Tolsma Investments, LLC

Firm Brochure – Form ADV Part 2A

5806 119th Avenue SE
Suite A #262
Bellevue, WA 98006
Tel: 425-458-3999

www.tolsmainvestments.com

jeff@tolsmainvestments.com

This brochure provides information about the qualifications and business practices of Tolsma Investments, LLC. Please contact Jeff Tolsma at 425-458-3999, or email: jeff@tolsmainvestments.com if you have any questions about the content of this brochure.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about Tolsma Investments, LLC is available on the SEC's website at www.adviserinfo.sec.gov. Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD ("CRD") number, which is 287941, and/or the SEC number, which is 801-119037.

While the firm and its associates may be registered and/or licensed within a particular jurisdiction, that registration and/or licensing in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the firm or its associated personnel.

October 20, 2020

Item 2 - Material Changes

Summary of Material Changes to Form ADV Part 2A: Firm Brochure

This item will discuss only material changes that are made to the firm's Brochure and provide a summary of those changes. The communication of these changes to clients will be in compliance with SEC rules and determined by the nature of the material changes.

The following material changes have occurred since Tolsma Investments last annual updating amendment on March 30, 2020:

- Tolsma Investments, LLC is now federally registered with the United States Securities and Exchange Commission (SEC).

Item 3 - Table of Contents

Important Information

Throughout this document Tolsma Investments, LLC may also be referred to as “the firm,” “firm,” “our,” “we” or “us.” The client or prospective client may be also referred to as “you,” “your,” etc., and refers to a client engagement involving a single *person* as well as two or more *persons* and may refer to natural persons and legal entities. In addition, the term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., internet address, etc.).

Our firm maintains a business continuity and succession contingency plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available under separate cover upon request.

Item 4 - Advisory Business

Tolsma Investments, LLC is a Washington domiciled limited liability company formed in March of 2017. Our firm is not a subsidiary of nor does it control another financial services industry entity. In addition to our firm's April of 2017 registration as an investment advisor in Washington, our firm became federally registered with the Unites States Securities and Exchange Commission (SEC) and notice filed with the state of Washington in July, 2020.

Mr. Jeffrey (Jeff) T. Tolsma is our firm's Founder & Managing Director, and Chief Compliance Officer (supervisor). He is also Managing Member and maintains controlling interest in the firm. Additional information about Jeff Tolsma and his background may be found toward the end of this brochure.

Our firm provides its clients with advice on key topics such as cash flow and budgeting, investing, funding a college education, retirement planning, and risk management, estate planning, among others. We also provide educational workshops involving a broad range of financial planning and investing topics.

An initial interview is conducted by a representative of our firm to discuss your current situation, goals and the scope of services that may be provided to you. During or prior to this meeting you will be provided with our Form ADV Part 2 firm brochure that includes a statement involving our privacy policy, as well as a brochure supplement about the representative who will be assisting you. We will also ensure that any material conflicts of interest have been disclosed to you that could be reasonably expected to impair the rendering of unbiased and objective advice.

If you choose to engage our firm for its services, you must first execute our advisory client engagement agreement. Thereafter discussion and analysis will be conducted to determine your financial needs, goals, holdings, etc. Depending on the scope of the engagement, you may be asked to provide copies of the following documents early in the process:

- Wills, codicils and trusts
- Insurance policies
- Mortgage information
- Credit card statements
- Student loans
- Tax returns
- Divorce decree or separation agreement
- Current financial specifics including W-2s or 1099s
- Information on current retirement plans and benefits provided by your employer
- Statements reflecting current investments in retirement and non-retirement accounts
- Employment or other business agreements you may have in place
- Completed risk profile questionnaires or other forms provided by our firm

It is important that we are provided with an adequate level of information and supporting documentation throughout the term of the engagement including but not limited to: source of funds, income levels, and an account holder or attorney-in-fact's authority to act on behalf of the account, among other information that may be necessary for our services.

The information and/or financial statements provided to us need to be accurate. Our firm may, but is not obligated to, verify the information that you have provided to us which will then be used in the advisory process.

It is essential that you inform our firm of significant issues that may call for an update to their plan. Events such as changes in employment or marital status, an unplanned windfall, etc., can have an impact on your circumstances and plans. Our firm needs to be aware of such events so that adjustments may be made as necessary.

Wealth Planning

Our wealth planning engagements may be as broad-based or narrowly focused as you desire. The incorporation of most or all of the following wealth planning components allows not only a thorough analysis but also a refined focus of your plans so that our firm is able to assist you in reaching your objective.

Investment Strategy

We will conduct analyses of your needs, goals and time horizon to arrive at an asset allocation suited for your plan. The analysis includes determining where your assets are maintained, whether they are tax-efficient, as well as developing tactical allocation targets. The strategies and types of investments that may be recommended are further discussed in Item 8 of this brochure, and our investment authority is noted in Item 16.

Retirement Planning

We will address your savings and income strategies, conduct a review of your personal and employer-sponsored investments, review your retirement benefits and social security options, as well determine health care and long-term care coverage requirements.

Income Protection

We will develop a plan to address various threats to your income, such as disability, premature death as well as outliving an income stream. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).

Asset Protection

Our review typically includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. We may assess ways to minimize or avoid future estate taxes by implementing estate planning and charitable giving strategies. We generally recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your prior approval.

Family Events

A review of your income and expenses will be conducted to determine your current surplus or deficit. Based upon the results, we will provide advice on prioritizing how any surplus should be used, or how to reduce expenses if they exceed your income. In addition, advice on the prioritization of which debts to repay may be provided, based upon such factors as the debt’s interest rate and any income tax ramifications.

Recommendations may also be made regarding the appropriate level of cash reserves for emergencies and other financial goals. These recommendations are based upon a review of cash accounts (such as money market funds) for such reserves and may include strategies to save desired reserve amounts.

Advice involving college funding may include projecting the amount that will be needed to achieve post-secondary education funding goals, along with savings strategies and the “pros-and-cons” of various college savings vehicles that are available. We are also available to review your financial picture as it relates to eligibility for financial aid or the best way to contribute to family members, such as grandchildren, if appropriate.

Separation or divorce can have a major impact on your goals and plans. We will work with you to help you gain an understanding of your unique situation and provide you with a realistic financial picture so that you are in a better situation to communicate with legal counsel, a mediator or soon to be ex-spouse. We can assist in the completion of cash flow and net worth projections, budget analysis, as well as help you to understand what the financial consequences and/or benefits are involving a settlement.

Assisting other family members, such as an elderly parent, also has an effect on family savings and investments. Our analysis will address these topics, when appropriate.

Business Consultation

We are available to assist small businesses in a variety of ways to include business strategy, practice management, general financial advice, debt management, as well as assisting you with matters involving coordination with your financial institution, attorney or accounting firm.

Educational Workshops

We provide both paid and complimentary educational sessions for those desiring information on personal finance and investing. Topics may include issues related to general financial planning, educational funding, estate planning, retirement strategies, implications involving changes in marital status, and various other current economic or investment topics. Our workshops are educational in nature and do not involve the sale of insurance or investment products.

Wrap Fee Programs

Our firm does not sponsor or serve as a portfolio manager in an investment program involving wrapped (bundled) fees.

Client Assets Under Management

We have $188,776,380 in regulatory assets under management on a non-discretionary basis.

Item 5 - Fees and Compensation

Forms of payment are based on the types of services being provided, term of service, etc., and will be stated in your engagement agreement with our firm. Our invoice will be provided each time we assess our fee, and it will include the fee to be charged, the formula used to calculate our fee, and the time period covered by the fee.

Fees may be paid by check or draft from US-based financial institutions. With your prior authorization, payment may also be made by automated clearing house (ACH), as well as credit or debit via qualified, unaffiliated PCI compliant[1] third-party processors. We do not accept cash, money orders or similar forms of payment for our engagements, nor do we withdraw our fee from your investment account held at your custodian of record.

Types of Fees and Payment Schedule

Retainer Fee Engagements

Through our retainer services engagement we will assist you over the course of the year, creating your foundation (your plan) and working with you to accomplish various planning components or action items. We are available to help you in opening and maintaining an investment account at the custodian of your choice, and we will provide portfolio allocation adjustments when necessary. We will meet with you three to four times per year, depending on your needs and schedule, and we will address your questions when you need us.

The retainer fee is $2,500 per year, paid in equal monthly or quarterly installment periods. The initial fee is a prepayment for services to be rendered and is due upon execution of the engagement agreement, which may require proration based on the days remaining in the period. The remaining portion is paid in arrears in equal installments thereafter until the end of the 12-month period. Note that the fee is due within 10 days of invoice. The agreed upon services will be rendered on an ongoing basis and will be continued from year to year until the engagement is amended or terminated by either the client or the advisor.

Project-Based Engagements

We understand that some clients prefer to work with an advisor on a “transactional” or “a la carte” basis, so we offer a project-based engagement. This service allows us to address a specific planning component or another unique project/plan (described in Item 4), typically, limited to a single appointment, up to three hours of work thereafter, and a “call as needed” approach to wrap up the project. We are compensated for project-based services by a fixed fee of $500 per plan. No deposit is required; the entire fee is due upon plan delivery and the engagement ends at delivery.

Hourly Engagements

Hourly engagements are for services that are very limited in scope, such as assisting someone with their 401(k) allocation. Our hourly rate is $200 per hour, billed in 10-minute increments, and a partial increment (e.g., seven minutes) will be treated as a whole increment. There is not a deposit requirement; the total fee will be due upon delivery of the limited scope plan or advice and the engagement ends after delivery.

Educational Workshops

Workshops sessions are held as either paid or complimentary.

Discounting of Advisory Fees

Our published fees are not negotiable but may be discounted by our firm. For example, we may provide a discount to our associates and their immediate family members, former clients, etc.

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[1] For an explanation of the term “PCI,” who the PCI Security Standards Council is, as well as its comprehensive standards to enhance payment card data security, please go to https://www.pcisecuritystandards.org/pci_security/

We strive to offer fees that are reasonable in light of the experience of the firm and its associates as well as the range of services to be rendered to our clients.

Termination of Services

Either party may terminate the agreement at any time by communicating the intent to terminate in writing. If you verbally notify our firm of the termination and, if in two business days following this notification we have not received your notice in writing, we will make a written notice of the termination in our records and send you our own termination notice as a substitute. Our firm will not be responsible for investment allocation, advice or transactional services upon receipt of a termination notice.

If a client did not receive our Form ADV Part 2 firm brochure at least 48 hours prior to entering into our agreement, then that client will have the right to terminate the engagement without fee and penalty within five business days after entering into the agreement. If a client terminates a project-based or hourly planning service after this five-day period, we are not obligated to provide them with a plan, to include a partial plan. Retainer clients will be refunded based on a per-day prorated basis from the date of the last payment until the date of termination notice.

Our firm will return any prepaid, unearned fees (including some or the entire initial retainer fee) within 30 days of the firm's receipt of termination notice. Return of payment to a client for our services will only be completed via check from our firm's US-based financial institution; no credits or "transaction reversals" will be issued. Return of prepaid fees will never involve a personal check, cash or money order from our firm or from an associate of our firm.

Additional Client Fees

Any transactional or service fees (sometimes termed *brokerage fees*), individual retirement account fees, qualified retirement plan fees, account termination fees, or wire transfer fees will be borne by the account holder and per the separate fee schedule of the custodian of record. Fees paid by our clients to our firm for our advisory services are separate from any of these fees or other similar charges. In addition, our advisory fees are separate from internals fees or charges associated with mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other similar investments.

Per annum interest at the current statutory rate in which the client resides may be assessed on fee balances past due more than 30 days, and we may refer overdue accounts to collections or legal counsel for processing. We reserve the right to suspend some or all services once an account is deemed past due.

Additional information about our fees in relationship to our brokerage/operational practices is noted in Item 12.

External Compensation involving the Sale of Securities

Our firm does not charge or receive a commission or a mark-up on securities transactions, nor will the firm or an associate be paid a commission on the purchase of a securities holding that is recommended to a client. We do not receive "trailer" or SEC Rule 12b-1 fees from an investment company that may be recommended to a client. Fees charged by such issuers are detailed in prospectuses or product descriptions and interested investors are always encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges.

Our clients have the right to purchase recommended or similar investments through a service provider of their own choosing.

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

Our firm's advisory fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as performance-based fees. Our fees will also not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.

Item 7 - Types of Clients

We provide advisory services to individuals and high net worth individuals of all investment experience, as well as small businesses. We do not require minimum income, minimum asset levels or other similar preconditions. We reserve the right to waive or reduce certain fees based on unique individual circumstances, special arrangements or preexisting relationships. Tolsma Investments, LLC reserves the right to decline services to any prospective client for any nondiscriminatory reason.

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

Method of Analysis

We employ what we believe to be an appropriate blend of fundamental, technical, and cyclical analyses. For example, fundamental analysis may involve evaluating economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. Technical and cyclical analysis may involve studying the historical patterns and trends of securities, markets, or economies as a whole in an effort to determine potential future behaviors and the estimation of price movement. Our research is often drawn from sources such as financial periodicals, reports from economists and other industry professionals, as well as regulatory filings, such as annual reports, prospectuses, etc.

Investment Strategy

Generally, our investment advice is based on a globally diversified strategy involving a long-term, disciplined approach that manages risk through appropriate asset allocation. We recognize that each client's needs and goals are different; subsequently, portfolio strategies and underlying investment vehicles may vary. The following are common strategies utilized within our client's portfolios:

Modern Portfolio Theory

Modern Portfolio Theory states that by employing securities whose price movements have historically low correlations, it is possible to create an efficient portfolio that can offer the highest expected return for a given level of risk, or one with the lowest level of risk for a given expected return. The practice of Modern Portfolio Theory does not employ market timing or stock selection methods of investing but rather a long term, buy-and-hold strategy with periodic rebalancing of the account to maintain desired risk levels.

Core + Satellite

This strategy blends passive (or index) and active investing, where passive investments are used as the basis or "core" of a portfolio and actively-managed investments are added as "satellite" positions. The portfolio core holdings are indexed to potentially more efficient asset classes, while outlying selections are generally limited to active holdings in an attempt to outperform a particular category (sector), or a selection of particular positions to increase core diversification, or to improve portfolio performance. For example, the core of a portfolio may be built with low-cost index funds or ETFs; satellite holdings would include active investments (e.g., active mutual funds or ETFS) with unique strategies that are believed capable of adding value beyond a stated benchmark over a full market cycle.

Recommended Investments

We will strive to create portfolios that contain investment vehicles that are diversified, tax-efficient, and low-cost investments whenever practical. We typically recommend a broad range of mutual funds or ETFs for clients' portfolios.

Risk of Loss

Tolsma Investments, LLC cannot warrant or guarantee the achievement of a planning goal, or any particular level of account performance or that an account will be profitable over time. Past performance is not necessarily indicative of future results. Our firm believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee that an investment objective will be achieved. Investing in securities involves risk of loss that clients should be prepared to bear. While the following list is not exhaustive, we provide some examples of such risk in the following paragraphs, and we believe it is important that our clients review and consider each prior to investing.

Active Portfolio Management

A portfolio that employs active management strategies (e.g., tactical trading) may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or "turnover." This may result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active asset management.

Company Risk

When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as *unsystematic risk* and can be reduced or mitigated through diversification.

Core + Satellite Strategies

Strategies involving Core + Satellite investing may have the potential to be affected by "active risk" (or "tracking error risk"), which might be defined as a deviation from a stated benchmark. Since the core portfolio attempts to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a satellite portfolio or position, or from a "sample" or "optimized" index fund or ETF that may not as closely align the stated benchmark.

Currency Risk

The risk of loss from fluctuating foreign exchange rates when a portfolio has exposure to foreign currency or in foreign currency traded investments is known as currency risk.

Cyclical Analysis

Cyclical analysis (form of technical analysis) may experience risk due to an economic cycle that may not be as predictable as preferred; many fluctuations may occur between long term expansions and contractions. The length of an economic cycle may be difficult to predict with accuracy and therefore the risk of cyclical analyses is the difficulty in predicting economic trends. Consequently, the changing value of securities is affected.

Equity (Stock) Risk

Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of their issuers change. If an investor held common stock or common stock equivalents of any given issuer, they may be exposed to greater risk than if they held preferred stocks and debt obligations of the issuer. Preferred stocks can be affected by interest rate and liquidity risks (described in adjacent paragraphs). Also note that their dividend payment is not guaranteed; some are subject to a call provision, meaning the issuer can redeem its preferred shares on demand, and usually when interest rates have fallen.

ETF and Mutual Fund Risks

The risk of owning ETFs and mutual funds reflect their underlying securities (e.g., stocks, bonds, derivatives, etc.). These forms of securities typically carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. Certain ETFs and indexed funds have the potential to be affected by “active risk;” a deviation from its stated index (e.g., S&P 500).

While many ETFs and index mutual funds are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be a holding within an ETF or mutual fund), may be considered “non-qualified” under certain tax code provisions. A holding’s QDI will be considered when tax-efficiency is an important aspect of the client’s portfolio.

Leveraged and/or inverse ETFs attempt to achieve multiples of the performance of an index or benchmark through the opposite (inverse) of the performance of the tracked index or benchmark. This strategy attempts to profit from, or hedge exposures to, downward drifting markets. There is risk involving this strategy and part of the concern is based on the fact that leveraged and inverse exchange traded funds "reset" daily, which means they are designed to achieve their stated objectives on a *daily basis.* It is due to the compounding effect of daily adjustments that ETF performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of an underlying index or benchmark during the same period. This effect is potentially magnified during volatile markets. If effects contrary to the ETF strategy occur, losses may be significant; therefore, leveraged and/or inverse ETFs will be considered for portfolios either properly hedged or for clients able to sustain potentially higher risks. Leveraged and inverse ETFs will not be used in portfolios where a "buy-and-hold" philosophy is important.

Failure to Implement

As our planning client, you are free to accept or reject any or all of the recommendations made to you. While an advisory firm cannot guarantee future performance, a plan will not succeed if it is not implemented. Clients who choose not to take the steps recommended in their plan may face an increased risk that their stated goals and objectives will not be achieved.

Financial Risk

Excessive borrowing to finance a business operation increases profitability risk because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Fixed Income Risks

Various forms of fixed income instruments, such as bonds, money market or bond funds may be affected by various forms of risk, including:

- *Credit Risk* - The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as "default risk." Credit risk may also occur when an issuer's ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

- *Interest Rate Risk* - The risk that the value of the fixed income holding will decrease because of an increase in interest rates.

- *Reinvestment Risk* - With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

Fundamental Analysis

The challenge involving fundamental analyses is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value. If a security's price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

Inflation Risk

Also called *purchasing power risk*; the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.

Liquidity Risk

The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. For example, while certain types of fixed income instruments are generally liquid (e.g., bonds), there are risks which may occur such as when an issue trading in any given period does not readily support "buys and sells" at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

Market Risk

This is also called systematic risk. In cases where markets are under extreme duress, many securities lose their ability to provide diversification benefits. This is called systemic risk.

Passive Investing

A portfolio that employs a passive, efficient markets approach has the risk of generating lower-than-expected returns due to its broad diversification when compared to a portfolio more narrowly focused.

Political Risk

The risk of financial and market loss because of political decisions or disruptions in a particular country or region and may also be known as "geopolitical risk."

Research Data

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While our firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

Technical Analysis

The risk of investing based on technical analyses is that it may not consistently predict a future price movement; the current price of a security may reflect all known information. This may occur due to analyst bias or misinterpretation, a sector analysis error, late recognition of a trend, etc.

Item 9 - Disciplinary Information

Neither the firm nor its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our offering advisory business or its integrity.

Item 10 - Other Financial Industry Activities and Affiliations

Firm policies require associated persons to conduct business activities in a manner that avoids conflicts of interest between the firm and its clients, or that may be contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest involving its business relationships that might reasonably compromise its impartiality or independence.

Our advisory firm and its management are not registered nor have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm or associated person of such a firm, nor are we required to be registered with such entities. Neither our firm nor its management is or has a material relationship with any of the following types of entities:

- accountant or accounting firm
- another investment advisor, to include financial planning firms, municipal advisors, sub-advisors or third-party investment managers; nor do we recommend, select or utilize their services
- bank, credit union or thrift institution, or their separately identifiable departments or divisions
- insurance company or insurance agency
- lawyer or law firm
- pension consultant
- real estate broker, dealer or advisor
- sponsor or syndicator of limited partnerships
- trust company

- issuer of a security, to include 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)

Jeff Tolsma is a licensed insurance agent in order to offer education and advice to his clients; he does not earn a commission or similar residual income for this service.

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

Tolsma Investments, LLC holds itself to a *fiduciary standard*, which means the firm and its associates will act in the utmost good faith, performing in a manner believed to be in the best interest of its clients. Our firm believes that business methodologies, ethics rules, and adopted policies are designed to eliminate or at least minimize material conflicts of interest and to appropriately manage any material conflicts of interest that may remain. You should be aware that no set of rules can possibly anticipate or relieve all material conflicts of interest. Our firm will disclose to its advisory clients any material conflict of interest relating to the firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

Code of Ethics

We have adopted a Code of Ethics that establishes policies for ethical conduct for our personnel. Our firm accepts the obligation not only to comply with applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Firm policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others. Our firm periodically reviews and amends its Code of Ethics to ensure that it remains current, and requires firm personnel to annually attest to their understanding of and adherence to the firm's Code of Ethics. A copy of the firm's Code of Ethics is made available to any client or prospective client upon request.

Privacy Policy Statement

We respect the privacy of all clients and prospective clients (collectively termed "customers"), both past and present. It is recognized that you have entrusted our firm with non-public personal information and it is important that both access persons and customers are aware of firm policy concerning what may be done with that information.

The firm collects personal information about customers from the following sources:

- Information customers provide to complete their financial plan or investment recommendation;
- Information customers provide in engagement agreements and other documents completed in connection with the opening and maintenance of an account;
- Information customers provide verbally; and
- Information received from service providers, such as custodians, about customer transactions.

The firm does not disclose non-public personal information about our customers to anyone, except in the following circumstances:

- When required to provide services our customers have requested;
- When our customers have specifically authorized us to do so;
- When required during the course of a firm assessment (i.e., independent audit); or
- When permitted or required by law (i.e., periodic regulatory examination).

Within the firm, access to customer information is restricted to personnel that need to know that information. All access persons and service providers understand that everything handled in firm offices are confidential and they are instructed not to discuss customer information with someone else that may request information about an account unless they are specifically authorized in writing by the customer to do so. This includes providing information about a family member's account.

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of customer information.

The firm will provide you with its privacy policy on an annual basis and at any time, in advance, if firm privacy policies are expected to change.

Firm Recommendations and Conflicts of Interest

Neither the firm nor an associate is authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a "related person" (e.g., associate, an immediate family member, etc.) has a material financial interest, such as in the capacity as a board member, underwriter or advisor to an issuer of securities, etc.

An associate is prohibited from borrowing from or lending to a client unless the client is an approved lending institution.

Our firm remains focused on ensuring that its offerings are based upon the needs of its clients, not resultant fees received for such services. We want to note that you are under no obligation to act on a recommendation from our firm and, if you elect to do so, you are under no obligation to complete them through our firm or a service provider whom we may recommend.

Our firm does not trade for its own account (e.g., proprietary trading). The firm's related persons may buy or sell securities that are the same as, similar to, or different from, those recommended to clients for their accounts, and this poses a conflict of interest. We mitigate this conflict by ensuring that we have policies and procedures in place to ensure that the firm or a related person will not receive preferential treatment over a client. In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of client recommendation, etc.), firm policy may require that we periodically restrict or prohibit related parties' transactions. Any exceptions must be approved in writing by our Chief Compliance Officer, and personal trading accounts are reviewed on a quarterly or more frequent basis. Please refer to Item 6 of the accompanying Form ADV Part 2B for further details.

Item 12 - Brokerage Practices

Factors Used to Select Broker/Dealers for Client Transactions

Tolsma Investments, LLC does not maintain physical custody of your assets. Your account must be maintained by a qualified custodian (generally a broker/dealer, bank or trust company) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority. Our firm is not a custodian, there not an affiliate that is a custodian; nor does a custodian supervise our firm, its activities or our associates.

We do not require that you open and maintain an accountant with a specific custodian. You may engage the custodian or broker of your choice. Should you prefer that we suggest a provider to you, our recommendation will be based on your needs, overall cost, and ease of use. We might suggest Fidelity Investments, The Vanguard Group, or Charles Schwab & Co., Inc. as your custodian, but we do not have a formal arrangement with their firm. Note that you will open your account with your custodian by entering into an account agreement directly with them. We do not open the account for you but we may assist you in that process if you prefer.

Our firm prohibits non-cash compensation (termed "soft dollars" in certain jurisdictions), and will not “pay up” to receive additional services from a service provider, including the above-noted custodians. All compensation paid to the firm is paid directly by our clients as noted in Item 5. We also do not receive referrals from a custodian, nor are client referrals a factor in our recommendation of a custodian.

Best Execution

In light of the nature of our firm’s advisory services, it is believed “best execution” review obligations with regard to client transactions are not required under current industry guidelines.

Directed Brokerage

Our firm does not require or engage in directed brokerage involving client accounts. Clients are free to use any particular provider to execute their transactions and they are responsible for negotiating any terms or arrangements for their account. Our firm will not be obligated to conduct due diligence of the client’s selected service provider, seek better execution services or prices from any provider, or aggregate client transactions for trade execution. Since your transactions are completed at a service provider of your choice, you may potentially pay more for your transaction or experience wider price spreads.

Aggregating Securities Transactions

Trade aggregation involves the purchase or sale of the same security for several clients/accounts at approximately the same time. This may also be termed “blocked, “bunched” or “batched” orders. Aggregated orders are effected in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among multiple client accounts should there be differences in prices, brokerage commissions or other transactional costs that might otherwise be unobtainable through separately placed orders. We only serve accounts at custodians of our clients’ choice and are unable to aggregate trades. Since your transactions are completed independently at the provider of your choice, you may potentially pay more for your transaction or experience wider price spreads when compared to accounts where trades have been aggregated.

Item 13 - Review of Accounts

Periodic Reviews

Periodic financial check-ups or reviews are recommended if you are receiving our financial planning services. We believe they should occur at least on an annual basis. Reviews will be conducted by Jeff Tolsma and typically involve analysis and possible revision of your previous financial plan or investment allocation. A copy of revised written plans or asset allocation reports in printed or digital format will be provided to the client upon request. Unless provided for in your engagement agreement (e.g., retainer service), reviews are generally conducted under a new or amended agreement and will be assessed at our current fee rate.

Retainer clients' investment accounts are reviewed on a quarterly or more frequent basis by Jeff Tolsma. Client-level investment account reviews are also completed by Jeff Tolsma, and we recommend that they occur on at least an annual basis. A copy of a revised written investment guideline or asset allocation report in printed or digital format will be provided to the client upon request.

Non-Periodic Reviews

You should contact our firm for additional reviews when you anticipate or have experienced changes in your financial situation (i.e., changes in employment, an inheritance, the birth of a new child, etc.), or if you prefer to change requirements involving your investment account. Non-periodic reviews are conducted by Jeff Tolsma, under a new or amended agreement, and fees may be assessed at our published rate. A copy of revised plans or asset allocation reports will be provided to the client upon request.

Additional retainer client investment account reviews by Jeff Tolsma may be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector. A portfolio may be reviewed for an additional holding or when an increase in a current position is under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

Client Reports

You will receive account statements sent directly from mutual fund companies, transfer agents, plan administrators, custodians or brokerage companies where your investments are held. We urge you to carefully review these account statements for accuracy and clarity, and to ask questions when something is not clear.

Our firm does not provide account-level performance reporting. Clients are urged to carefully review and compare account statements that they have received from their account custodian with any report they may receive from any source if that report contains any type of performance information.

Item 14 - Client Referrals and Other Compensation

We do not engage in solicitation activities. If we receive or offer an introduction to a client, we do not pay or earn referral fee, nor are there established *quid pro quo* arrangements. Each client retains the option to accept or deny such referral or subsequent services.

Item 15 - Custody

Accounts will be maintained by an unaffiliated, qualified custodian. Assets are not maintained by our firm or any associate of our firm. In keeping with this policy involving our clients' funds or securities, our firm:

- Restricts the firm or an associate from serving as trustee or having general power of attorney over a client account;
- Prohibits any associate from having authority to directly withdraw securities or cash assets from a client account;
- Does not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm;
- Will not collect advance fees of $500 or more for services that are to be performed six months or more into the future; and

- Will not authorize an associate to have knowledge of a client's account access information (i.e., online 401(k), brokerage or bank accounts) if such access would allow physical control over account assets.

The client's custodian of record will provide transaction confirmations and account statements, which will include all debits and credits for each period. Statements are provided on at least a quarterly basis or as transactions occur within their account. Our firm will not create an account statement for a client or serve as the sole recipient of an account statement.

As a reminder, should a client ever receive a report from any source that includes investment performance information, they are urged to carefully review and compare their account statements they have received directly from the custodian of record with any performance-related report.

Item 16 - Investment Discretion

We prefer that clients execute trades on a self-directed basis. On a limited basis, we may offer portfolio transaction support and only on a nondiscretionary basis; requiring the client's prior approval involving the investment or reinvestment of account assets, or portfolio rebalancing. We will not provide other forms of account instructions to an account custodian (e.g., wire instructions, etc.). If we provide such limited support, the client will be required to execute our firm's client agreement that describes our limited account authority, as well as the custodian of record's account opening document that includes their limited power of attorney form or clause.

Item 17 - Voting Client Securities

You may periodically receive proxies or other similar solicitations sent directly from their custodian or transfer agent. If we receive a duplicate copy, note that we do not forward these or any correspondence relating to the voting of your securities, class action litigation, or other corporate actions.

Our firm does not vote proxies on behalf of an account. We do not offer guidance on how to vote proxies, nor will we offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. We will answer limited questions with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or their legal representative.

Account holders of record will maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by them shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to their holdings. Account holders should consider contacting the issuer or their legal counsel involving specific questions they may have with respect to a particular proxy solicitation or corporate action.

Item 18 - Financial Information

Our advisory firm will not take physical custody of client assets, nor do we have the type of account authority to have such control.

Engagements with our firm do not require that we collect fees from a client of $500 or more for our advisory services that we have agreed to perform six months or more into the future.

Neither our firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

The firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the firm and its management been the subject of a bankruptcy petition.

Due to the nature of our firm's advisory services and operational practices, an audited balance sheet is not required nor included in this brochure.

Item 19 - Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to provide a response to this item.

Tolsma Investments, LLC

Brochure Supplement - Form ADV Part 2B

5806 119th Avenue SE
Suite A #262
Bellevue, WA 98006
Tel: 425-458-3999

www.tolsmainvestments.com

jeff@tolsmainvestments.com

Jeffrey T. Tolsma

Founder & Managing Director
Chief Compliance Officer
Investment Advisor Representative
Member-Manager

October 20, 2020

This brochure provides information about Jeff Tolsma that supplements the Tolsma Investments, LLC Form ADV Part 2A firm brochure. You should have received a copy of that brochure. Please contact Jeff Tolsma at 425-458-3999 or jeff@tolsmainvestments.com if you did not receive the full brochure or if you have any questions about the contents of this supplement. Additional information about Jeff Tolsma is available on the Securities and Exchange Commission's (SEC) website at www.adviserinfo.sec.gov.

Item 2 - Educational Background and Business Experience

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm, as well as their business experience for at least the most recent five years.

Principal Executive Officers and Management Persons

Founder/Managing Director/Chief Compliance Officer/Investment Advisor Representative/Managing Member

Jeffrey (Jeff) Tiede Tolsma

Year of Birth: 1980 / CRD Number: 5912252

Educational Background and Business Experience

Educational Background

Bachelor of Arts (Recreation Management), Brigham Young University; Provo, UT (2003-2009)
Certified Financial Planner™ (CFP®)[2]
General Securities Representative Examination/FINRA Series 7 [1] (Inactive)
Uniform Securities State Agent Law Examination/NASAA Series 63 [1]
Uniform Combined State Law Examination/NASAA Series 66 [1]
Insurance Agent License/Washington Office of the Insurance Commissioner [1]

Business Experience

Tolsma Investments, LLC (03/2017-Present)
Newcastle, WA
Founder & Managing Director/Managing Member (03/2017-Present)
Chief Compliance Officer/Investment Advisor Representative (04/2017-Present)

Fidelity Investments (03/2011-03/2017)
Bellevue, WA
Financial Consultant

TWG Insurance (01/2009-03/2011)
Colleyville, TX
Account Executive

[1] Financial Industry Regulatory Authority (FINRA), North American Securities Administrators Association (NASAA) and state insurance examinations are "criterion based;" candidates who pass the exam are considered to have met the minimum competency level. The completion of an industry examination does not constitute or imply a person is "approved" or "endorsed" by a state, federal or industry regulatory body.

[2] *Certified Financial Planner Board of Standards, Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™ and federally registered CFP (with flame design) in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements.*

Item 3 - Disciplinary Information

Registered investment advisors are required to disclose certain material facts about its associated personnel regarding any legal or disciplinary events, including criminal or civil action in a domestic, foreign or military court, or any proceeding before a state, federal or foreign regulatory agency, self-regulatory organization, or suspension or sanction by a professional association for violation of its conduct rules, that would be material to your evaluation of each officer or a supervised person providing investment advice. Jeff Tolsma has not been the subject of any such event.

Item 4 - Other Business Activities

Investment advisor representatives are required to disclose outside business activities that account for a significant portion of their time or income, or that may present a conflict of interest with their advisory activities.

Neither Jeff Tolsma nor our advisory firm has a material relationship with the issuer of a security. He is not registered, nor has an application pending to register, as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. He does not receive commissions, bonuses or other compensation based on the sale of securities, including that as a registered representative/associated person of a broker or dealer, or the distribution or service (“trail”) fees from the sale of mutual funds.

Jeff Tolsma is a licensed insurance agent in order to offer education and advice to his clients; he does not earn a commission or residual income for this service.

Item 5 - Additional Compensation

Neither our advisory firm nor Jeff Tolsma is compensated for advisory services involving performance-based fees. In addition, firm policy does not allow associated persons to accept or receive additional economic benefit, such as sales awards or other prizes, for providing advisory services to firm clients.

Item 6 - Supervision

Jeff Tolsma serves as the firm’s Chief Compliance Officer. Because supervising one’s self poses a conflict of interest, the firm has adopted policies and procedures to mitigate this conflict and may use the services of unaffiliated professionals to ensure the firm’s oversight obligations are met. Questions relative to the firm, its services, or this brochure supplement may be made to the attention of Jeff Tolsma at 425-458-3999.

Additional information about the firm, other advisory firms, or an associated investment advisor representative is available on the internet at www.adviserinfo.sec.gov. A search of this site for firms may be accomplished by firm name or a unique firm identifier, known as an IARD or CRD number. The CRD number for Tolsma Investments, LLC is 287941, the SEC number is 801-119037, and Jeff Tolsma’s CRD number is 5912252. The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling the Washington Department of Financial Institutions’ Securities Division at (360) 902-8760.