

Part 2A of Form ADV: Firm *Brochure*

Item 1 Cover Page

## **Wilhelm Financial Services, PLLC**

2903 Benjamin Ct SE  
Olympia, WA 98501

(360)790-5757  
wfspllc@comcast.net

This brochure provides information about the qualifications and business practices of Wilhelm Financial Services, PLLC. If you have any questions about the contents of this brochure, please contact us at (360) 790-5757 or wfspllc@comcast.net. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Wilhelm Financial Services, PLLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

March 30, 2012



### Item 3 Table of Contents

Item	Page
Advisory Business	4
Fees and Compensation	6
Performance-Based Fees and Side-By-Side Management	7
Types of Clients	8
Methods of Analysis, Investment Strategies, and Risk of Loss	9
Disciplinary Information	11
Other Financial Industry Activities and Affiliations	12
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	13
Brokerage Practices	14
Review of Accounts	15
Client Referrals and Other Compensation	16
Custody	17
Investment Discretion	18
Voting Client Securities	19
Financial Information	20
Requirements for State-Registered Advisers	21

Wilhelm Financial Services, PLLC (WFS) is a wealth management company that provides investment advisory services as part of the wealth management process. We have been in business since November 22, 2000. The principle owner of WFS is Bret Wilhelm. (see info about Bret below)

WFS provides three main services to our clients. We provide portfolio management, financial planning and asset tracking services. WFS performs specific financial planning services and tax planning on an occasional basis.

WFS's investment advisory services will be limited to nondiscretionary asset management, creating asset allocations, helping clients evaluate and choose investment professionals to implement their asset allocation, and assisting them in making reasonable rate of return assumption to use in the financial planning process.

WFS tailors its advice to each clients individual needs. The client may impose restrictions on investing in certain securities or types of securities.

WFS is willing to accept a limited power to trade with prior consent. This allows WFS to place trades for the client after receiving written or verbal instruction. The client has the option of not giving WFS the limited power to trade with prior consent. Under this circumstance, WFS will have the client verify the trade verbally during a conference call with the custodian.

The daily management of the client's portfolio will be performed by various separate account managers (this can include brokers) or mutual fund managers, not WFS. Occasionally, WFS will directly assist our clients in analyzing individual securities such as stocks and bonds. If separate account managers are used they can be independent or part of a larger program (i.e. – Frank Russell, SEI, and DFA). WFS will charge a separate fee for its management services and will not take place in fee sharing with any of investment managers chosen by the client to maintain objectivity. The managers that are hired by the client will charge their own fee for their services. The client is responsible for all final investment decisions. WFS is solely responsible for providing its clients with advice which it feels is in their best interest.

All clients for whom WFS manages money directly will receive quarterly reports related to their directly managed accounts. For clients that meet our minimum portfolio management fee of \$23,500, WFS will be happy to track all of their financial assets with a portfolio accounting system and provide them with quarterly net worth reports.

WFS will be providing fee-only financial planning services to its clients. The plans are generally comprehensive in nature but may be limited to specific issues. The areas covered during this process can include but are not limited to the following: 1) cash flow planning, 2) tax planning, 3) retirement planning, 4) college planning, 5) estate planning, and 6) insurance benefit planning. WFS believes that it is essential that its clients understand their financial situations to the highest degree possible. To this end WFS is

committed to educating its clients by explaining how different choices can affect their financial lives. WFS believes that a comprehensive financial plan is the best way to make financial decisions because it provides a context within which a client can see how a decision affects the other areas of his or her financial life.

**Assets Under Management**

Discretionary - \$0

Non-Discretionary - \$51,432,000

**Bret Wilhelm**

**Designation Held:**

Certified Financial Planner Licensee

**Formal education after high school:**

BA in Finance and Entrepreneurship from Seattle Pacific University

Masters in Taxation from Golden Gate University

**Business background for the preceding five years:**

Company: Wilhelm Financial Services, PLLC

Position Held: Manager/Owner

From: November 2000

To: Present

## Item 5 Fees and Compensation

WFS will charge an hourly rate, a percentage of assets under management, or a retainer for services provided. The means by which WFS charges and the amount we charge will be negotiated up front with the client. WFS's hourly rate is currently \$300 per hour and may be raised in the future. A typical percentage of assets charge will be between 10 and 100 basis points (between .1 percent and 1 percent) depending on the size of the client's portfolio or net worth. This rate may vary by client and is negotiable. WFS's current fee schedule for assets under management is listed below.

Under \$1,000,000	– 1.0%
\$1,000,000 – \$1,999,999	- .75%
\$2,000,000 – \$2,999,999	- .60%
\$3,000,000 – \$3,999,999	- .50%
\$4,000,000 – \$4,999,999	- .40%
\$5,000,000 – \$5,999,999	- .35%
\$6,000,000 – \$6,999,999	- .30%
\$7,000,000 – \$9,999,999	- .25%
\$10,000,000 and over	- .10%

If the client is a investment management client, they will be billed at the beginning of the quarter for that quarters proportional fee. The fee is based on the quarters beginning account value.

The client may incur other fees from custodians and managers. The custodian of the clients assets may charge commissions for the securities that the client buys and sells. The managers selected will charge a fee to manage that portion of the clients assets. Please see the "Brokerage Practices" section for more details.

If the client terminates service with WFS per the instructions in the engagement letter the client will be refunded any unearned fees. The unearned fees will be determined by dividing the number of days of service provided by WFS by the number of days in the quarter. A detailed explanation of WFS's refund policy can be found in the client's engagement letter.

Clients are charged an hourly rate of \$300 for the stand alone financial planning services provided by WFS (\$275/Hr for investment management clients who do not meet our minimum fee). Clients will be billed monthly for all of the services performed during the month. A comprehensive plan generally will cost a minimum of \$3,000. Although, the cost of the financial plan will vary by client based on the complexity of their financial situation and the number of questions they need answered. WFS will be happy to share the balance of the client's account with them at any time during the planning process.

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

WFS is not compensated using performance based fees

WFS works mainly with individuals.

When conducting financial planning services, WFS does not impose specific conditions on its clients other than determining the appropriateness of its services to their situation.

WFS has a minimum required fee for its portfolio management service of \$23,500. Exceptions can be made to this minimum fee if WFS believes that this is in the best interests of both the client and WFS.



When WFS is hired by a client to manage the client's portfolio, WFS will help the client develop an asset allocation. WFS uses various techniques to develop asset allocations that suit our clients individual risk tolerances. We start with a financial plan to help our clients understand the minimum rate of return they will need to achieve their goals. The client then decides if they want to increase the risk in their portfolio to increase the target return.

Once the target return is determined, WFS uses various techniques and theories to develop a diversified portfolio with the clients target return. This process gives us percentage targets for different assets classes. We then help the client select managers for each asset class. These managers may use a number of strategies when managing the client's money. We typically recommend using index funds to gain exposure to the different asset classes. Although active managers can be used if the client desires. We favor index funds because they maintain consistent exposure to the asset classes they are supposed to be giving the client exposure to. Active managers tend to have problems with maintaining consistent exposure as they chase return. We also like index funds because they tend to have much lower fees and taxable distributions.

The managers are selected by examining how consistently they have stayed in their respective asset classes, by the level of fees they charge, and by the tax distributions they create. The client is responsible for all final investment decisions. WFS is solely responsible for providing its clients with advice which it feels is in their best interest.

WFS typically does not offer advice related to the purchase and sale of individual investments such as stocks and bonds. Although, there are situations in which this is necessary. When we do offer this advice we use fundamental analysis and research reports. Most of the time, WFS's advice related to individual securities is limited to helping its clients understand their securities and how to model them in their financial plan. We also help the client determine reasonable rates of return to use when creating their financial plan.

Even though WFS uses a highly diversified investment strategy clients can still lose value in their portfolios. Our clients need to be ready to bear this risk and to stay committed to the long-term strategy that WFS develops for them. If they do not stay committed and sell when the markets are down they risk locking in these losses permanently.

Investing is a long-term process and the risk of loss diminishes over time. As an example there are many one year periods that have resulted in a significant loss in value to portfolios but far fewer 10 year periods that have resulted in a loss.

Equities , bonds, and short term cash instruments all have risks associated with them. They all can be subject to loss in principal.

When WFS is not hired to manage a clients portfolio, the investment advice given is used solely for determining reasonable rates of return to be used in developing the client's financial plan, and the client's investment professional will be responsible for helping the client achieve the target rate of return used in the clients financial plan.

Item 9      Disciplinary Information

Neither WFS or Bret Wilhelm have any disciplinary history.

Item 10      Other Financial Industry Activities and Affiliations

Neither WFS or Bret Wilhelm have any financial industry activities or affiliations that create a conflict of interest. We do not make any referrals to any related person. Further, WFS is not compensated by any of the managers that it refers clients to.

WFS follows a strict code of ethics. WFS will provide a copy of our code of ethics to any client or prospective client upon request

Bret Wilhelm does buy and sell securities that WFS recommends to its clients. One concern with this is that an unethical advisor can buy ahead of its clients to receive an investment gain when the clients buy in. This is only possible if the securities bought are traded on very low volume or if the amount the clients purchase is a significant amount of the volume. Neither of these typically applies to WFS. If this situation ever develops WFS will always put its clients interest ahead of those of Bret Wilhelm. As a result, WFS does not believe that this compromises its objectivity or creates conflicts of interest between WFS and its clients. To the contrary we believe that it shows our commitment to our investment philosophy. If at any time WFS feels that its objectivity is in question or that a conflict of interest has been created it will immediately disclose this to its clients that are affected. The trades entered into by Bret Wilhelm may be different than those recommended clients do to the differences in their financial situations.

WFS prefers, but does not require, its clients to custody their assets at Charles Schwab. We picked Charles Schwab because it is a well respected broker dealer which provides a high level of customer service to our clients. We also wanted a broker dealer with low commission rates, fees and margin rates. WFS does not require clients to custody their assets at Schwab. Because most of our clients money is at Schwab we are able to negotiate lower commissions, fees and margin interest rates.

We receive free research (proprietary and non-proprietary), as well as, other newsletters from Schwab. In effect we are using the commissions our clients pay to receive a benefit from Schwab because we do not have to produce or pay for the research or newsletters. This can create an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our client's interest in receiving most favorable execution. This was not a major consideration when selecting Schwab because the other broker dealer also provided these services. We believe the research benefits our clients because we use the research to assist them with their investments.

When WFS is not hired to manage a clients portfolio and it gives referrals to brokers and other money managers it does not determine the suitability of these managers for the client. It provides names of brokers and managers solely as a convenience to the client. The client has the sole responsibility of determining if the broker is the appropriate professional to manage the client money and to determine the reasonableness of the broker's commissions. WFS will help the client through this process if it is part of the ongoing management of the client's assets or if the client pays WFS its customary hourly rate.

### Portfolio Reviews

WFS will review our clients portfolios with them during their quarterly meetings. During these meetings WFS will review the appropriateness of the portfolio for the client and make any changes to it that are necessary. The clients financial plan is an integral part of this review.

WFS will prepare and deliver written quarterly investment performance reports for all of its investment management clients. The report will cover all of the investments held at WFS current custodian. WFS's current custodian is Charles Schwab Institutional. Once a clients fee meets or exceeds \$23,500 per year the report will include any of the client's assets that the client wants included

### Financial Planning

All reviews will be performed by Bret Wilhelm. There will be two reviews in the financial planning process. The first will be performed at the completion of the base scenario and will consist of a comprehensive review of the reasonableness and accuracy of all of the inputs. The second will be completed after all of the scenarios have been run and will consist of verifying that all of the changes made in each scenarios are resonable and have been entered properly.

Item 14      *Client Referrals and Other Compensation*

WFS does not receive compensation for referring clients to anyone and does not pay anyone for referrals to WFS.



Item 15      *Custody*

WFS does not have custody of client funds or securities WFS will not take custody of client's funds or securities.

Item 16 Investment Discretion

WFS does not have discretionary authority to trade our clients accounts, and will not take discretionary authority over client accounts. This means WFS will not be able to effect transactions in the clients account without the client's prior written permission or without having the client verify the instructions verbally prior to the trade order.

Item 17      Voting *Client* Securities

WFS does not vote client securities

Item 18 Financial Information

Not applicable

Item 19      Requirements for State-Registered Advisers

Not Applicable