Mr. Kissling spends approximately half of his time on insurance related business which is performed concurrently with his investment advisory services at Kissling.

In addition to the full disclosure of the compensation received from the accounting and insurance activities, Kissling manages the related conflicts of interest by maintaining a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the advisor. It is designed to prevent fraudulent, deceptive and manipulative practices and to ensure compliance with federal and state securities laws and the fiduciary duties owed to clients. In particular, the Code of Ethics is based on the overriding principle that Kissling and its supervised persons are fiduciaries to advisory clients by law and must act in the client's best interest, which includes, but is not limited to, a duty of care, loyalty, obedience, and utmost good faith. Kissling's Code of Ethics is available upon request.

Kissling requires that its investment advisor representatives follow its basic policies and ethical standards as set forth in its Code of Ethics.

Kissling does not recommend or select other investment advisors for clients.

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

Kissling is registered with the SEC and maintains a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of Kissling deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Kissling are conducted in a manner that avoids any conflict of interest between such persons and clients of the adviser or its affiliates. Kissling collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve conflicts of interest. Kissling will provide a copy of the Code of Ethics to any client or prospective client upon request.

Kissling and/or its investment advisory representatives may from time to time purchase or sell products that they may recommend to clients. Kissling and/or its investment advisory representatives have a fiduciary duty to act in the client's best interests. To the extent that the Advisor or its investment advisor representatives are purchasing or selling securities at or about the same time that it is recommending such securities to clients, Kissling and its IARS are prohibited from frontrunning or disadvantaging trading for clients.

Kissling requires that its investment advisory representatives follow its basic policies and ethical standards as set forth in its Code of Ethics.

Item 12 Brokerage Practices

Kissling requires clients use Charles Schwab, CRD# 5393, an SEC registered broker-dealer as the custodian for accounts managed by Kissling. Kissling believes the level of services by Charles Schwab and fees charged for the services are fair and among the best in the industry. Kissling's analysis of Charles Schwab is based on execution and custodial services offered, cost, quality of service and industry reputation. Kissling considers factors such as commission price, speed and quality of execution, client management tools, and convenience of access for both the Advisor and client in making its suggestion.

Advisor participates in the Charles Schwab program. Charles Schwab is a division of Charles Schwab & Co., Inc. ("Charles Schwab") member FINRA/SIPC. Charles Schwab is an independent and unaffiliated SEC-registered broker-dealer. Charles Schwab offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from Charles Schwab through its participation in the program. (Please see the disclosure under Item 14 below). When Advisor does receive such products or services, it will follow procedures which ensure compliance with Section 28(e) of the Securities Exchange Act of 1934 or applicable state securities rules.

The firm seeks to obtain the most favorable net results for clients' price, execution quality, services and commissions. Although the firm seeks competitive commission rates, it may pay commissions on behalf of clients which may be higher than those available from other brokers in order to receive other services. The firm may enter into such transactions so long as it determines in good faith that the amount of commission paid was reasonable in relation to the value of the brokerage and research services provided by the broker. The services that may be considered in this determination of reasonableness may include (1) advice, either directly or through publications or writing, as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; (2) analysis and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; or (3) effecting securities transactions and performing functions incidental thereto. Such research furnished by broker-dealers may be used to service any or all of Kissling's clients and may be used in connection with accounts other than those that pay commissions to the broker-dealers providing the research. In particular, third-party research provided by broker-dealers may be used to benefit all of the firm's clients. This creates a conflict of interest in that the firm has an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on the clients' interest in receiving most favorable execution. Kissling believes that its requirements that clients use Charles Schwab as their custodian is in the client's best interest based on the services that Charles Schwab provides and the fees that Charles Schwab charges.

Benefits may be used as soft dollars provided that:

- The service is primarily for the benefit of Kissling's clients
- The commission rates are competitive with rates charged by comparable broker-dealers; and
- Kissling does not guarantee a minimum amount of commissions to any broker-dealer.

Kissling does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to clients.

Kissling requires that all clients use a particular custodian for execution and/or custodial services. The custodian is recommended based on criteria such as, but not limited to, reasonableness of commissions charged to the client, tools and services made available to the client and the Advisor, and convenience of access to the account trading and reporting. The client will provide authority to Kissling to direct all transactions through that custodian in the portfolio management agreement.

As an investment advisory firm, Kissling has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client. Kissling's primary objectives when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Kissling may not necessarily pay the lowest commission or commission equivalent as specific transactions may involve specialized services on the part of the broker.

Kissling does not permit clients to direct brokerage.

Kissling may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g., for the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of Kissling's investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. Kissling may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment. Trades for non-discretionary accounts may not participate in block trades in most circumstances.

Item 13 Review of Accounts

The firm reviews client accounts on a bi-monthly basis, or when conditions would warrant a review based on market conditions or changes in client circumstances. All accounts are reviewed by Timothy J. Kissling, President. Triggering factors may include Kissling becoming aware of a change in client's investment objective, a change in market conditions, change of employment, or a change in recommended asset allocation weightings in the account that exceed a predefined guideline. In addition to the account reviews, Kissling will meet with clients at least annually to update the client's suitability information and discuss any proposed changes to the investment strategy.

The client is encouraged to notify the Advisor and Investment Advisor Representative if changes occur in his/her personal financial situation that might materially affect his/her investment plan.

The client will receive written statements no less than quarterly from the custodian. In addition, the client will receive statements from mutual funds, asset managers, trust companies or other custodians, insurance companies, broker-dealers and others who are involved with client accounts. Kissling does not provide separate regular reports to clients.

Each time the Advisor charges an advisory fee, the Advisor will provide an invoice to the client that contains the fee(s), the formula used to calculate the fee(s), the fee calculation itself, the time period covered by the fee(s) and if applicable, the amount of assets under management the fee is based on and the name of the custodian(s).

Item 14 Client Referrals and Other Compensation

Other than soft dollar benefits from the custodian, Kissling does not receive any economic benefit from a third-party for providing investment advice or other advisory services to clients. As disclosed under Item 12 above, Advisor participates in Charles Schwab & Co. Inc. customer program and Advisor may recommend Charles Schwab to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to Charles Schwab retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. Some of the products and services made available by Charles Schwab through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing Client accounts, including accounts not maintained at Charles Schwab. Other services made available by Charles Schwab are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to Charles Schwab. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a conflict of interest and may indirectly influence the Advisor's choice of Charles Schwab for custody and brokerage services. Kissling believes that its requirements that clients use Charles Schwab as their custodian is in the client's best interest based on the services that Charles Schwab and the fees that Charles Schwab charges.

Kissling may compensate persons or firms for client referrals in compliance with the Adviser's Act and state securities rules and regulations. The fees paid to referral sources do not affect the fees clients pay to Kissling. In each instance, a written agreement will exist between the Advisor and the referral source. At the time of a referral, prospective advisory clients will receive the Advisor's

Brochure and a Promoter's Disclosure Document. Kissling has established policies and procedures to ensure that its solicitation activities are compliant with the requirements under Rule 206(4)-1 of the Adviser's Act and state securities rules and regulations.

Item 15 Custody

Kissling does not have custody of client funds or securities, except for the withdrawal of advisory fees directly from client accounts. However, as noted in Item 13 above, clients will receive statements not less than quarterly from the qualified custodian, and we encourage you to review those statements carefully. Kissling will send quarterly invoices to portfolio management clients. Clients are urged to compare the statements they receive from the qualified custodian with the invoices they receive from the Advisor. Any discrepancies should be immediately brought to the firm's attention.

Item 16 Investment Discretion

Kissling generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client for each transaction. However, these purchases or sales are subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Kissling.

Discretionary authority will only be provided upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. Where accounts are managed on a non-discretionary basis, the Advisor is required to obtain a client's permission before placing each trade. Therefore, there may be delays in execution for non-discretionary accounts.

Item 17 Voting Client Securities

Kissling will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, Kissling cannot give any advice or take any action with respect to the voting of these proxies. The client and Kissling agree to this by contract. Clients will receive proxy solicitations from their custodian and/or transfer agent.

Item 18 Financial Information

Kissling does not require or solicit prepayment of more than $500 in fees per client, six months or more in advance, and is not required to file a balance sheet.

Kissling has discretionary authority over client accounts and is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If Kissling does become aware of any such financial condition, this brochure will be updated and clients will be notified. Kissling has never been subject to a bankruptcy petition.